



ACCC

AUSTRALIAN COMPETITION
& CONSUMER COMMISSION

Report on the Australian petroleum market

June quarter 2023

September 2023



Acknowledgment of country

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Australian Competition and Consumer Commission
Ngunnawal
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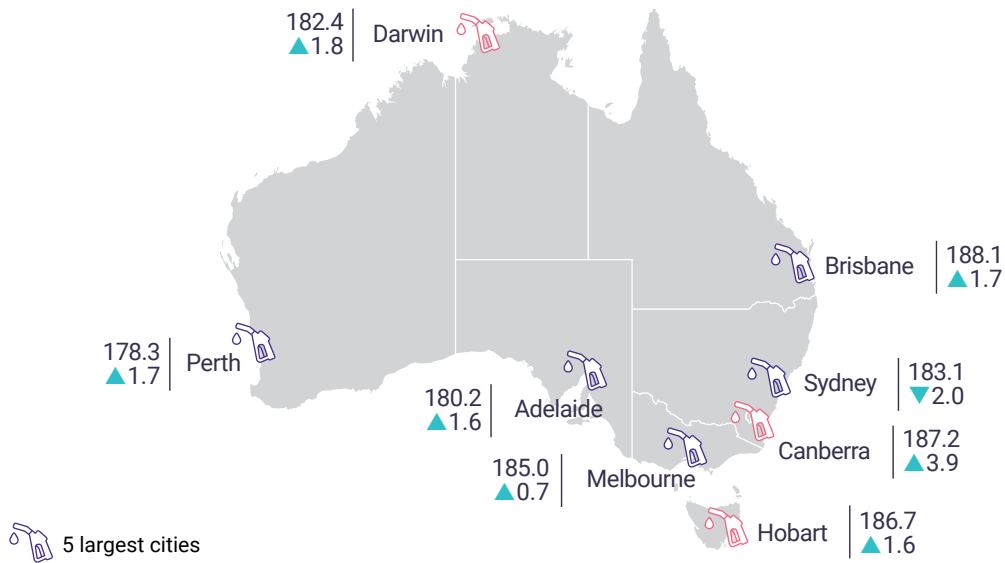
Contents

June quarter 2023 – Petrol snapshot	1
Key messages	2
1. Developments in the petroleum industry	10
1.1 Petrol sales volumes decreased marginally in the June quarter	10
1.2 Decreasing diesel prices contributed to the lower rate of inflation in the quarter	11
1.3 Viva Energy proposed to acquire the OTR Group	11
1.4 7-Eleven announced that its business is for sale	12
1.5 The Australian Government released draft fuel efficiency standards for consultation	12
1.6 The FuelCheck scheme continued in the Australian Capital Territory while a review was undertaken	12
1.7 The 2022 National Monitor of Fuel Consumer Attitudes was released	13
1.8 Progress continued to support electric vehicle uptake	14
2. ACCC activities	16
2.1 The ACCC monitors prices, costs and profits in the petroleum industry	16
2.2 The Fuel Consultative Committee discussed greenwashing issues	16
2.3 The ACCC reported on its 2022 monitoring of excise changes	17
2.4 Other stakeholder engagement and communications activity	17
3. Retail petrol price movements in the 5 largest cities	18
3.1 Retail prices in the 5 largest cities increased marginally	18
3.2 Price cycles in each of the 5 largest cities are different and vary over time	19
3.3 The price differentials between premium unleaded petrol grades and regular unleaded petrol increased marginally	21
4. Components of petrol prices in the 5 largest cities	23
4.1 Mogas 95 was the largest component of average retail petrol prices	23
4.2 Mogas 95 prices decreased	24
4.3 The lower AUD–USD exchange rate put upward pressure on retail prices	25
4.4 Average gross indicative retail differences in the 5 largest cities were higher	26
4.5 Longer term average gross indicative retail differences remained below pre-pandemic levels	29
4.6 Retail prices were broadly stable because the decrease in Mogas 95 prices was largely offset by a lower AUD–USD exchange rate and increases in other components	31

5.	Retail petrol price movements in the smaller capital cities and in regional locations	33
5.1	Retail prices increased in Canberra, Hobart and Darwin	33
5.2	Average regional prices were higher than prices in the 5 largest cities	34
5.3	Average regional prices were lower than their respective capital city prices in Victoria and Queensland in the quarter	36
6.	Crude oil and refined petrol price movements	38
6.1	Crude oil and refined petrol prices decreased	38
6.2	Refiner margins decreased marginally	39
6.3	The OPEC cartel, COVID-19, conflict in Ukraine and increasing interest rates have been the main influences on crude oil prices in recent years	40
7.	Retail diesel price movements in the 5 largest cities	43
7.1	Retail diesel prices trended downward	43
7.2	Gasoil 10 ppm was the largest component of average retail diesel prices	44
7.3	Retail diesel prices continued to decrease and in June 2023 were lower than petrol prices	45
Appendix A: 2022–23 data		47
Appendix B: Petrol price data for monitored locations		58
Appendix C: Components of automotive liquefied petroleum gas (LPG) prices		65

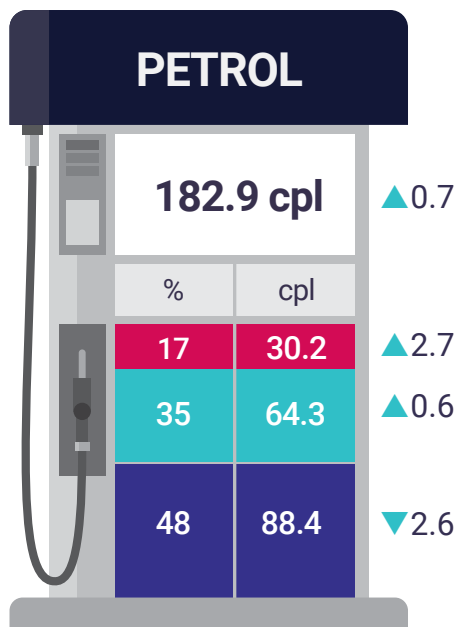
June quarter 2023 – Petrol snapshot

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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

GROSS INDICATIVE RETAIL DIFFERENCES

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



DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

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



Prices are shown in cents per litre (cpl). ▲▼ cpl change from previous quarter. 'Petrol' means regular unleaded petrol in all capital cities.

Key messages

Average retail diesel prices continued to decrease and were lower than petrol prices in June 2023

Quarterly average retail diesel prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) were 186.6 cents per litre (cpl) in the June quarter 2023, a decrease of 13.1 cpl from the March quarter 2023 (199.7 cpl). Since the December quarter 2022, quarterly average retail diesel prices have decreased by 36.3 cpl (over 16%).

Following international benchmark price movements, for the first time since January 2022 monthly average retail diesel prices in the 5 largest cities in June 2023 (181.2 cpl) were below average retail petrol prices (183.7 cpl), as shown in the chart below.¹

Monthly average retail diesel prices and retail petrol prices in the 5 largest cities in nominal terms: 1 July 2021 to 30 June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the June quarter 2023.

The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).

¹ In this report, 'petrol' means regular unleaded petrol unless otherwise specified.

International benchmark diesel prices decreased to below international petrol prices

The price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm) is the relevant international benchmark for the wholesale price of diesel in Australia. The price of Singapore Mogas 95 Unleaded (Mogas 95) is the relevant international benchmark for the wholesale price of petrol. The following chart shows monthly average Gasoil 10 ppm and Mogas 95 prices in Australian cents per litre over the past 2 years.

Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



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

Notes: The shaded area in the chart represents the June quarter 2023.

The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).

Gasoil 10 ppm is the international diesel benchmark and Mogas 95 is the international petrol benchmark.

While both petrol and diesel are refined from crude oil and their prices broadly tend to follow similar movements over the long term, different influences can affect Gasoil 10 ppm and Mogas 95 prices. Prior to the Russian invasion of Ukraine on 24 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. Over the next 12 months, Gasoil 10 ppm prices were significantly higher.² This ended in the June quarter 2023, when quarterly average Gasoil 10 ppm prices in Australian cents per litre (87.6 cpl) were 0.8 cpl lower than average Mogas 95 prices (88.4 cpl).

The decrease in the international benchmark price for refined diesel in the June quarter 2023 was influenced by: continuing exports of diesel from Russia despite the sanctions; a decline in diesel consumption across North America and Europe; and an unexpected build-up in diesel inventories.

² Ongoing sanctions on Russia’s petroleum industry in response to the conflict in Ukraine meant global supply of refined diesel decreased. This was compounded by existing low global stocks of diesel and reduced exports from China.

Average retail petrol prices increased marginally

In the June quarter 2023, average retail petrol prices in the 5 largest cities were 182.9 cpl, an increase of 0.7 cpl from the March quarter 2023 (182.2 cpl).

The following chart shows movements in 7-day rolling average retail petrol prices from 1 July 2021 to 30 June 2023.³

Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 July 2021 to 30 June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the June quarter 2023.

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

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

The chart shows that 7-day rolling average retail prices have been relatively stable over the past 2 quarters, ranging in a 24.4 cpl band between 169.4 cpl (on 23 May 2023) and 193.8 cpl (on 20 April 2023).

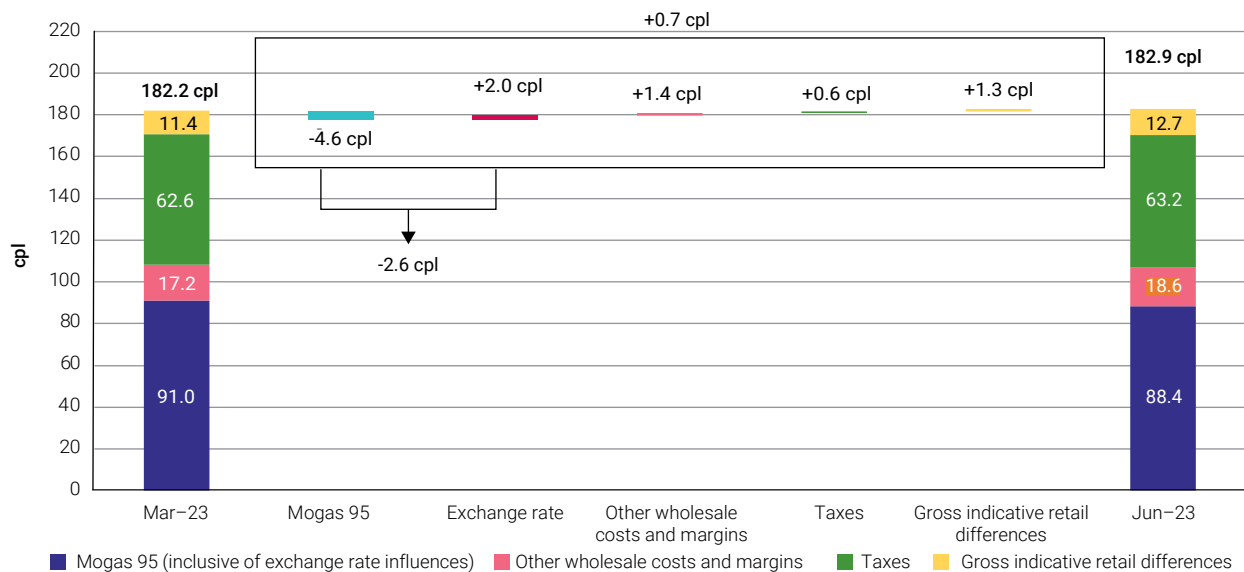
The following chart shows the change in the components of average retail petrol prices in the 5 largest cities between the March quarter 2023 and the June quarter 2023. These include:

- the international price of refined petrol (Mogas 95)
- the AUD–USD exchange rate (which has a significant influence on Australia's retail petrol prices because international refined petrol is bought and sold in US dollars in global markets)
- taxes (excise and the goods and services tax)
- other wholesale costs and margins (which includes international shipping costs and other import costs, and wholesale costs and margins)
- retail costs and margins (represented by gross indicative retail differences).⁴

³ A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days. Traditionally, the ACCC used a 7-day rolling average to smooth out the influence of petrol price cycles in the larger cities on retail price movements. This has been less effective in recent years because the duration of price cycles in most of the larger cities has become substantially greater than 7 days.

⁴ Gross indicative retail differences are described in more detail on page 7.

Changes in the components of average retail petrol prices in the 5 largest cities: March quarter 2023 to June quarter 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, FuelWatch, the Reserve Bank of Australia and the Australian Taxation Office.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale goods and services tax. The small amount of retail goods and services tax is included in gross indicative retail differences rather than in taxes, to be consistent with gross indicative retail differences reported elsewhere in this report. As a result, the taxes component in this chart is different from the taxes component in 'June quarter 2023 – Petrol snapshot'.

The chart shows that the marginal increase in average retail petrol prices in the 5 largest cities in the June quarter 2023 (0.7 cpl) was a result of decreases in Mogas 95 prices being offset by a lower AUD–USD exchange rate, and increases in other wholesale costs and margins and gross indicative retail differences.

Excluding the effect of changes in the AUD–USD exchange rate (which decreased by US 1.6 cents on average in the quarter), Mogas 95 prices would have decreased by 4.6 cpl. However, the decrease in the AUD–USD exchange rate offset the influence of the decrease in Mogas 95 prices by 2.0 cpl in Australian dollar terms. The net effect of movements in Mogas 95 prices and the AUD–USD exchange rate was that Mogas 95 prices in Australian cents per litre only decreased by 2.6 cpl.

Refiner margins decreased

The refiner margin is the difference between the price of refined petrol and the price of crude oil. The following chart shows movements in weekly average Brent crude oil and Mogas 95 prices between July 2021 and June 2023.

Weekly average Brent crude oil and Mogas 95 prices in nominal terms: July 2021 to June 2023 – USD per barrel



Source: ACCC calculations based on data from Argus Media.

Note: The shaded area in the chart represents the June quarter 2023.

In the June quarter 2023, average Brent crude oil prices were around USD 79 per barrel (a decrease of around 4%) from the previous quarter. Quarterly average Mogas 95 prices decreased by around 5% to around USD 94 per barrel, leading to a decrease in refiner margins. In the June quarter 2023, the average refiner margin was USD 15.2 per barrel (around 14.3 cpl in Australian dollar terms), a decrease of USD 1.6 per barrel from the previous quarter.

This refiner margin is a notional number calculated by subtracting one international benchmark price from another and does not represent the actual refiner margin at any specific refinery, which will be influenced by factors such as the specific mix of products produced, how efficiently they are produced and by any refinery outages.

In the June quarter 2023, both refineries in Australia recorded periods of refinery outage, resulting in a higher proportion of lower value fuel products being produced, which led to lower refiner margins. Ampol announced that its refiner margin at the Lytton refinery was USD 5.66 per barrel in the June quarter 2023, and Viva Energy announced that its refiner margin at the Geelong refinery was USD 4.20 per barrel.

Average gross indicative retail differences for petrol remained below pre-pandemic levels

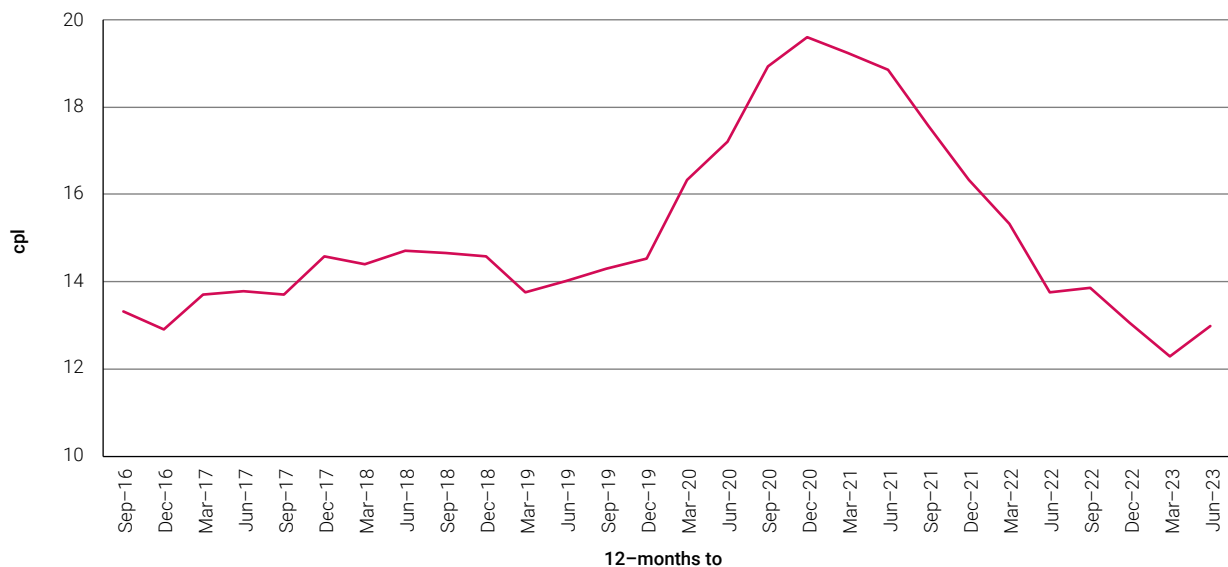
In the June quarter 2023, average gross indicative retail differences in the 5 largest cities were 12.7 cpl, an increase of 1.3 cpl from the previous quarter (11.4 cpl).

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

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

The following chart shows 12-month average gross indicative retail differences in **real** terms across the 5 largest cities, calculated at the end of each quarter over the past 7 years.⁵

Twelve-month average gross indicative retail differences in the 5 largest cities in real terms: September 2016 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy and FuelWatch, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

Note: **Real** values are shown in June 2023 dollars.

⁵ This calculation uses average retail prices and average terminal gate prices over 12-month periods to the end of the quarter.

Prior to the pandemic (between September 2016 and December 2019), **real** 12-month average gross indicative retail differences ranged between 12.9 cpl and 14.6 cpl. They reached their highest level on record in both nominal and **real** terms in the year to December 2020 (19.6 cpl), influenced by COVID-19 restrictions and retailers experiencing lower sales volumes.

Average petrol sales volumes in Australia were substantially lower in the June quarter 2020. As restrictions on activities and people movement in parts of Australia subsequently eased, petrol sales volumes recovered.

Petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and branding) and when sales volumes decline, the cost per unit of petrol will increase. The opposite effect will occur as sales volumes increase, where fixed costs decrease per unit of petrol. This has likely been a factor influencing the lower gross indicative retail differences over the past year.

At the end of the June quarter 2023, **real** 12-month average gross indicative retail differences were 13.0 cpl, which was below pre-pandemic levels, as they were in the previous 2 quarters.

Viva Energy proposed to acquire the OTR Group

On 5 April 2023, Viva Energy announced that it had entered into a binding agreement to acquire the OTR Group from Peregrine Corporation. The proposed acquisition will combine the entities' retail fuel, wholesale fuel and retail convenience and grocery offerings.

Viva Energy is a fuel refiner, importer, wholesaler, distributor and retailer, operating a nationwide fuel supply chain with retail sites in each Australian state and territory, including Coles Express convenience sites. Viva Energy is the exclusive supplier of Shell-branded fuels and lubricants in Australia.

The OTR Group is a fuel and convenience retailer operating predominantly in South Australia with some locations in other states and territories across Australia, including the Northern Territory under the Puma brand. The OTR Group also supplies wholesale fuels and distribution services to small commercial customers and independent retail fuel sites through the Reliable Petroleum, Mogas Regional and Ausfuel businesses.

Viva Energy and the OTR Group plan to complete the transaction in the second half of 2023, subject to approval from the Foreign Investment Review Board and the ACCC. On 6 July 2023, the ACCC commenced a public informal merger review of the transaction. The provisional date for announcement of the ACCC's findings is 21 September 2023.

Retail petrol prices increased in the smaller capitals and across regional locations on average

In the June quarter 2023, average retail prices increased in all 3 smaller capital cities: Canberra by 3.9 cpl, Darwin by 1.8 cpl and Hobart by 1.6 cpl. Average retail prices in Darwin (182.4 cpl) were below the average retail price across the 5 largest cities (182.9 cpl), while average prices in Canberra and Hobart were above.

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. In the June quarter 2023, average retail petrol prices in regional locations in aggregate (regional prices) were 185.3 cpl, an increase of 2.2 cpl from the March quarter 2023. Regional prices were 2.4 cpl higher than average retail petrol prices in the 5 largest cities. Quarterly average regional prices were higher than retail petrol prices in the 5 largest cities for the seventh consecutive quarter.

2022–23 – Key results⁶



Annual average retail petrol prices in the 5 largest cities were the highest on record in nominal terms, but lower than prices in 2021–22 in **real** terms.



Average petrol gross indicative retail differences in the 5 largest cities in **real** terms were below the 10-year average.



Annual average petrol prices increased in Canberra, Hobart and Darwin and in regional locations in aggregate.



Annual average retail diesel prices in the 5 largest cities were the highest on record in nominal terms, and the highest in 15 years in **real** terms.

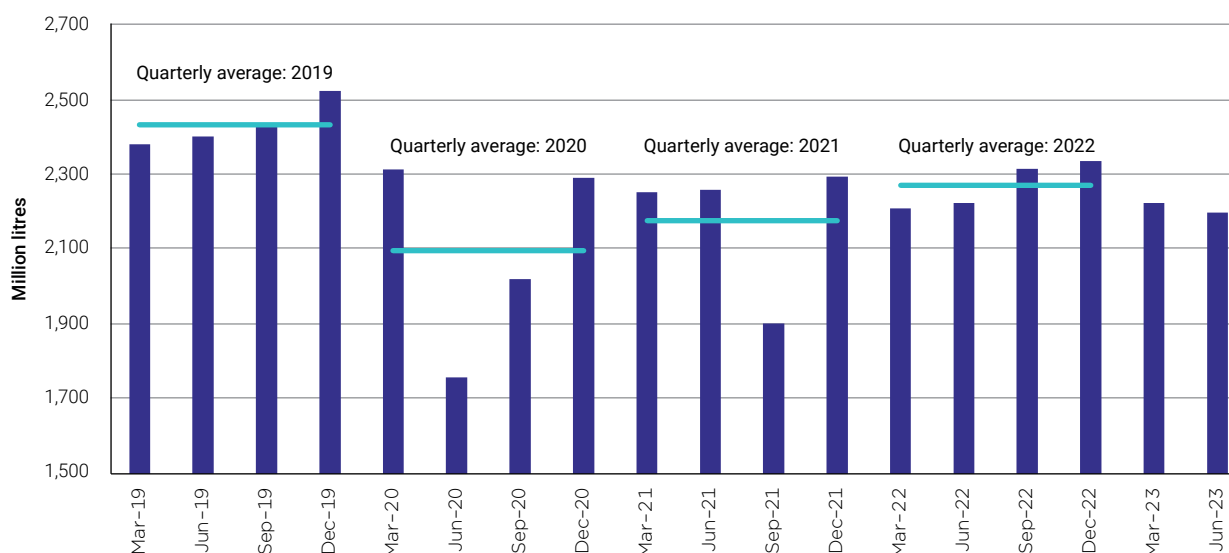
⁶ Appendix A includes additional data on outcomes in 2022–23.

1. Developments in the petroleum industry

1.1 Petrol sales volumes decreased marginally in the June quarter

Petrol sales volumes across Australia in the June quarter 2023 were 2,196 million litres, a marginal decrease from the previous quarter (2,221 million litres).

Chart 1.1: Quarterly sales volumes of regular unleaded petrol in Australia: March quarter 2019 to June quarter 2023 – million litres



Source: Department of Climate Change, Energy, the Environment and Water, [Australian Petroleum Statistics – Data Extract June 2023](#), accessed on 16 August 2023.

Chart 1.1 shows that COVID-19 restrictions imposed in mid-March 2020 resulted in average petrol sales volumes in Australia being substantially lower in the June quarter 2020. Petrol sales volumes partially recovered in the 2 subsequent quarters as restrictions in parts of Australia eased. They remained stable in the first 2 quarters of 2021, before decreasing significantly in the September quarter 2021. In the December quarter 2021, sales volumes rebounded.

Quarterly average sales in the first half of 2023 (2,209 million litres) were around 3% lower than quarterly average sales in 2022 (2,269 million litres), but around 2% higher than in 2021 (2,175 million litres), and around 5% higher than in 2020 (2,094 million litres). They were around 9% lower than in 2019 (2,430 million litres).

There are a number of reasons why petrol sales volumes may have not returned to pre-COVID-19 levels. These include increasing hybrid and electric vehicle purchases; motorists not purchasing as much petrol as they did in the past due to increasing working from home arrangements; and the continuing trend of vehicles becoming more fuel efficient.

1.2 Decreasing diesel prices contributed to the lower rate of inflation in the quarter

In the June quarter 2023, the Consumer Price Index increased by 0.8%, which was 0.6 percentage points lower than the increase in the March quarter 2023 (1.4%).⁷ The Consumer Price Index is an indicator of inflation in the Australian economy. It measures the price change of a 'basket' of goods and services purchased by Australian households. According to the *2015–16 Household Expenditure Survey*, Australians spend on average approximately \$2,300 on automotive fuel each year. This is reflected in the measurement of the Consumer Price Index with a weight of 3.3% of the basket.⁸

Automotive fuel prices decreased by 0.7% in the quarter. The main contributor was the fall in diesel prices by 6.5%, while prices for unleaded petrol rose marginally by 0.3%.⁹

1.3 Viva Energy proposed to acquire the OTR Group

On 5 April 2023, Viva Energy announced that it had entered into a binding agreement to acquire the OTR Group from Peregrine Corporation.¹⁰

Viva Energy is a fuel refiner, importer, wholesaler, distributor and retailer, operating a nationwide fuel supply chain with retail sites in each Australian state and territory, including Coles Express convenience sites. Viva Energy is the exclusive supplier of Shell-branded fuels and lubricants in Australia.

The OTR Group is a fuel and convenience retailer operating predominantly in South Australia with some locations in other states and territories across Australia, including the Northern Territory under the Puma brand. The OTR Group also supplies wholesale fuels and distribution services to small commercial customers and independent retail fuel sites through the Reliable Petroleum, Mogas Regional and Ausfuel businesses.

The proposed acquisition will combine the entities' retail fuel, wholesale fuel and retail convenience and grocery offerings. Viva Energy and the OTR Group plan to complete the transaction in the second half of 2023, subject to approval from the Foreign Investment Review Board and the ACCC.

On 6 July 2023, the ACCC commenced a public informal merger review of the transaction.¹¹ The provisional date for announcement of the ACCC's findings is 21 September 2023.

7 Australian Bureau of Statistics, [Consumer Price Index, Australia, June quarter 2023](#), accessed on 16 August 2023.

8 Australian Bureau of Statistics, [Automotive Fuel in the CPI](#), 23 March 2021, accessed on 16 August 2023.

9 Over the 12 months to the June quarter 2023, the Consumer Price Index increased by 6.0%, with automotive fuel decreasing by 3.6%. This is down from the previous annual change, when the Consumer Price Index increased by 6.1%, with automotive fuel increasing by 32.1%. Compared with the previous annual change, diesel prices over the 12 months to the June quarter 2023 were 10.1% lower and unleaded petrol prices were 3.2% lower.

10 Viva Energy, [Viva Energy to acquire OTR Group, transforming Viva Energy's Convenience and Mobility retail business](#), 5 April 2023, accessed on 16 August 2023.

11 ACCC, [Viva Energy – OTR Group](#).

1.4 7-Eleven announced that its business is for sale

On 1 May 2023, 7-Eleven announced that it had commenced a process to facilitate a change of ownership of the business in Australia.¹² The process is expected to take a number of months. 7-Eleven noted that it is Australia's largest private fuel and convenience retailer, with a network of around 750 stores across Victoria, New South Wales, the Australian Capital Territory, Queensland and Western Australia, processing 250 million transactions each year. Around 615 7-Eleven stores sell fuel.¹³

1.5 The Australian Government released draft fuel efficiency standards for consultation

On 19 April 2023, the Australian Government announced that it would introduce a fuel efficiency standard by the end of 2023, and was working with industry and the community to finalise details in coming months.¹⁴ A consultation paper was released, and submissions closed on 31 May 2023.¹⁵

Fuel efficiency standards outline how much carbon dioxide a car will produce when it is running. More efficient vehicles will produce less emissions, meaning their environmental impact is lower, and they may also be cheaper for motorists to run. Australia is one of the last industrialised countries to develop a fuel efficiency standard. The absence of a standard has meant Australians are missing out on greater choice of car models and potentially paying more in fuel costs to run their cars because manufacturers prioritise sending more efficient vehicles to countries with standards in place. Fuel efficiency standards will only apply to new cars, and not retrospectively.

The Government's announcement noted that:

- on average, new cars in Australia use 40% more fuel than the European Union, 20% more than the United States, and 15% more than New Zealand
- previous analysis has shown that the introduction of a fuel efficiency standard could save motorists \$519 per year in fuel costs.

1.6 The FuelCheck scheme continued in the Australian Capital Territory while a review was undertaken

On 4 November 2022, the Australian Capital Territory Government announced that, in collaboration with the New South Wales Government, it was introducing the NSW FuelCheck scheme to the Australian Capital Territory as part of a 6-month pilot.¹⁶

12 7-Eleven, [7-Eleven Australia company announcement](#), news, 1 May 2023, accessed on 16 August 2023.

13 Chanticleer, [7-Eleven sales pitch pits \\$1 coffee against cut-price fuel](#), *Australian Financial Review*, 11 July 2023, accessed on 16 August 2023.

14 The Hon Chris Bowen MP, Minister for Climate Change and Energy, and the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government, [Australia's first National Electric Vehicle Strategy to drive cleaner, cheaper to run vehicles](#), joint media release, 19 April 2023, accessed on 16 August 2023.

15 The [consultation paper](#) is available from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts website.

16 Tara Cheyne MLA, Minister for Business, and Shane Rattenbury MLA, Minister for Consumer Affairs and Minister for Energy, [FuelCheck now available in the ACT in a boost to Canberra motorists](#), joint media release, 4 November 2022, accessed on 16 August 2023.

On 31 May 2023, the Australian Capital Territory Government noted in the Legislative Assembly that it was currently reviewing the operation of the FuelCheck app during the pilot period to determine whether any further adjustments to the scheme might be needed or whether any additional measures may be necessary.¹⁷

The Government also noted that, over the past 6 months:

- through shopping around via the FuelCheck app or website, it had been possible to save, on average, 16.0 cpl on regular unleaded petrol, 24.0 cpl on premium unleaded petrol, and nearly 27.0 cpl on diesel
- the scheme in the Australian Capital Territory was an opt-in scheme, and 61 of 62 retailers had opted in
- there had been a low level of complaints received (16), and none since 1 April 2023.

1.7 The 2022 National Monitor of Fuel Consumer Attitudes was released

On 22 May 2023, the Australasian Convenience and Petroleum Marketers Association released its 2022 National Monitor of Fuel Consumer Attitudes report.¹⁸ The Association typically undertakes research into consumer attitudes towards the petrol-convenience industry in Australia every 2 years. This is its fourth consumer attitudes report.¹⁹

Key findings of the survey include:

- Price is the key driver of retailer choice, with 54% of respondents indicating this is the most important factor in their decision about where to shop for fuel.
- A quarter of fuel consumers remain loyal to a single station, with another 62% generally purchasing from one of the same few outlets. Loyalty to one, or a few fuel outlets is largely driven by location (27%) and the belief that it usually has the lowest prices (30%).
- The use of fuel price apps was the most popular method of fuel price searching. Up from 19% in 2019, 34% reported using fuel price apps to search for prices in 2022. While street signage remains popular for 3 in 10 consumers, this is down from 47% in 2019.
- 49% of motorists visited a service station at least weekly in 2022, down from 55% in 2019.
- There was a small increase in the percentage of consumers who purchase convenience items alongside fuel, up from 18% in 2019 to 21% in 2022.
- The availability of non-fuel products has an increasing influence in consumers' choice of fuel outlet.
- More consumers are visiting the convenience store at a service station without buying fuel, particularly younger consumers.

17 Australian Capital Territory Legislative Assembly, [Debates of the Legislative Assembly for the Australian Capital Territory, Daily Hansard](#), Edited proof transcript, 31 May 2023, accessed on 16 August 2023.

18 Australasian Convenience and Petroleum Marketers Association, [2022 National Monitor of Fuel Consumer Attitudes: Beyond Fuel](#), 22 May 2022, accessed on 16 August 2023.

19 [Past surveys](#) for 2015, 2017 and 2019 are available from the Australasian Convenience and Petroleum Marketers Association website.

1.8 Progress continued to support electric vehicle uptake

The Australian Government released a national electric vehicle strategy

On 19 April 2023, the Australian Government released Australia's first National Electric Vehicle Strategy.²⁰ Australia lags behind other countries in electric vehicle sales, with uptake of electric vehicles in Australia around 4 times lower than the global average. The strategy focusses on reducing demand, supply and infrastructure barriers to electric vehicle uptake.

The Queensland Government announced measures to make electric vehicles more affordable

On 21 April 2023, the Queensland Government announced a number of measures to make electric vehicles more affordable.²¹ Under its current Zero Emission Vehicle Rebate Scheme, which commenced on 1 July 2022, eligible households in Queensland could access a \$3,000 rebate when purchasing a new electric vehicle. The Government made the following changes to the scheme:

- increasing the rebate from \$3,000 to \$6,000 for eligible households earning up to a total gross household income of \$180,000 per year
- increasing the eligibility threshold for vehicles, which will now exclude dealer delivery fees from determining 'dutiable value' from \$58,000 to \$68,000 (including goods and services tax).

bp entered into partnerships with AGL and Uber

On 15 June 2023, bp and AGL announced that they had joined forces to launch an initial offer for customers in New South Wales to receive special charging rates at bp pulse rapid and ultra-fast chargers when they sign up for AGL's new electric vehicle home energy plan.²² bp is rolling out a network of 600 bp pulse electric vehicle charge points across Australia by 2025.

On 9 June 2023, bp and Uber announced that electric vehicle drivers on the Uber platform would receive a discount on charging at any bp pulse charging station across the country.²³ Uber driver-partners and delivery people across Australia already have access to a range of offers at participating bp service stations, including discounts on fuel, coffee, car wash and other shop offerings at select sites.

20 See footnote 14.

21 The Honourable Mick de Brenni, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, [Making electric vehicles more affordable to slash emissions and act on climate change](#), media statement, 21 April, 2023, accessed on 16 August 2023.

22 bp Australia, [bp charges forward on EV journey with AGL](#), press release, 15 June 2023, accessed on 16 August 2023.

23 bp Australia, [bp and Uber launch EV driver deal](#), press release, 9 June 2023, accessed on 16 August 2023.

The National Roads and Motorists' Association (NRMA) announced a partnership program with the Australian Government to build a national electric vehicle fast charging network

On 26 April 2023, the NRMA and the Australian Government announced a partnership program to build a national electric vehicle fast charging network with a focus on connecting regional communities.²⁴ The \$78.6 million funding partnership will see the creation of 117 fast charging sites across the national highway network.

On 31 January 2023, the NRMA introduced mobile electric chargers in New South Wales for its members, as part of its broader strategy to support the transition to electric vehicles in Australia.²⁵ The NRMA currently has a network of over 50 fast electric vehicle chargers.

24 NRMA, [NRMA announces Australian government partnership for EV charging](#), press release, 26 April 2023, accessed on 16 August 2023.

25 NRMA, [NRMA introduces mobile electric vehicle charging](#), press release, 31 January 2023, accessed on 16 August 2023.

2. ACCC activities

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

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading, and product safety for the benefit of consumers, businesses, and the Australian community. The primary responsibilities of the ACCC are to enforce compliance with the competition, consumer protection, fair trading and product safety provisions of the *Competition and Consumer Act 2010*, regulate national infrastructure and undertake market studies.

In addition to those primary responsibilities, in the petrol industry the ACCC monitors prices, costs and profits relating to the supply of petroleum products in Australia under a direction from the Treasurer.²⁶ It is also responsible for administration of the Oil Code.²⁷

Market forces determine wholesale and retail petrol prices in Australia. The ACCC does not set prices in petrol markets and does not have the powers to do so. In the absence of anticompetitive conduct that is in breach of the *Competition and Consumer Act 2010* (such as price fixing with competitors), high petrol prices are not illegal.

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

2.2 The Fuel Consultative Committee discussed greenwashing issues

In May 2023, the ACCC hosted a meeting of the Fuel Consultative Committee, which comprises representatives from major fuel retailers, refiner-wholesalers, peak industry associations and motoring organisations. The Fuel Consultative Committee generally meets twice a year. The information and views shared at the meeting increase the ACCC's understanding of fuel industry issues and assists our roles in competition and consumer protection in the fuel industry.

A key issue discussed at the meeting was greenwashing issues relevant to Australian fuel markets. Other topics discussed at the Fuel Consultative Committee included: the ACCC's new petrol monitoring Direction, increasing costs of doing business, recent influences on retail fuel prices, progress with issues relating to electric vehicles, and petrol price cycles.

On 14 July 2023, the ACCC published draft guidance to improve the integrity of environmental and sustainability claims made by businesses and protect consumers from 'greenwashing'.²⁸ The draft guidance aims to address the concerning conduct identified by the ACCC's recent greenwashing internet sweep, which found 57% of businesses reviewed were making potentially misleading

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

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

28 ACCC, [ACCC publishes draft guidance to improve businesses' environmental claims](#), media release, 14 July 2023.

environmental claims. The ACCC sought feedback by 15 September 2023 from businesses, consumers and other stakeholders on the draft guidance.

2.3 The ACCC reported on its 2022 monitoring of excise changes

On 22 May 2023, the Chair of the ACCC, Gina Cass-Gottlieb, included a summary of the work undertaken by the ACCC in monitoring changes in fuel excise in 2022 in her presentation to a joint conference hosted by the Australian Bureau of Statistics and the Reserve Bank of Australia. The conference topic was ‘Underneath the headlines: understanding price change in the Australian economy’ and it was held in Sydney on 22 and 23 May.²⁹

2.4 Other stakeholder engagement and communications activity

Figure 2.1: Fuel-related inquiries and ACCC webpage views – June quarter 2023



Source: ACCC data

Note: ▲▼% change from previous quarter.

Appendix A has information on ACCC webpage views in 2022–23.

²⁹ ACCC, [The role and benefits of deep data in delivering the ACCC’s mission to promote competition and make markets work in the interests of consumers, businesses and the economy](#), 22 May 2023.

3. Retail petrol price movements in the 5 largest cities

This chapter focuses on petrol prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide, and Perth). Chapter 5 analyses petrol prices in the smaller capital cities (Canberra, Hobart, and Darwin) and regional locations across Australia.³⁰

3.1 Retail prices in the 5 largest cities increased marginally

In the June quarter 2023, average retail petrol prices in the 5 largest cities were 182.9 cpl, an increase of 0.7 cpl from the March quarter 2023 (182.2 cpl).

Table 3.1 shows quarterly average retail prices in the March quarter 2023 and June quarter 2023, and the change in each of the 5 largest cities.

Table 3.1: Quarterly average retail petrol prices in each of the 5 largest cities: March quarter 2023 and June quarter 2023 – cents per litre (cpl)

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
Mar-23	185.1	184.3	186.4	178.6	176.6	182.2
Jun-23	183.1	185.0	188.1	180.2	178.3	182.9
Change	-2.0	0.7	1.7	1.6	1.7	0.7

Source: ACCC calculations based on data from FUELtrac.

Table 3.1 shows that, in the June quarter 2023:

- prices increased in Melbourne, Brisbane, Adelaide and Perth, and decreased in Sydney
- Brisbane's average retail prices were the highest (188.1 cpl), as they were in the previous quarter
- Perth's average retail prices were the lowest (178.3 cpl), as they were in the previous quarter
- prices increased the most in Brisbane and Perth (by 1.7 cpl) and decreased by 2.0 cpl in Sydney.

Chart 3.1 shows 7-day rolling average retail petrol prices in the 5 largest cities over the past 2 years. Prices were at a period low on 24 July 2021 (146.7 cpl) and then trended upwards reaching a period high of 214.9 cpl on 18 March 2022. They fluctuated significantly over the next 9 months, influenced by volatile international crude oil and refined petrol prices, and the temporary cut in fuel excise in late March 2022 and the restoration of full excise in late September 2022. Seven-day rolling average retail petrol prices were less volatile in the March quarter 2023, ranging between 173.7 cpl and 191.8 cpl.

³⁰ Compared with other developed countries, Australia's retail petrol prices are relatively low, due to the lower rate of taxation on fuel. Data comparing regular unleaded petrol and premium unleaded petrol prices in Australia with those in other countries in the Organisation for Economic Co-operation and Development is available from the Department of Climate Change, Energy, the Environment and Water website at: [Australian Petroleum Statistics – Data Extract 2023](#), and from the [Australian Institute of Petroleum's Weekly Prices Reports](#).

Chart 3.1: Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 July 2021 to 30 June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the June quarter 2023.

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

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

Seven-day rolling average retail petrol prices were 185.0 cpl at the start of the June quarter 2023. After reaching a quarterly high of 193.8 cpl on 20 April, they decreased to a quarterly low of 169.4 cpl on 23 May, as petrol price cycles in all 5 largest cities moved to a low point around the same time. Prices subsequently increased in line with movements in price cycles, before decreasing to 175.3 cpl at the end of the quarter.

3.2 Price cycles in each of the 5 largest cities are different and vary over time

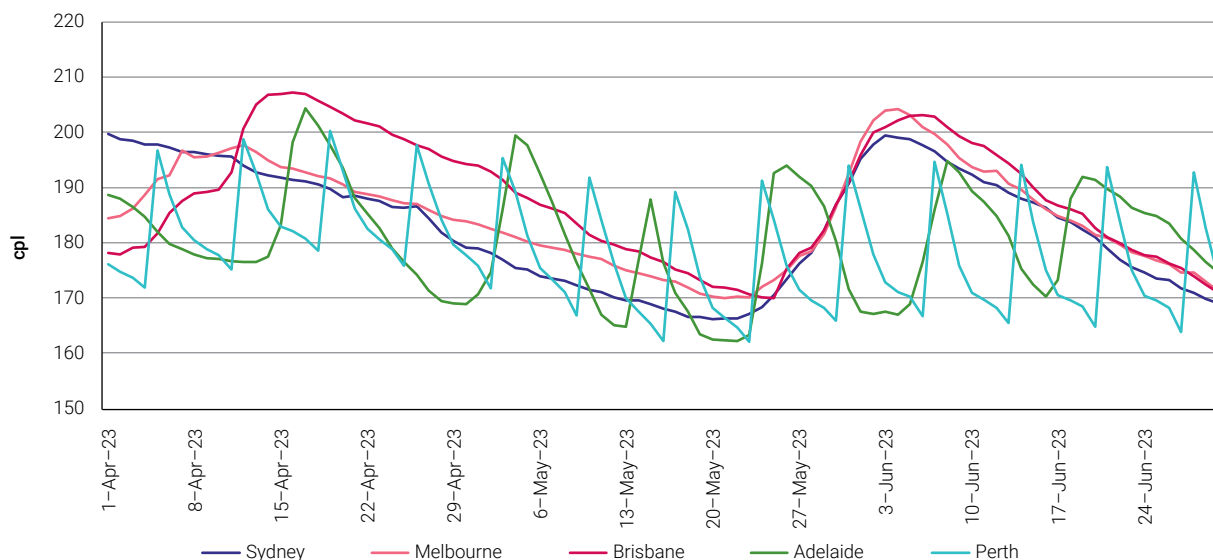
Price cycles (that is, the sudden, sharp increase in the price of petrol, followed by a gradual decline) are a prominent and longstanding feature of retail petrol prices in Australia's 5 largest cities. These price cycles do not occur in the smaller capital cities or in most regional locations. Price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

The ACCC released a report on petrol price cycles in Australia in December 2018.³¹ The report noted that while motorists find price cycles frustrating, they could use price cycles to their advantage to make substantial savings across the year. While the increase in the duration of price cycles in some cities since that report was published can make it more difficult for motorists to time their purchases, the increased availability of fuel price websites and apps means that they can still make savings if they shop around.

Chart 3.2 shows petrol price cycles in the 5 largest cities in the June quarter 2023.

31 ACCC, [Petrol price cycles in Australia](#), 6 December 2018.

Chart 3.2: Daily average retail petrol prices in the 5 largest cities: 1 April to 30 June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

As shown in chart 3.2, petrol price cycles vary among the 5 largest cities. They are also not static and change over time. Table 3.2 shows the change in price cycles in 2022–23.

Table 3.2: Number of price cycles per quarter in the 5 largest cities: September quarter 2022 to June quarter 2023

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth
Sep-22	2	3	2	7	9
Dec-22	2	1	1	5	13
Mar-23	2	2	2	6	13
Jun-23	1	2	2	6	13
2022–23	7	8	7	24	48

Source: ACCC calculations based on data from FUELtrac.

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

In the June quarter 2023, Sydney had one price cycle, one less than the previous quarter. Melbourne and Brisbane both had 2 price cycles (the same as in the previous quarter), while Adelaide had 6 price cycles (also the same as in the previous quarter).

Weekly price cycles continued in Perth. In October 2021 price cycles in Perth changed from weekly to fortnightly. Then from late July 2022, they moved back to weekly price cycles. This change appears to have been driven by changes in retail pricing at Coles Express sites (at which Viva Energy sets retail prices).³²

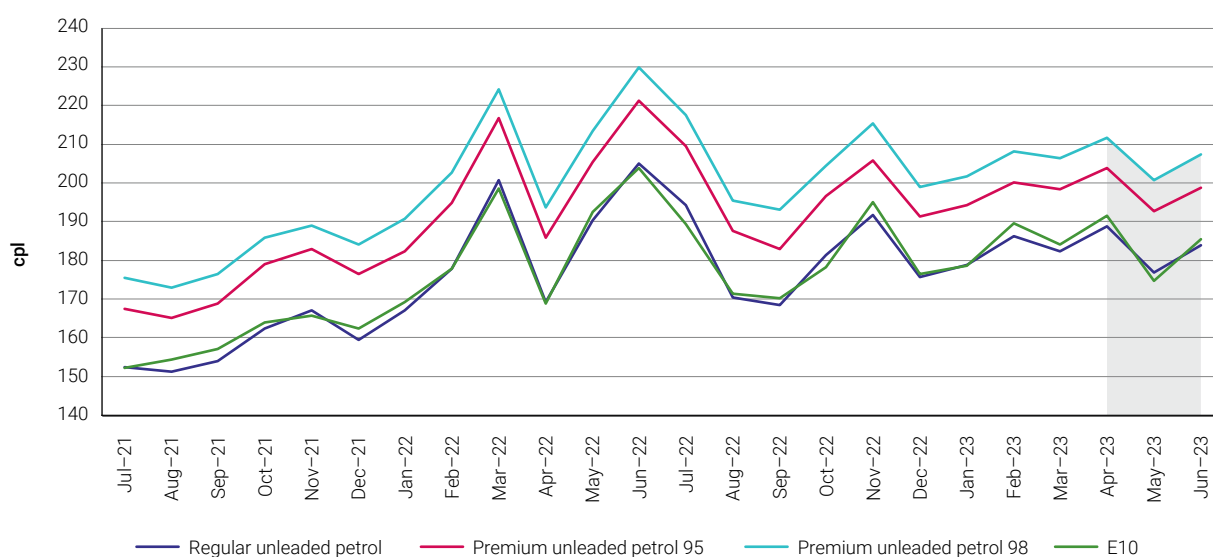
In 2022–23, the average duration of price cycles was around 6 weeks in Sydney and Brisbane, around 5 weeks in Melbourne and around 2 weeks in Adelaide.

³² This was analysed in detail in Appendix D in the [Report on the Australian petroleum market, September quarter 2022](#), 13 December 2022.

3.3 The price differentials between premium unleaded petrol grades and regular unleaded petrol increased marginally

Chart 3.3 shows that retail prices of the main grades of unleaded petrol—regular unleaded petrol, premium unleaded petrol 95, premium unleaded petrol 98, and E10 (regular unleaded petrol with up to 10% ethanol)—all move in a similar manner.³³

Chart 3.3: Monthly average retail prices of regular unleaded petrol, premium unleaded petrol 95 and 98 and E10 in the 5 largest cities in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the June quarter 2023.

In the June quarter 2023, the average differential in the 5 largest cities between:

- regular unleaded petrol and premium unleaded petrol 95 prices was 15.2 cpl (an increase of 0.1 cpl from the previous quarter)
- regular unleaded petrol and premium unleaded petrol 98 prices was 23.4 cpl (an increase of 0.5 cpl)
- regular unleaded petrol and E10 prices was 0.7 cpl (a decrease of 0.9 cpl).³⁴

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

³³ E10 (regular unleaded petrol with up to 10% ethanol) prices are for Sydney and Brisbane only.

³⁴ Historically, E10 (regular unleaded petrol with up to 10% ethanol) prices have generally been lower than regular unleaded petrol prices. However, this is the third consecutive quarter when average E10 prices were higher than average regular unleaded petrol prices. In the recent 3 quarters, regular unleaded petrol prices in Adelaide and Perth were lower than those in the other largest cities, which has the effect of reducing average regular unleaded petrol prices across the 5 largest cities to levels below average E10 prices across only Sydney and Brisbane. E10 prices in Sydney and Brisbane in the March quarter 2023 and June quarter 2023 were lower than regular unleaded petrol prices in those cities.

Premium unleaded petrol 95 and premium unleaded petrol 98 have become more expensive relative to the retail price of regular unleaded petrol over time, and premium unleaded petrol is significantly more profitable than other petrol products.³⁵

Between 2009–10 and 2022–23, the annual average price differential in **real** terms (in 2022–23 dollars) between regular unleaded petrol and premium unleaded petrol 95 increased from 12.7 cpl to 15.1 cpl, an increase of 2.4 cpl. The annual average price differential between regular unleaded petrol and premium unleaded petrol 98 in **real** terms increased from 19.4 cpl to 23.4 cpl, an increase of 4.0 cpl.

In both cases, the price differential in **real** terms decreased in 2022–23 from the previous year, after increasing in most other years since 2009–10.

A variety of factors influence higher average prices for premium unleaded petrol, relative to regular unleaded petrol, including adjustments to specific international benchmarks and changes in the quality of premium unleaded petrol products. Higher prices for premium unleaded petrol prices may also be translating, at least in part, to higher profits on these products.

35 ACCC, [Financial performance of the Australian downstream petroleum industry 2002 to 2018](#), 22 April 2020, pp 3–4.

4. Components of petrol prices in the 5 largest cities

There are 3 broad components of average retail petrol prices:

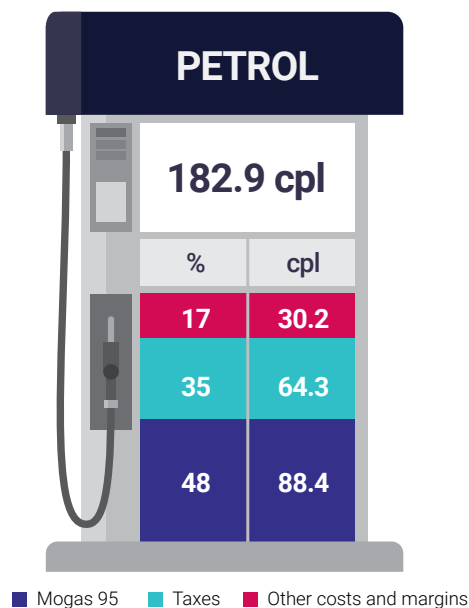
- the international price of refined petrol (Mogas 95)
- taxes (excise and the goods and services tax)
- other costs and margins, at the wholesale and retail levels.

This chapter analyses these components in the June quarter 2023 and how they have changed over time.

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

Chart 4.1 shows the components of average retail petrol prices in the 5 largest cities in the June quarter 2023.³⁶

Chart 4.1: Components of average retail petrol prices in the 5 largest cities in the June quarter 2023 – in percentage and cents per litre (cpl) terms



Source: ACCC calculations based on data from FUELtrac, Argus Media, the Reserve Bank of Australia and the Australian Taxation Office.

The chart shows that the price of Mogas 95 was the largest component of average petrol prices in the June quarter 2023 (48%). The 2 largest components—Mogas 95 and taxes—accounted for 83% of average petrol prices. These components are largely outside the control of local petrol retailers.

³⁶ Taxes include fuel excise, and both the wholesale and retail components of the goods and services tax.

In the June quarter 2023, as a proportion of average retail petrol prices:

- Mogas 95 decreased by 2 percentage points from the March quarter 2023
- other costs and margins increased by 2 percentage points
- taxes were unchanged.

4.2 Mogas 95 prices decreased

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

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

Chart 4.2 shows monthly average Mogas 95 prices in Australian cents per litre, and monthly average retail petrol prices in the 5 largest cities, from July 2021 to June 2023. It shows that Mogas 95 prices and retail petrol prices in the 5 largest cities moved in a similar pattern over this period (apart from the decrease in retail prices in April 2022 reflecting the temporarily cut in fuel excise and the increase in October 2022 reflecting the restoration of the full rate of excise). This indicates that changes in the international price of refined petrol generally drive changes in domestic retail prices.

Chart 4.2: Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Argus Media and the Reserve Bank of Australia.

Note: The shaded area in the chart represents the June quarter 2023.

In the June quarter 2023:

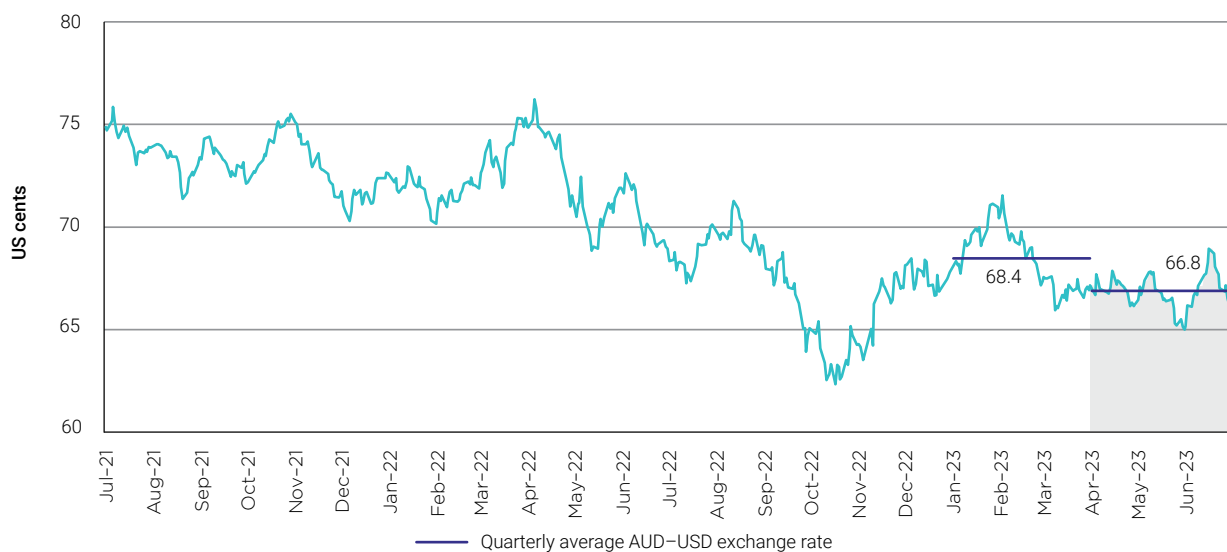
- quarterly average Mogas 95 prices were 88.4 cpl (a decrease of 2.6 cpl from the March quarter 2023)
- quarterly average retail petrol prices in the 5 largest cities were 182.9 cpl (an increase of 0.7 cpl)
- monthly average Mogas 95 prices decreased from 92.7 cpl in March 2023 to 86.4 cpl in June 2023 (a decrease of 6.3 cpl or around 7%)
- monthly average retail petrol prices in the 5 largest cities increased from 182.3 cpl in March 2023 to 183.7 cpl in June 2023 (an increase of 1.4 cpl or around 1%).

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

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

Chart 4.3 shows that the daily AUD–USD exchange rate varied over the past 2 years, but has largely trended downwards since July 2021. At the start of July 2021, the AUD–USD exchange rate was around US 75 cents, reached a period high of US 76 cents in early April 2022 and then decreased to a period low of US 62 cents in mid-October 2022.

Chart 4.3: Daily AUD–USD exchange rates in nominal terms: 1 July 2022 to 30 June 2023 – US cents



Source: The Reserve Bank of Australia.

Notes: Exchange rates are the daily [Reserve Bank of Australia](#) 4.00 pm closing rates. The shaded area in the chart represents the June quarter 2023.

In the June quarter 2023, the AUD–USD exchange rate ranged within a US 4 cent band between US 65 cents and US 69 cents. The quarterly average AUD–USD exchange rate was US 66.8 cents, a decrease of US 1.6 cents from the March quarter 2023.

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

If the AUD–USD exchange rate had remained at the period high of US 76 cents in early April 2022, average retail petrol prices in Australia in the June quarter 2023 would have been around 11.9 cpl lower (everything else being equal). Conversely, if the AUD–USD exchange rate had been at the period low of US 62 cents in mid-October 2022, average retail petrol prices in Australia in the June quarter 2023 would have been around 7.1 cpl higher.

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

4.4 Average gross indicative retail differences in the 5 largest cities were higher

Average gross indicative retail differences in the 5 largest cities (in aggregate) were 12.7 cpl in the June quarter 2023. This was 1.3 cpl higher than the previous quarter (11.4 cpl).

Gross indicative retail differences are a broad indicator of gross retail margins (including both retail operating costs and profits). The ACCC calculates gross indicative retail differences by subtracting average wholesale prices (as indicated by published terminal gate prices) from average retail petrol prices. Terminal gate prices are prices that wholesalers charge for petrol in the spot market. The major wholesalers post these prices on their websites on a regular basis. Although few wholesale transactions occur at terminal gate prices, they are indicative wholesale prices. Terminal gate prices vary across brands and cities. Terminal gate prices reflect the wholesale price of petrol only and exclude other retail operating costs.

The gross indicative retail differences reported by the ACCC are averages across the 5 largest cities over time. The level of prices, costs and profits vary significantly between retail operations and not all retail petrol sites will have these gross margins. Some will have higher gross margins, others lower. The ACCC petrol market studies found that actual profits per retail petrol site could vary considerably between retailers, with some retail sites making substantial profits and others making very little.³⁷

Table 4.1 shows quarterly average gross indicative retail differences in each of the 5 largest cities in 2022–23.

³⁷ See the [ACCC's petrol market studies](#).

Table 4.1: Quarterly average retail petrol prices, terminal gate prices and gross indicative retail differences in the 5 largest cities: September quarter 2022 to June quarter 2023 – cents per litre (cpl)

Location	Quarter	Retail prices cpl	Terminal gate prices cpl	Gross indicative retail differences cpl
5 largest cities	Sep-22	177.7	162.0	15.7
	Dec-22	182.7	170.8	11.9
	Mar-23	182.2	170.8	11.4
	Jun-23	182.9	170.2	12.7
	2022-23	181.4	168.4	13.0
Sydney	Sep-22	178.2	163.3	14.9
	Dec-22	184.6	171.8	12.8
	Mar-23	185.1	171.3	13.8
	Jun-23	183.1	170.9	12.2
	2022-23	182.7	169.3	13.4
Melbourne	Sep-22	184.8	161.9	22.9
	Dec-22	185.2	170.6	14.6
	Mar-23	184.3	170.3	14.0
	Jun-23	185.0	170.1	14.9
	2022-23	184.8	168.2	16.6
Brisbane	Sep-22	179.8	161.8	18.0
	Dec-22	184.9	170.8	14.1
	Mar-23	186.4	170.7	15.7
	Jun-23	188.1	170.3	17.8
	2022-23	184.8	168.4	16.4
Adelaide	Sep-22	172.0	163.0	9.0
	Dec-22	178.9	172.1	6.8
	Mar-23	178.6	172.2	6.4
	Jun-23	180.2	171.1	9.1
	2022-23	177.4	169.6	7.8
Perth	Sep-22	173.6	160.0	13.6
	Dec-22	179.8	168.9	10.9
	Mar-23	176.6	169.7	6.9
	Jun-23	178.3	168.6	9.7
	2022-23	177.1	166.8	10.3

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

The table shows that in 2022–23 quarterly average gross indicative retail differences:

- varied significantly over time and across cities, ranging from a high of 22.9 cpl (in Melbourne in the September quarter 2022) to a low of 6.4 cpl (in Adelaide in the March quarter 2023)
- were lowest in Melbourne, Adelaide and Perth in the March quarter 2023, lowest in Sydney in the June quarter 2023, and lowest in Brisbane in the December quarter 2022
- were highest in all cities in the September quarter 2022, except for Adelaide where they were highest in the June quarter 2023
- were consistently lower in Adelaide and Perth compared with average gross indicative retail differences across the 5 largest cities, and consistently higher in Melbourne and Brisbane.

In the June quarter 2023, gross indicative retail differences were lowest in Adelaide (9.1 cpl) and highest in Brisbane (17.8 cpl). In 2022–23, annual average gross indicative retail differences were lowest in Adelaide (7.8 cpl) and highest in Melbourne (16.6 cpl).

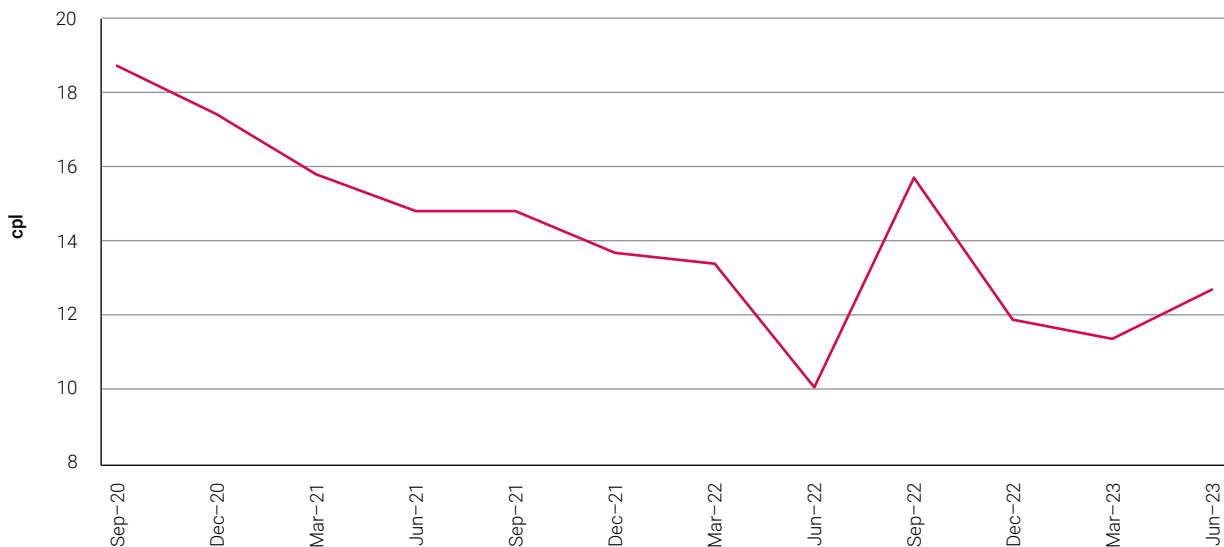
The comparatively lower gross indicative retail differences in Adelaide are the result of relatively lower retail petrol prices. These may have been influenced by greater fuel price transparency following the commencement of the South Australian Government’s fuel price transparency scheme in March 2021.

The comparatively higher gross indicative retail differences in Brisbane are the result of relatively higher retail petrol prices. Previous ACCC research found that between 2009–10 and 2016–17, Brisbane motorists paid on average 3.3 cpl more for petrol than motorists in the other 4 largest cities.³⁸ The comparatively higher gross indicative retail differences in Melbourne in the September 2022 quarter appears to have been influenced by the timing of the Melbourne petrol price cycle.

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

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

Chart 4.4: Quarterly average gross indicative retail differences in the 5 largest cities in nominal terms: September quarter 2020 to June quarter 2023 – cents per litre (cpl)



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

The chart shows that quarterly average gross indicative retail differences in the 5 largest cities increased in the June quarter 2023 after decreasing in the previous 2 quarters.

The chart also shows that gross indicative retail differences can be volatile on a quarterly basis. When terminal gate prices increase by large amounts in a short period, lags between changes in terminal gate prices and changes in retail prices often have the effect of reducing gross indicative retail differences in the short term. Conversely, when terminal gate prices decrease by large amounts in a short period, these lags often have the effect of increasing gross indicative retail differences.

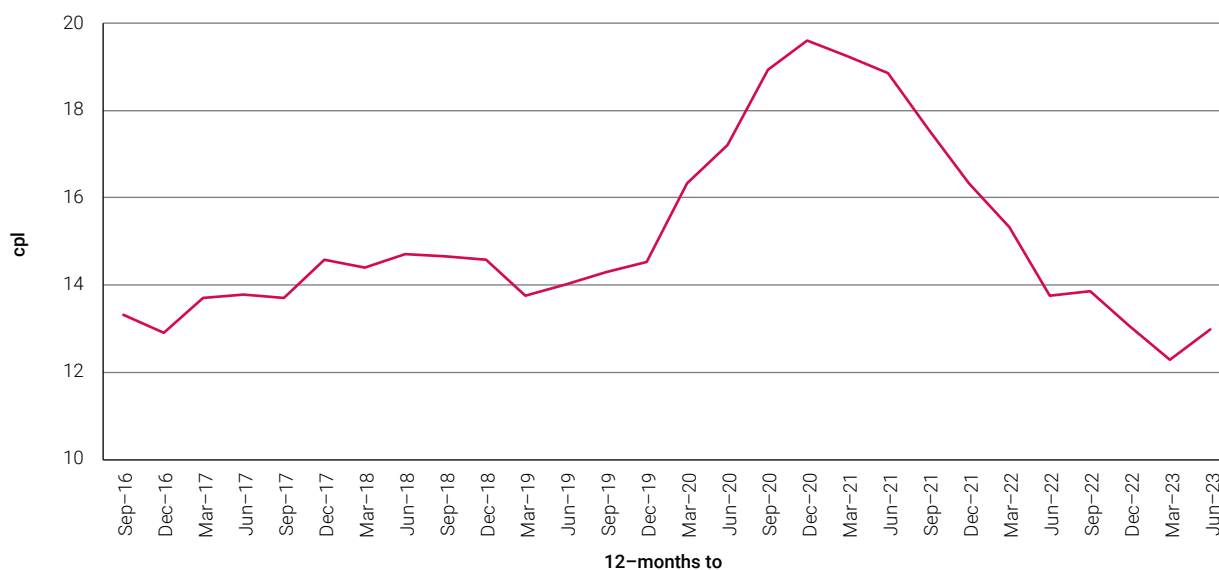
The effects of the lags between changes in terminal gate prices and retail prices, and their impact on gross indicative retail differences, is less prevalent when gross indicative retail differences are considered over a longer period.

4.5 Longer term average gross indicative retail differences remained below pre-pandemic levels

Chart 4.5 shows 12-month average gross indicative retail differences in **real** terms across the 5 largest cities, calculated at the end of each quarter over the past 7 years.³⁹

³⁹ This calculation uses average retail prices and average terminal gate prices over 12-month periods to the end of each quarter.

Chart 4.5: Twelve-month average gross indicative retail differences in the 5 largest cities in real terms: September 2016 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy and FuelWatch, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

Note: **Real** values are shown in June 2023 dollars.

The chart shows that across the 5 largest cities there was a substantial increase in **real** 12-month average gross indicative retail differences between December 2019 and December 2020 (of 5.0 cpl). In the year to December 2020, 12-month average gross indicative retail differences reached their highest level on record in both nominal and **real** terms (19.6 cpl), influenced by COVID-19 restrictions and retailers experiencing lower sales volumes.⁴⁰

Petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and branding). This means that when sales volumes decline, the cost per unit of petrol will increase. The opposite effect will occur as sales volumes increase, where fixed costs decrease per unit of petrol. This has likely been a factor influencing the lower gross indicative retail differences in recent quarters.

Since December 2020, 12-month average gross indicative retail differences have decreased by 6.6 cpl in **real** terms, and were 13.0 cpl at the end of the June quarter 2023.

Twelve-month average gross indicative retail differences at the end of the June quarter 2023 were below pre-pandemic levels, as they were in the previous 2 quarters. The chart shows that between September 2016 and December 2019, **real** 12-month average gross indicative retail differences were in a 1.7 cpl band between 12.9 cpl and 14.6 cpl.

The ACCC analysed financial data provided by petrol companies on retail gross profits (that is, retail operating costs and net profits) from 2005–06 to 2017–18 to better understand the reasons for higher gross indicative retail differences over that period.⁴¹ The analysis found that both retail operating costs and net profits on regular unleaded petrol increased during the period, and particularly between 2013–14 and 2016–17, suggesting that higher gross indicative retail differences had been influenced by increases in both operating costs and profits.⁴²

40 ACCC, [Quarterly report on the Australian petroleum market – March quarter 2022](#), 15 June 2022, pp 42–43.

41 ACCC, [Financial performance of the Australian downstream petroleum industry 2002 to 2018](#), 22 April 2020, pp 34–36.

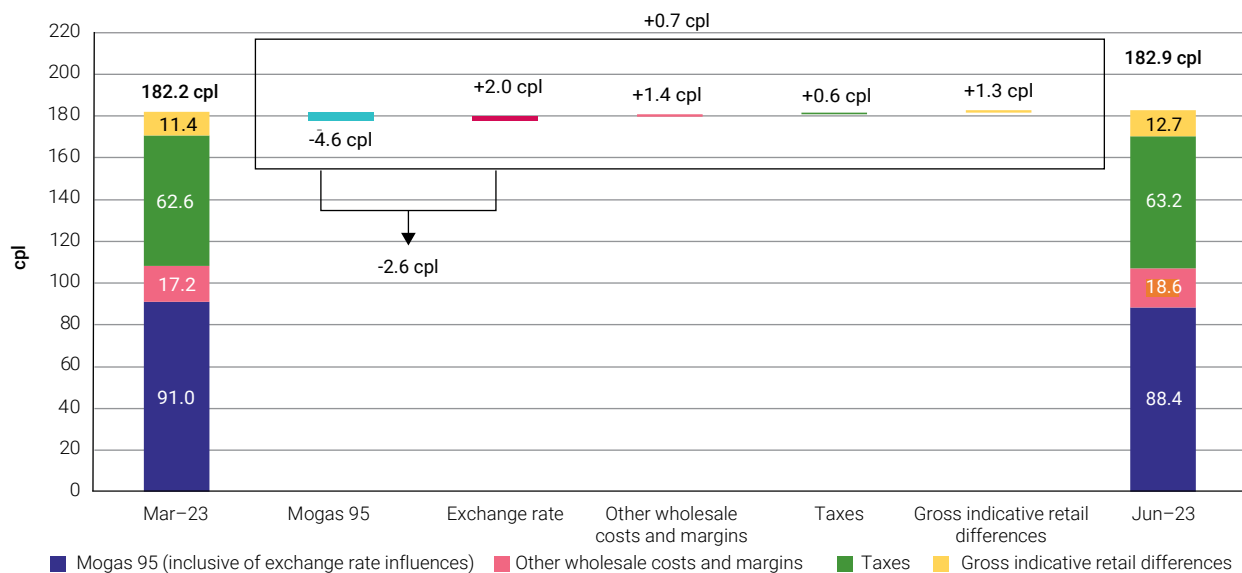
42 The analysis compared gross indicative retail differences (which are based on price data) with retail gross profit financial results on regular unleaded petrol (which are based on financial data). Both measures, although not directly comparable, showed a broadly similar upward trend over the longer term.

4.6 Retail prices were broadly stable because the decrease in Mogas 95 prices was largely offset by a lower AUD–USD exchange rate and increases in other components

Chart 4.6 shows the change in the components of average retail petrol prices in the 5 largest cities between the March quarter 2023 and June quarter 2023. The chart separates the other costs and margins component into:

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

Chart 4.6: Changes in the components of average retail petrol prices in the 5 largest cities: March quarter 2023 to June quarter 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, FuelWatch, the Reserve Bank of Australia and the Australian Taxation Office.

Notes: All prices are in Australian cents per litre.

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

The chart shows that the marginal increase in average retail petrol prices in the 5 largest cities in the June quarter 2023 (0.7 cpl) was influenced by decreases in Mogas 95 prices, which were offset by a lower AUD–USD exchange rate and increases in other wholesale costs and margins and gross indicative retail differences.

The AUD–USD exchange rate is a significant determinant of Australia’s retail petrol prices because imported crude oil and international refined petrol (from which domestically refined petrol is priced) is bought and sold in US dollars in global markets. Excluding the effect of changes in the AUD–USD exchange rate (which decreased by US 1.6 cents on average in the quarter), Mogas 95 prices would have decreased by 4.6 cpl in the quarter. However, the lower AUD–USD exchange rate offset the influence of the decrease in Mogas 95 prices by 2.0 cpl in Australian dollar terms. The net effect of movements in Mogas 95 prices and the AUD–USD exchange rate was that Mogas 95 prices in Australian cents per litre decreased by 2.6 cpl.

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

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

5.1 Retail prices increased in Canberra, Hobart and Darwin

In the June quarter 2023, average retail prices increased in all 3 smaller capital cities: Canberra by 3.9 cpl, Darwin by 1.8 cpl and Hobart by 1.6 cpl. Average retail prices in Darwin were below the average retail price across the 5 largest cities, while average prices in Canberra and Hobart were above.

Table 5.1 shows quarterly average retail prices in the March quarter 2023 and June quarter 2023 in each of the 3 smaller capital cities and across the 5 largest cities. The table also shows the differential between quarterly average prices in each of the smaller capitals and the 5 largest cities.

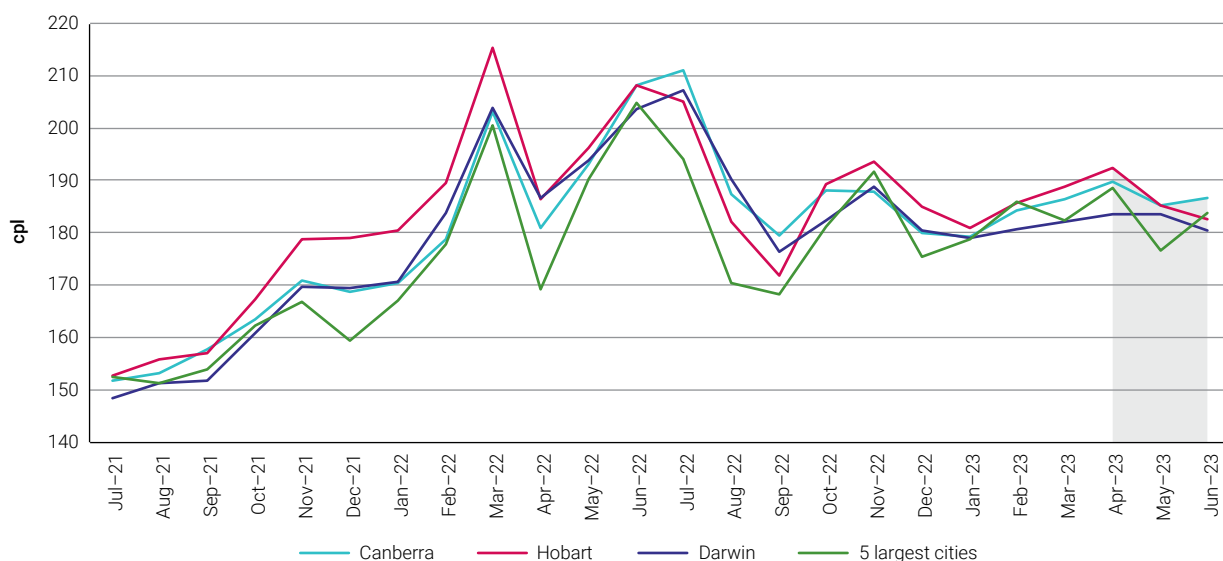
Table 5.1: Quarterly average retail petrol prices in each of the smaller capital cities and the 5 largest cities: March quarter 2023 and June quarter 2023 – cents per litre (cpl)

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
Mar-23	183.3	185.1	180.6	182.2	1.1	2.9	-1.6
Jun-23	187.2	186.7	182.4	182.9	4.3	3.8	-0.5
Change	3.9	1.6	1.8	0.7	3.2	0.9	1.1

Source: ACCC calculations based on data from FUELtrac.

Chart 5.1 shows monthly average prices in each of the smaller capital cities and the 5 largest cities from July 2021 to June 2023.

Chart 5.1: Monthly average retail petrol prices in Canberra, Hobart, Darwin and the 5 largest cities in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the June quarter 2023.

In 2022–23, compared with average prices in the 5 largest cities, monthly average retail prices were:

- higher in Canberra in all months except November 2022 and February 2023
- higher in Hobart in all months except February 2023 and June 2023
- higher in Darwin in 7 months, but lower in November 2022, and in February, March, April, and June 2023.

5.2 Average regional prices were higher than prices in the 5 largest cities

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

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

The influence of these factors varies significantly from location to location. This means that there may be substantial differences in prices between specific regional locations.

Average prices in regional locations in aggregate (regional prices) were 185.3 cpl in the June quarter 2023. They were higher than average prices in the 5 largest cities (182.9 cpl) for the seventh successive quarter. Quarterly average regional prices were 2.4 cpl higher than average prices in the 5 largest cities in the June quarter 2023, compared with being 0.9 cpl higher in the March quarter 2023.

Average regional prices increased by 2.2 cpl from the March quarter 2023, while average prices in the 5 largest cities increased by 0.7 cpl.

Chart 5.2 shows that in 2022–23, monthly average regional prices were higher than average prices in the 5 largest cities in all months except November 2022, and February, April and June 2023.

Chart 5.2: Monthly average retail petrol prices in regional locations in aggregate and the 5 largest cities in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Note: The shaded area in the chart represents the June quarter 2023.

In the June quarter 2023, average prices in 101 regional locations (representing around 56% of monitored locations) were higher than average prices in the 5 largest cities. In comparison, in the March quarter 2023, around 42% of regional locations were higher.

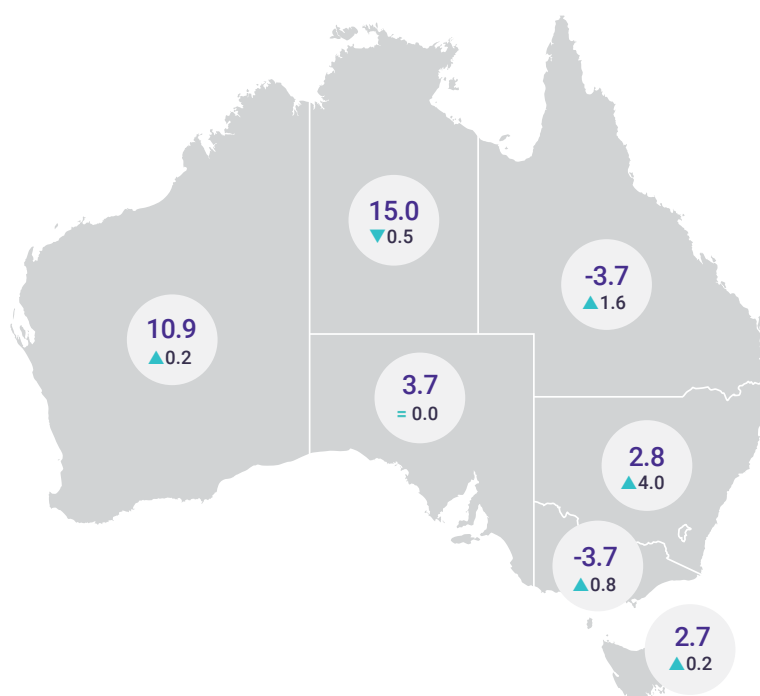
Appendix B has further information on petrol price movements in recent quarters and in 2022–23 in all locations the ACCC monitors.

5.3 Average regional prices were lower than their respective capital city prices in Victoria and Queensland in the quarter

Figure 5.1 shows the average differential between retail prices in regional locations in each state and the Northern Territory, and their respective capital city in the June quarter 2023 and the change from the previous quarter.

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

Figure 5.1 Quarterly average differential between prices in regional locations in the states and the Northern Territory and their respective capital city: June quarter 2023 – cpl



Source: ACCC calculations based on data from FUELtrac.

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

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

▲▼cpl change from previous quarter.

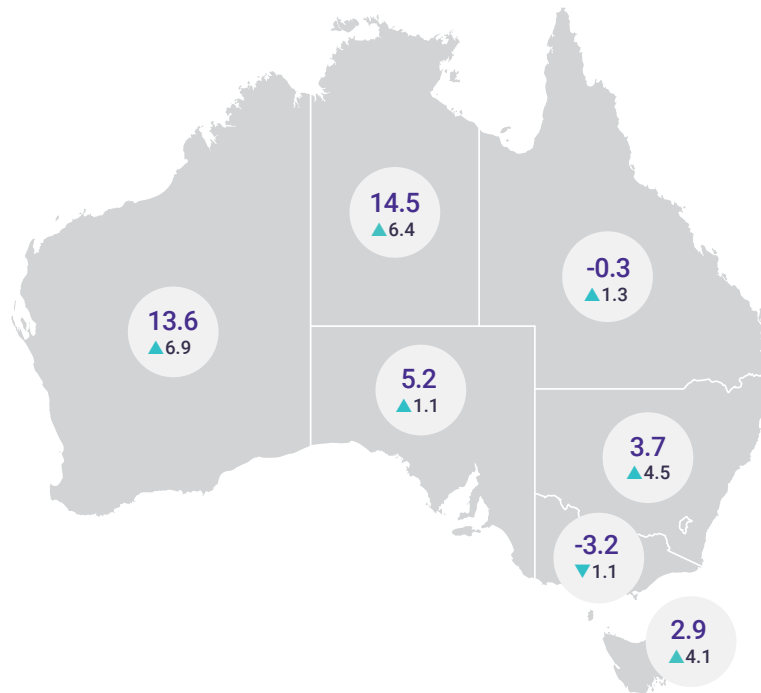
Figure 5.1 shows that in the June quarter 2023:

- Average regional prices were 3.7 cpl lower than their respective capital city prices in both Victoria and Queensland.
- Average regional prices were higher than their respective capital city prices in New South Wales, South Australia, Western Australia, Tasmania and the Northern Territory.
- These differentials ranged from regional prices being 15.0 cpl higher in the Northern Territory to 2.7 cpl higher in Tasmania.

Figure 5.2 shows the average differential between prices in regional locations in each state and the Northern Territory, and their respective capital city in 2022–23 and the change from 2021–22.

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

Figure 5.2 Annual average differential between prices in regional locations in the states and the Northern Territory and their respective capital city: 2022–23 – cpl



Source: ACCC calculations based on data from FUELtrac.

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

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

▲▼cpl change from previous year.

Figure 5.2 shows that in 2022–23:

- average regional prices were higher than their respective capital city prices in all jurisdictions except Victoria and Queensland
- the differentials ranged from regional prices being 14.5 cpl higher in the Northern Territory to being 3.2 cpl lower in Victoria.

Compared with 2021–22, average prices in regional locations were relatively higher compared with their respective capital city in all jurisdictions except Victoria.

6. Crude oil and refined petrol price movements

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

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

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

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

6.1 Crude oil and refined petrol prices decreased

Chart 6.1 shows movements in weekly average Brent crude oil and Mogas 95 prices between July 2021 and June 2023.

Chart 6.1: Weekly average Brent crude oil and Mogas 95 prices in nominal terms: July 2021 to June 2023 – USD per barrel



Source: ACCC calculations based on data from Argus Media.

Note: The shaded area in the chart represents the June quarter 2023.

Weekly average Brent crude oil prices were around USD 78 per barrel at the beginning of July 2021 and subsequently trended upwards, reaching around USD 131 per barrel in mid-June 2022. Weekly average Brent crude oil prices then trended downwards to around USD 81 per barrel in December 2022. Prices increased to around USD 88 per barrel in January 2023 before trending downwards to around USD 77 per barrel towards the end of March 2023.

At the beginning of the June quarter 2023, weekly average Brent crude oil prices were around USD 86 per barrel. Prices trended downwards throughout the quarter and were around USD 74 at the end of June 2023.

Weekly average Mogas 95 prices moved in a similar manner to Brent crude oil prices. At the beginning of July 2021, weekly average Mogas 95 prices were around USD 84 per barrel, and broadly trended upwards to around USD 157 per barrel in mid-June 2022. Weekly average Mogas 95 prices then decreased substantially to around USD 87 per barrel in mid-December 2022, before increasing to around USD 107 per barrel in late January 2023. Prices then decreased to around USD 100 per barrel at the end of March 2023.

At the beginning of the June quarter 2023, average weekly Mogas 95 prices were around USD 105 per barrel. Prices subsequently decreased to around USD 88 per barrel in early May 2023, before finishing the quarter at around USD 91 per barrel.

Quarterly average Brent crude oil prices and Mogas 95 prices were both lower in the June quarter 2023 compared with the March quarter 2023:

- quarterly average Brent crude oil prices were around USD 79 per barrel (a decrease of USD 3 per barrel, or around 4%)
- quarterly average Mogas 95 prices were around USD 94 per barrel (a decrease of USD 5 per barrel, or around 5%).⁴³

6.2 Refiner margins decreased marginally

The refiner margin is the difference between the price of refined petrol and the price of crude oil.

In the June quarter 2023, the average refiner margin was USD 15.2 per barrel (around 14.3 cpl in Australian dollar terms), a decrease of USD 1.6 per barrel from the previous quarter. This reduction in refiner margins comes after high margins in 2022 and the March quarter 2023. Refiner margins in the June quarter 2023 were influenced by stronger than expected Russian exports despite international sanctions following the invasion of Ukraine.⁴⁴

The average refiner margin in the June quarter 2023 was higher than the 10-year **real** average refiner margin (USD 13.1 per barrel, or AUD 10.7 cpl).⁴⁵

This refiner margin is a notional number calculated by subtracting one international benchmark price from another and does not represent the actual refiner margin at a specific refinery, which will be influenced by factors such as the specific mix of products produced, how efficiently they are produced and by any refinery outages.

In the June quarter 2023, both refineries in Australia recorded periods of refinery outage, resulting in a higher proportion of lower value fuel products being produced, which led to lower refiner margins.⁴⁶ Ampol announced that its refiner margin at the Lytton refinery was USD 5.66 per barrel in the June quarter 2023, and Viva Energy announced that its refiner margin at the Geelong refinery was USD 4.20 per barrel.

43 On an annual average basis, in 2022–23, Brent crude oil prices were around 89 USD per barrel (a decrease of 4 USD per barrel, or around 5% from 2021–22) and Mogas 95 prices were around 99 USD per barrel (a decrease of 9 USD per barrel or around 8% from 2021–22).

44 Wood Mackenzie, [Refining's perfect storm passes](#), 25 May 2023, accessed 16 August 2023.

45 In 2022–23, the annual average refiner margin was USD 10.3 per barrel (or AUD 9.6 cpl). This was below the 10-year real average, and USD 4.5 per barrel (AUD 3.2 cpl) lower than the average refiner margin in 2021–22 (USD 14.8 per barrel or AUD 12.8 cpl).

46 Ampol, [Strong first half performance, refinery repair successfully completed](#), ASX/NZX Release, 19 July 2023, and Viva Energy Australia, [1H2023 Trading Update and Unaudited Financial Result](#), ASX release, 13 July 2023, accessed on 16 August 2023.

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

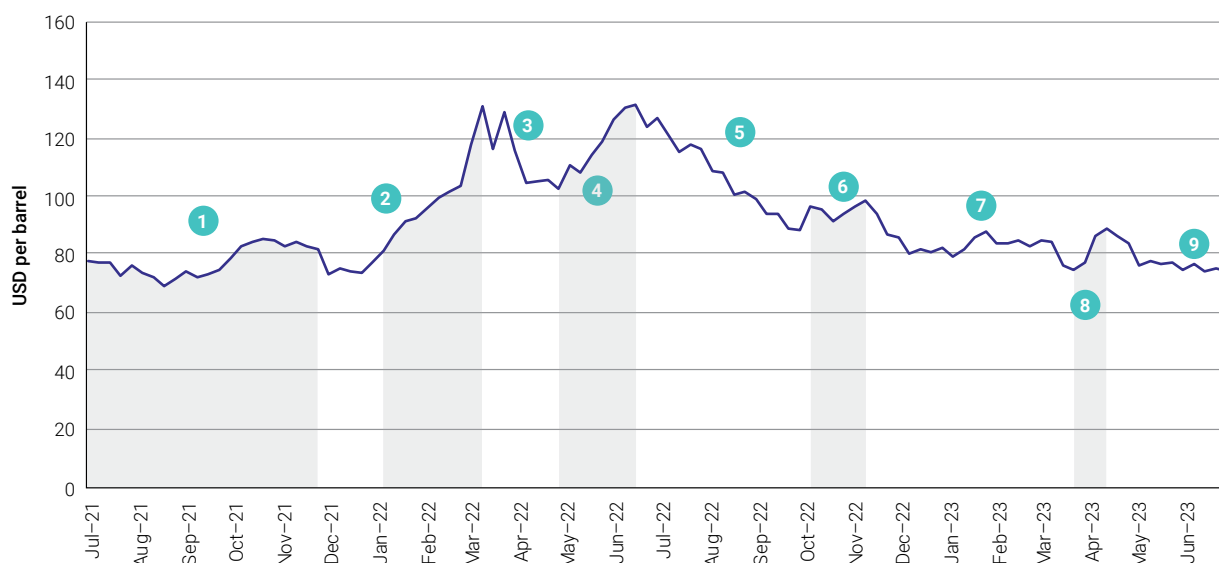
Four factors have largely influenced movements in crude oil prices since July 2021:

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

In the June quarter 2023, key factors that influenced crude oil prices included the following:

- many central banks continued to raise interest rates or signalled further interest rate increases, leading to concerns about a global recession and lower demand
- export cuts by OPEC+ and Saudi Arabia in April, with Saudi Arabia pledging further cuts from July 2023
- lower than expected growth in oil demand in China.

Figure 6.1: Key influences on crude oil prices since July 2021 – USD per barrel



1 July to November 2021

Crude oil prices steadily increased influenced by:

- recovering demand as economic activity increased
- the energy crisis associated with shortages of gas, coal and electricity in some countries in Europe and Asia, which increased demand for crude oil as an alternative source of energy.



2 January to March 2022

Crude oil prices increased sharply due to:

- global shortages of crude oil as numerous countries banned the import of crude oil from Russia (a major supplier), after its invasion of Ukraine
- stronger demand from the easing of the global COVID-19 pandemic
- slower crude oil production growth.



3 Late March 2022

Crude oil prices decreased in late March influenced by the possibility of weakening demand due to rising COVID-19 cases and lockdowns in some parts of China, and the announced release by members of the International Energy Agency and the United States of 240 million barrels from their stockpiles.



4 May to mid-June 2022

Crude oil prices increased in May as reduction in Libya’s crude oil output (due to escalating political unrest) tightened global supply (after buyers avoided Russian oil).
Crude oil prices increased further after the European Union imposed a ban on seaborne deliveries of Russian crude oil, phased in over 6 months.



5 Late June to September 2022

Crude oil prices decreased significantly as:

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



6 October to mid-November 2022

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



7 Late November 2022 to March 2023

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



8 Late March to mid-April 2023

Crude oil prices increased following OPEC+ announced production cuts and a decline in oil inventories in the United States.



9 Mid-April to June 2023

Crude oil prices trended downwards as many central banks raised interest rates, or signalled further interest rate increases, and the outlook for China's oil demand weakened.

The information in figure 6.1 is derived from the following sources.⁴⁷

July to November 2021

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

January to March 2022

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

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

Late March 2022

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

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

May to mid-June 2022

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

Reuters, [Oil rises on tight supplies; trade choppy on demand worries](#), 14 June 2022.

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

Late June to September 2022

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

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

October to mid-November 2022

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

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

Late November 2022 to March 2023

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

Reuters, [Oil slumps nearly 5% to lowest in more than a year as banking fears mount](#), 16 March 2023.

Late March to mid-April 2023

Reuters, [Oil steady, notches 3rd weekly gain after shock OPEC+ cuts](#), 7 April 2023.

Reuters, [Oil rises, logs weekly gains after IEA predicts record demand](#), 15 April 2023.

Mid-April to June 2023

Reuters, [Oil prices ease on weaker Chinese demand picture](#), 21 June 2023.

Reuters, [Oil prices drop over 2% on interest rate hike worries](#), 28 June 2023.

⁴⁷ All sources were accessed on 16 August 2023.

7. Retail diesel price movements in the 5 largest cities

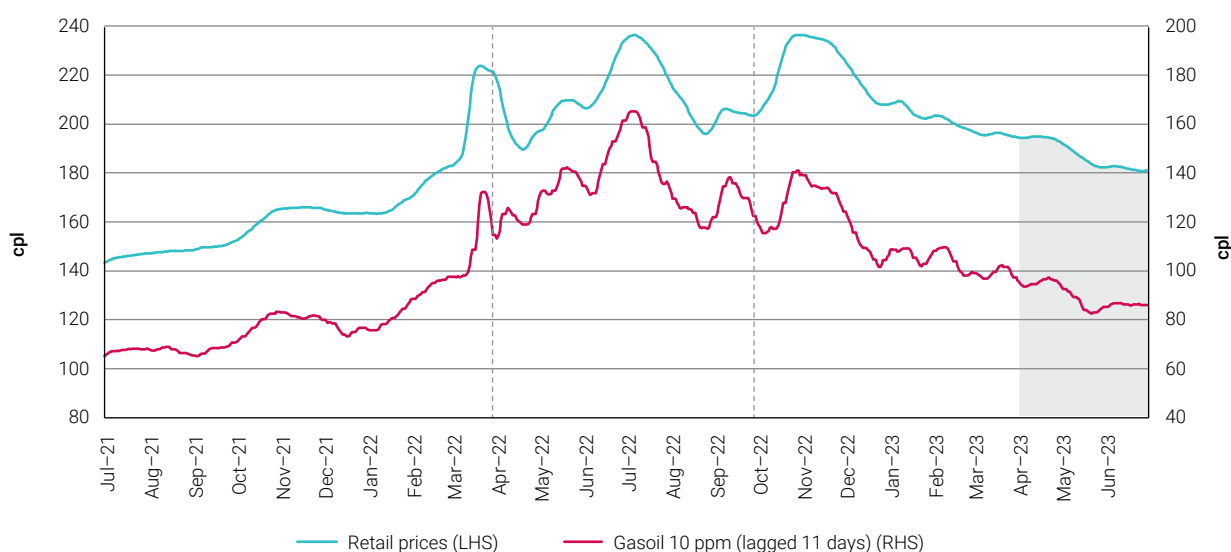
7.1 Retail diesel prices trended downward

Quarterly average retail diesel prices in the 5 largest cities were 186.6 cpl in the June quarter 2023, a decrease of 13.1 cpl from the March quarter 2023 (199.7 cpl). Since the December quarter 2022, quarterly average retail diesel prices have decreased by 36.3 cpl (over 16%).

The price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm) is the appropriate international benchmark for the wholesale price of diesel. International demand for diesel is different from that for petrol, in part because of diesel's off-road, industrial and electricity generation uses. However, both petrol and diesel are refined from crude oil and their prices generally tend to follow similar movements over the long term. However, as noted in section 7.3, movements in diesel and petrol benchmark prices can diverge at times.

Chart 7.1 shows that 7-day rolling average retail diesel prices in the 5 largest cities broadly tracked Gasoil 10 ppm prices between 1 July 2021 and 30 June 2023.

Chart 7.1: Seven-day rolling average retail diesel prices in the 5 largest cities and Gasoil 10 ppm prices in nominal terms: 1 July 2021 to 30 June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Argus Media and the Reserve Bank of Australia.

Notes: The shaded area in the chart represents the June quarter 2023. The 2 grey dotted lines indicate the cut in fuel excise from 30 March 2022 and the restoration of full excise from 29 September 2022.

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

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

Seven-day rolling average retail diesel prices trended downward during the June quarter 2023. Prices were 194.0 cpl at the beginning of the quarter, and gradually decreased to 180.5 cpl at the end of the quarter. Seven-day rolling average Gasoil 10 ppm prices in Australian cents per litre terms also

trended downward. Prices were 94.9 cpl at the beginning of the quarter and decreased to 85.5 cpl at the end of the quarter.

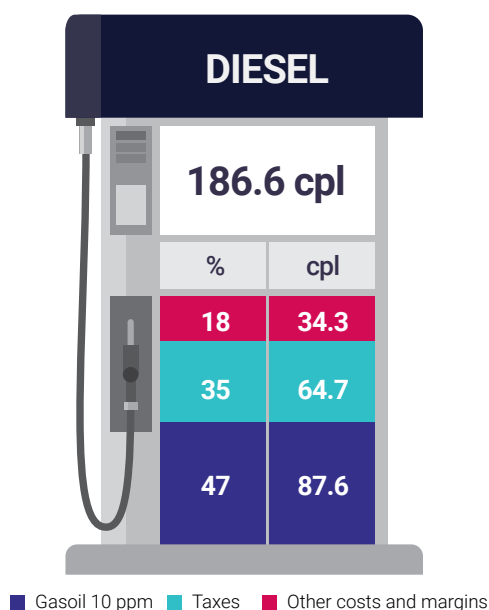
Quarterly average Gasoil 10 ppm prices in the June quarter 2023 in Australian cents per litre were 87.6 cpl, a decrease of 12.0 cpl from the March quarter 2023 (99.6 cpl).

Retail diesel prices in the 5 largest cities, unlike petrol prices, do not move in cycles. Diesel prices may not have price cycles because a large proportion of sales are to commercial users who purchase diesel on a contractual basis. According to the Australian Institute of Petroleum, only around 25% of the diesel used in Australia is sold through retail outlets, and much of that is sold to account customers with very little sold to private customers.⁴⁸

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

Chart 7.2 shows the 3 broad components of average retail diesel prices in the 5 largest cities in the June quarter 2023.

Chart 7.2: Components of average retail diesel prices in the 5 largest cities in the June quarter 2023 – in percentage and cents per litre (cpl) terms



Source: ACCC calculations based on data from FUELtrac, Argus Media, the Reserve Bank of Australia, and the Australian Taxation Office.

In the June quarter 2023, as a proportion of average retail diesel prices:

- Gasoil 10 ppm decreased by 3 percentage points from the March quarter 2023
- taxes increased by 2 percentage points
- other costs and margins increased by 1 percentage point.

As with average retail petrol prices in the June quarter 2023, the international benchmark price accounted for the largest component of average retail diesel prices.

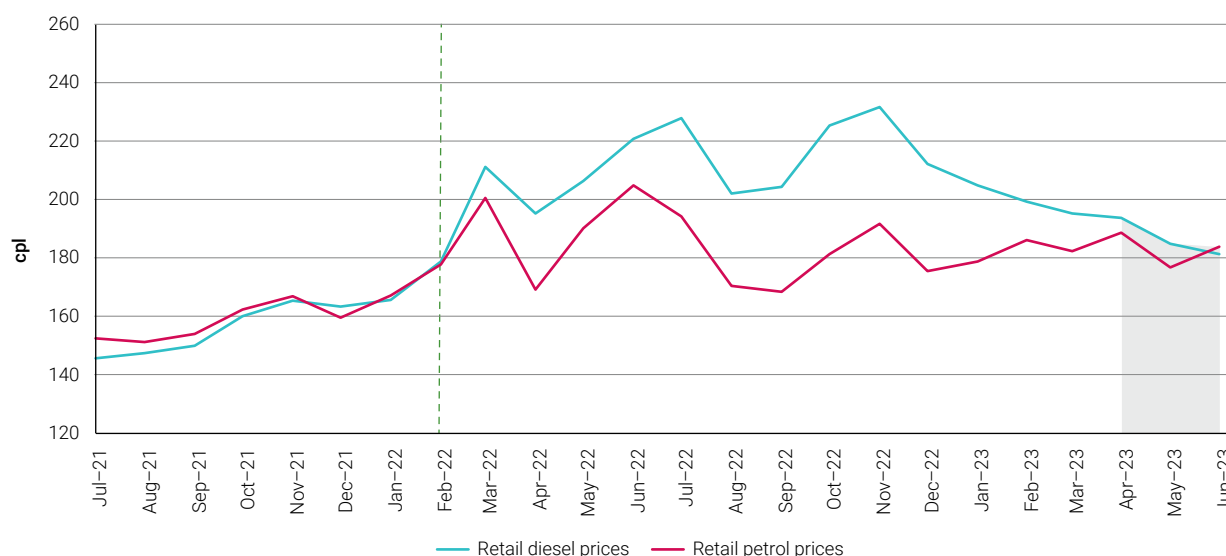
⁴⁸ Australian Institute of Petroleum, [Facts about diesel prices & the Australian fuel market](#), 24 July 2023, p 3, accessed on 16 August 2023.

7.3 Retail diesel prices continued to decrease and in June 2023 were lower than petrol prices

Quarterly average retail diesel prices in the June quarter 2023, were 3.7 cpl higher than average retail petrol prices. This was 13.8 cpl lower than the difference in the March quarter 2023 (17.5 cpl) and 36.5 cpl lower than the difference in the December quarter (40.2 cpl).

As indicated in chart 7.3 (which shows monthly average retail diesel and petrol prices in the 5 largest cities between July 2021 and June 2023), average retail diesel prices in the month of June 2023, were below average petrol prices for the first time since January 2022.

Chart 7.3: Monthly average retail diesel prices and retail petrol prices in the 5 largest cities in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the June quarter 2023.

The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).

Different international benchmark prices drive retail diesel and petrol prices, and these benchmarks can be influenced by various factors. As noted in section 7.1 the price of Singapore Gasoil 10 ppm is the relevant international benchmark for the wholesale price of diesel in Australia. The price of Singapore Mogas 95 Unleaded (Mogas 95) is the relevant international benchmark for the wholesale price of petrol.

Chart 7.4 shows monthly average Gasoil 10 ppm prices and monthly average Mogas 95 prices in Australian cents per litre over the past 2 years.

Chart 7.4: Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: July 2021 to June 2023 – cents per litre (cpl)



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

Notes: The shaded area in the chart represents the June quarter 2023.

The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).

Gasoil 10 ppm is the international diesel benchmark and Mogas 95 is the international petrol benchmark.

Chart 7.4 shows that prior to the Russian invasion of Ukraine on 24 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. However, over the next 12 months Gasoil 10 ppm prices were significantly higher. Russia is a leading global producer and exporter of crude oil and refined fuel products, including diesel. Ongoing sanctions on Russia’s petroleum industry in response to the conflict in Ukraine meant global supply of refined diesel decreased. At the time, this was compounded by existing low global stocks of diesel and reduced exports from China. Diesel also has a broader use in industrial activity and electricity generation, which affects demand for diesel.

In the December quarter 2021 (prior to the Russian invasion), average Gasoil 10 ppm prices were 78.5 cpl, which was 2.4 cpl lower than average Mogas 95 prices (80.9 cpl). The difference between international refined diesel and petrol prices peaked in the December quarter 2022 when average Gasoil 10 ppm prices were 121.2 cpl, which was 30.9 cpl higher than average Mogas 95 prices (90.3 cpl).

In the March quarter 2023, this difference decreased significantly (to 8.6 cpl) and it decreased again in the June quarter 2023, when quarterly average Gasoil 10 ppm prices (87.6 cpl) were 0.8 cpl **lower** than average Mogas 95 prices (88.4 cpl).

The decrease in Gasoil 10 ppm prices in the June quarter 2023, was influenced by:

- continuing exports of diesel from Russia despite sanctions imposed by the United States, the European Union and various other countries
- a decline in diesel consumption across North America and Europe due to a downturn in manufacturing and freight activity
- an unexpected build-up in diesel inventories.⁴⁹

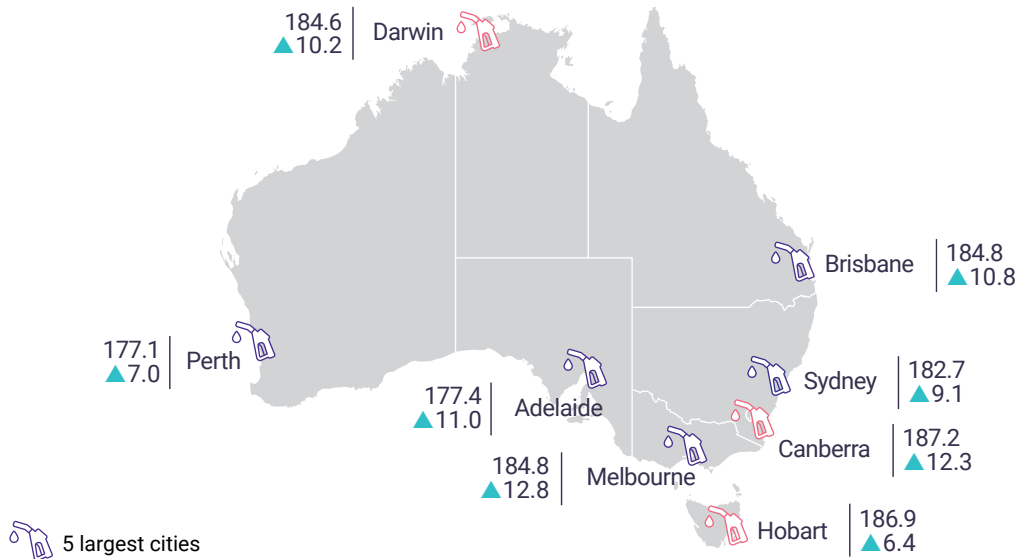
⁴⁹ Reuters, [Column: Global distillate stocks low despite industrial slowdown](#), 14 June 2023; and [Oil prices rise as Saudi output cuts outweigh weak demand signals](#), 8 June 2023, accessed on 16 August 2023.

Appendix A: 2022–23 data

This appendix provides annual data for 2022–23 for selected petrol, diesel and automotive LPG prices. Annual average data for previous years is available in past ACCC petrol monitoring reports for the June quarter.

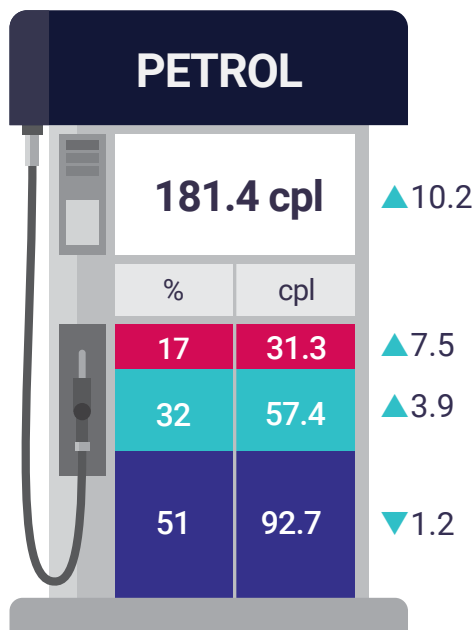
Petrol snapshot – 2022–23

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

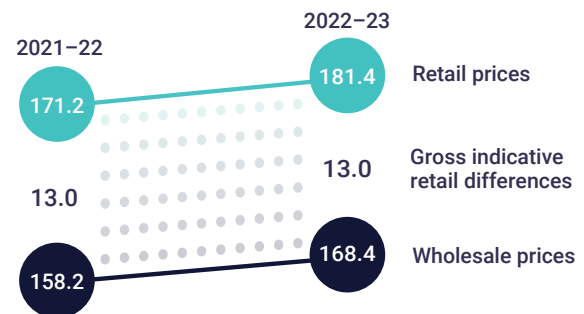
Breakdown of average petrol prices in the 5 largest cities.



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

GROSS INDICATIVE RETAIL DIFFERENCES

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



DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

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



Prices are shown in cents per litre (cpl). ▲▼ cpl change from previous year. 'Petrol' means regular unleaded petrol in all capital cities.

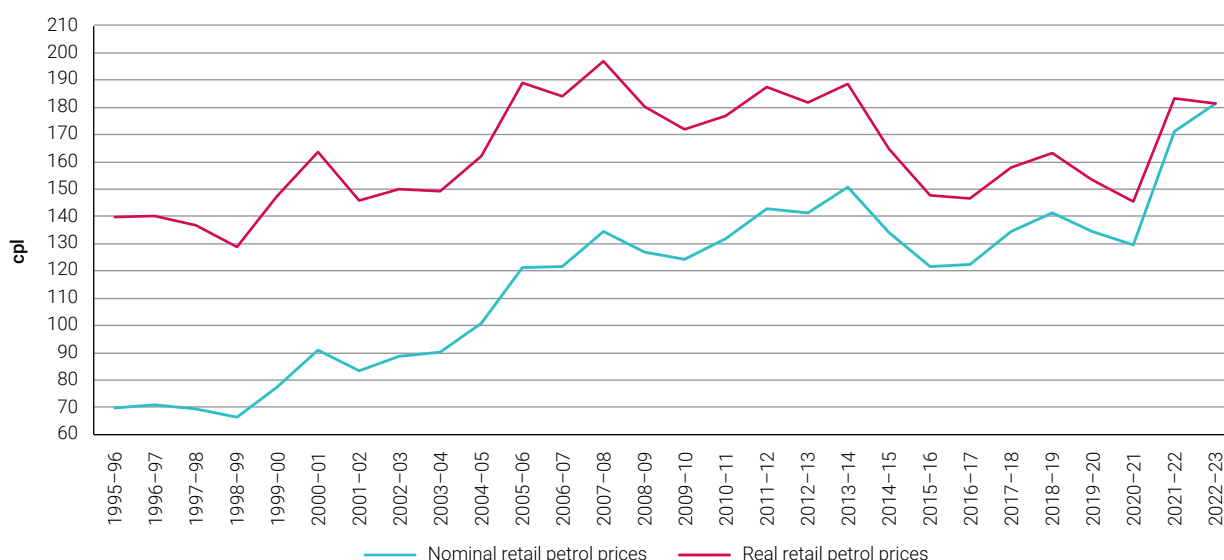
Petrol

Annual average retail petrol prices in the 5 largest cities were the highest on record in nominal terms, but lower than last year in real terms

In 2022–23, annual average retail petrol prices in the 5 largest cities were 181.4 cpl, an increase of 10.2 cpl from 2021–22 (171.2 cpl).

Chart A.1 shows that annual average retail petrol prices in the 5 largest cities in 2022–23 in nominal terms were the highest on record. However, after adjusting historical prices to account for inflation (i.e. converting prices to 2022–23 dollars), annual average prices in 2022–23 in **real** terms were lower than prices in 2021–22 (183.4 cpl).

Chart A.1 Annual average retail petrol prices in the 5 largest cities in nominal and real terms: 1995–96 to 2022–23 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

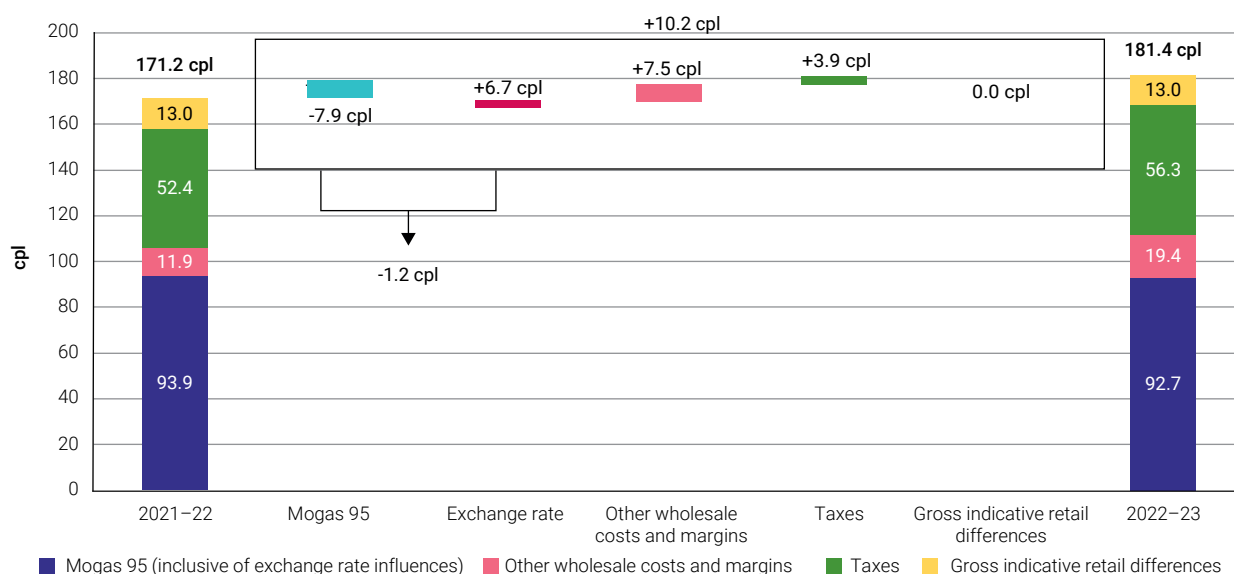
Note: **Real** prices are shown in 2022–23 dollars.

International prices were the largest component of retail petrol prices, but changes in the AUD–USD exchange rate, wholesale costs and margins, and taxes drove higher average retail prices

Chart A.2 shows the change in the components of annual average retail petrol prices in the 5 largest cities between 2021–22 and 2022–23 in nominal terms.⁵⁰

⁵⁰ Chapter 4 describes these components.

Chart A.2: Changes in the components of average retail petrol prices in the 5 largest cities: 2021–22 to 2022–23 in nominal terms – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, FuelWatch, the Reserve Bank of Australia and the Australian Taxation Office.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale goods and services tax. The small amount of retail goods and services tax is included in gross indicative retail differences rather than in taxes, to be consistent with gross indicative retail differences reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in 'Petrol Snapshot – 2022–23'.

The chart shows that the increase in annual average retail petrol prices in the 5 largest cities in 2022–23 (by 10.2 cpl) was predominantly due to the increase in other wholesale costs and margins, and taxes.

The annual average AUD–USD exchange rate in 2022–23 was US 67 cents, which was around US 6 cents lower than in 2021–22 (US 73 cents). Depreciation of the AUD against the USD puts upward pressure on domestic retail petrol prices. Excluding the effect of changes in the AUD–USD exchange rate, average Mogas 95 prices would have decreased by 7.9 cpl in 2022–23. However, the lower AUD–USD exchange rate offset the influence of the decrease in Mogas 95 prices by 6.7 cpl in AUD terms. The net effect of movements in Mogas 95 prices and the AUD–USD exchange rate was that Mogas 95 prices in Australian cents per litre decreased by 1.2 cpl.

Other wholesale costs and margins increased by 7.5 cpl in 2022–23. This may have been influenced by volatility in international benchmark prices, which decreased by significant amounts in a short period of time, as well as possible cost increases in the current environment.

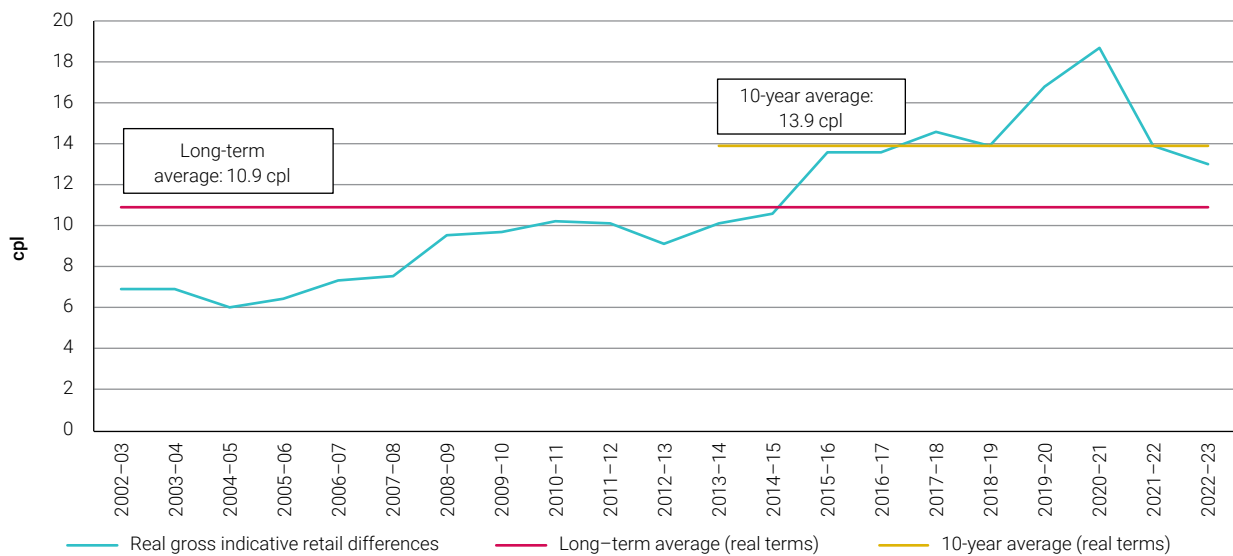
The increase in taxes of 3.9 cpl in 2022–23 was influenced by the bi-annual increases in excise in line with movements the Consumer Price Index (0.9 cpl in August 2022 and 1.7 cpl in February 2023). The temporary halving of fuel excise was in effect between 30 March and 28 September 2022. The excise reduction affected both 2021–22 and 2022–23 for around the same number of days.

Annual average petrol gross indicative retail differences in real terms decreased to below the 10-year average

Annual average gross indicative retail differences in the 5 largest cities in 2022–23 in nominal terms were 13.0 cpl, the same as in 2021–22.

In **real** terms, chart A.3 shows that average gross indicative retail differences in 2022–23 were 0.9 cpl below the average over the past 10 years (13.9 cpl), and 2.1 cpl above the long-term average over the period 2002–03 to 2022–23 (10.9 cpl). The higher average gross indicative retail difference over the past 10 years compared with the longer term average may have been influenced by increases in both operating costs and profits in the 10-year period, as discussed in section 4.5.

Chart A.3: Annual average gross indicative retail differences in the 5 largest cities in real terms: 2002–03 to 2022–23 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy and WA FuelWatch, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

Note: **Real** values are shown in 2022–23 dollars.

Annual average petrol gross indicative retail differences reached their highest level on record in both nominal and **real** terms (18.7 cpl) in 2020–21. This was influenced by COVID-19 restrictions and retailers experiencing lower sales volumes. As petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and branding), when sales volumes decline, the cost per unit of petrol will increase.

Petrol prices increased in all smaller capital cities and regional locations

In 2022–23, average retail prices increased in all 3 smaller capital cities: Canberra by 12.3 cpl, Darwin by 10.2 cpl, and Hobart by 6.4 cpl. Average retail prices in all 3 smaller capital cities were above the average retail price across the 5 largest cities.

Table A.1 shows annual average retail prices in 2021–22 and 2022–23 for each of the 3 smaller capital cities and across the 5 largest cities in nominal terms. The table also shows the differential between annual average prices in each of the smaller capitals and the 5 largest cities.

Table A.1: Annual average retail petrol prices in each of the smaller capital cities and the 5 largest cities in nominal terms: 2021–22 and 2022–23 – cpl

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
2021–22	174.9	180.5	174.4	171.2	3.7	9.3	3.2
2022–23	187.2	186.9	184.6	181.4	5.8	5.5	3.2
Change	12.3	6.4	10.2	10.2	2.1	-3.8	0.0

Source: ACCC calculations based on data from FUELtrac.

In 2022–23, annual average prices in regional locations in aggregate in nominal terms were 185.6 cpl, which was 4.2 cpl higher than average prices in the 5 largest cities (181.4 cpl). In 2021–22, annual average regional prices (172.9 cpl) were 1.7 cpl higher than average prices in the 5 largest cities (171.2 cpl).

In 2022–23, annual average prices in 122 regional locations (around 66% of monitored locations) were higher than average prices in the 5 largest cities.

Diesel

Annual average retail diesel prices in the 5 largest cities in nominal terms were the highest on record and the highest in 15 years in real terms

In 2022–23, annual average retail diesel prices in the 5 largest cities were 205.2 cpl, an increase of 29.6 cpl (or around 17%) from 2021–22 (175.6 cpl).

Chart A.4 shows that annual average retail diesel prices in the 5 largest cities in 2022–23 in nominal terms were the highest on record. In **real** terms, average retail diesel prices in 2022–23 were the highest in 15 years (since 2007–08 when real average prices were 215.4 cpl).

Chart A.4 Annual average retail diesel prices in the 5 largest cities in nominal and real terms: 2007–08 to 2022–23 – cents per litre (cpl)

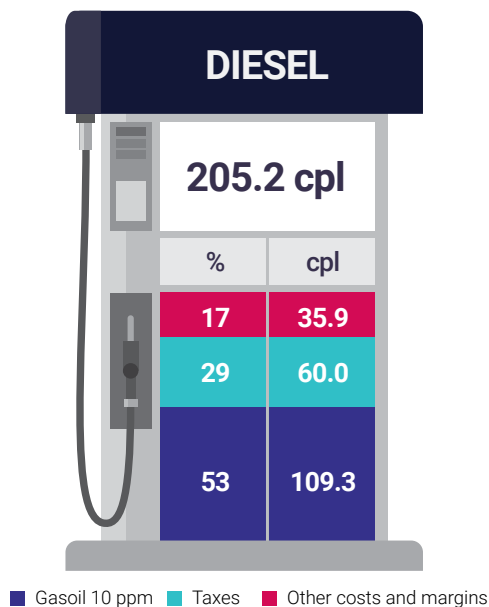


Source: ACCC calculations based on data from FUELtrac, Informed Sources, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

Note: **Real** prices are shown in 2022–23 dollars.

The international benchmark price of diesel was the largest component of average retail diesel prices

Chart A.5: Components of annual average retail diesel prices in the 5 largest cities in 2022–23 – in percentage and cents per litre (cpl) terms



Source: ACCC calculations based on data from FUELtrac, Argus Media, the Reserve Bank of Australia, and the Australian Taxation Office.

Note: Percentages in the chart do not total 100% due to rounding.

Increases in retail diesel prices in 2022–23 were influenced by higher Gasoil 10 ppm prices in Australian cents per litre, which increased by 12.0 cpl. For part of 2022–23, higher Gasoil 10 ppm prices were influenced by ongoing sanctions on Russia’s petroleum industry in response to the conflict in Ukraine, and low global stocks of diesel.

Taxes increased by 6.1 cpl in 2022–23. Similar to petrol, taxes on diesel reflected the bi-annual increases in excise in line with movements in the Consumer Price Index, as well as higher goods and services tax from higher average retail prices.

Other costs and margins (at both the wholesale and retail level) were 11.5 cpl higher in 2022–23. Similar to petrol, these increases may have been influenced by volatility in international benchmark prices, which decreased by significant amounts in a short period of time, as well as possible cost increases in the current environment.

In 2022–23, as a proportion of average retail diesel prices:

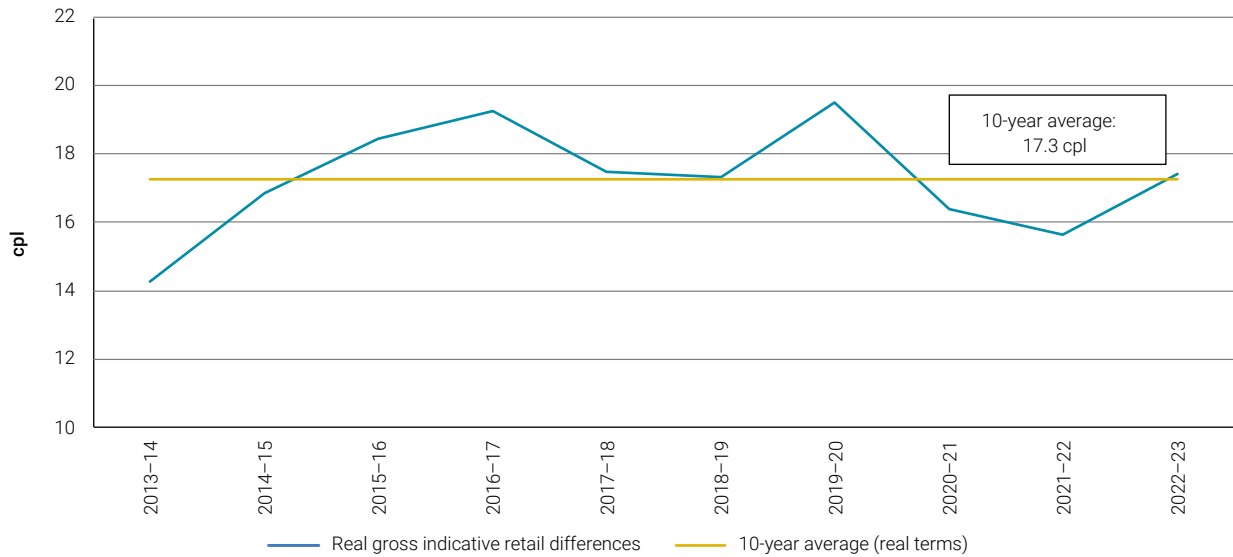
- Gasoil 10 ppm prices decreased by 2 percentage points from 2021–22
- taxes decreased by 2 percentage points
- other costs and margins increased by 3 percentage points.⁵¹

51 The percentage changes do not sum to zero due to rounding.

Annual average diesel gross indicative retail differences in real terms were around the 10-year average

Annual average diesel gross indicative retail differences in the 5 largest cities in 2022–23 were 17.4 cpl. This was an increase of 1.8 cpl from 2021–22 (15.6 cpl). In **real** terms, chart A.6 shows that average diesel gross indicative retail differences in 2022–23 were around the average over the past 10 years (17.3 cpl).

Chart A.6: Annual average diesel gross indicative retail differences in the 5 largest cities in real terms: September 2013 to June 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy and WA FuelWatch, and Australian Bureau of Statistics, [6401.0 Consumer Price Index, Australia, June 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 16 August 2023.

Note: **Real** values are shown in 2022–23 dollars.

Annual average diesel gross indicative retail differences in the 5 largest cities in real terms reached a high of 19.5 cpl in 2019–20 as diesel sales volumes were affected during the initial period of the COVID-19 pandemic.

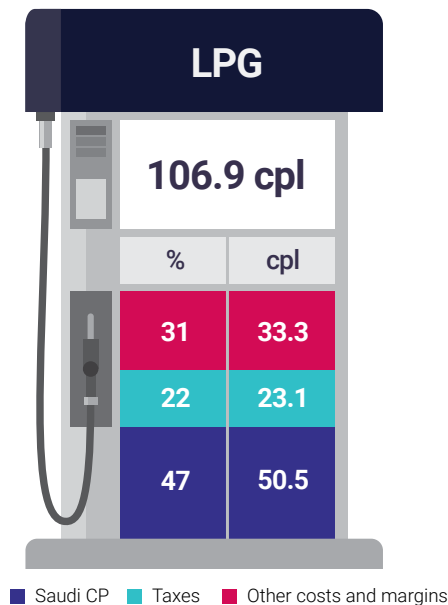
LPG prices

Saudi CP were the largest component of average liquefied petroleum gas (LPG) prices

In 2022–23, annual average retail LPG prices in the 5 largest capital cities were 106.9 cpl, an increase of 2.0 cpl (or around 2%) from 2021–22 (104.9 cpl).

Chart A.7 shows the 3 broad components of average retail LPG prices in the 5 largest cities in 2022–23. The Saudi Aramco Contract Prices for propane and butane (Saudi CP) are the appropriate international benchmarks for wholesale LPG prices. They were the largest component of annual average retail LPG prices.

Chart A.7: Components of annual average retail liquefied petroleum gas (LPG) prices in the 5 largest capital cities in 2022–23 – in percentage and cents per litre (cpl) terms



Source: ACCC calculations based on data from FUELtrac, Reuters, the Reserve Bank of Australia and the Australian Taxation Office.

In 2022–23, as a proportion of average retail LPG prices:

- the Saudi CP benchmarks decreased by 8 percentage points from 2021–22
- other costs and margins increased by 7 percentage points
- taxes increased by 1 percentage point.

ACCC activities

Figure A.8: Fuel-related inquiries and ACCC webpage views – 2022–23

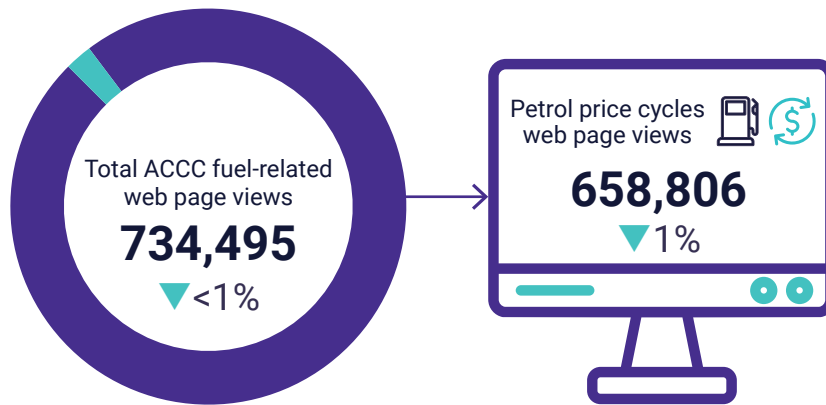


Responded to fuel-related correspondence and media enquiries on issues such as retail fuel prices, petrol price cycles, regional fuel prices, fuel price information and competition.



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

2022–23



Source: ACCC data.

Note: ▲▼% change from previous year.

Appendix B: Petrol price data for monitored locations

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. Table B.1 shows quarterly average retail petrol prices in the March quarter 2023 and the June quarter 2023, and the change between the 2 quarters, in these locations.⁵² It also shows the differential between average prices in each location and average prices across the 5 largest cities, and the location's capital city in the June quarter 2023, and in 2022–23.⁵³

Table B.1: Quarterly average retail petrol prices in the March quarter 2023 and the June quarter 2023, and differentials in the June quarter 2023 and 2022–23 – cents per litre (cpl)

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Sydney	185.1	183.1	-2.0				
Melbourne	184.3	185.0	0.7				
Brisbane	186.4	188.1	1.7				
Adelaide	178.6	180.2	1.6				
Perth	176.6	178.3	1.7				
5 largest cities	182.2	182.9	0.7				
Canberra	183.3	187.2	3.9	4.3		5.8	
Hobart	185.1	186.7	1.6	3.8		5.5	
Darwin	180.6	182.4	1.8	-0.5		3.2	
New South Wales							
Albury	184.8	183.5	-1.3	0.6	0.4	4.1	2.8
Armidale	183.9	187.3	3.4	4.4	4.2	5.0	3.7
Ballina	189.6	190.4	0.8	7.5	7.3	8.9	7.6
Batemans Bay	201.4	197.9	-3.5	15.0	14.8	18.7	17.4
Bathurst	176.4	176.1	-0.3	-6.8	-7.0	-4.2	-5.5
Bega	189.1	191.4	2.3	8.5	8.3	12.1	10.8

52 The source for all prices in this appendix is ACCC calculations based on data from FUELtrac. For prices to be included in the table, there had to be price observations on at least 75% of days in the quarter/year. Eleven locations did not have sufficient data for the June quarter 2023 – Blackall, Buronga, Cloncurry, Cunnamulla, Mt Isa, Normanton, Oberon, Orbost, Queenstown, Tully and Weipa. E10 prices instead of regular unleaded petrol prices are reported in Coonabarabran, Cowra, Gilgandra, Gunnedah, Merimbula, Wellington, West Wyalong and Yass.

53 In 2022–23, average regular unleaded petrol prices across the 5 largest cities were 181.4 cpl. Average prices in each capital city were: Sydney – 182.7 cpl, Melbourne – 184.8 cpl, Brisbane – 184.8 cpl, Adelaide – 177.4 cpl, Perth – 177.1 cpl, Canberra – 187.2 cpl, Hobart – 186.9 cpl and Darwin – 184.6 cpl. For locations in New South Wales where E10 prices are reported, the differential with prices in Sydney uses E10 prices. In the March quarter 2023 average E10 prices in Sydney were 183.7 cpl, in the June quarter 2023 they were 181.4 cpl, and in 2022–23 they were 181.2 cpl.

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Broken Hill	183.0	191.5	8.5	8.6	8.4	9.9	8.6
Bulahdelah	189.0	186.3	-2.7	3.4	3.2	8.8	7.5
Casino	180.7	184.9	4.2	2.0	1.8	4.6	3.3
Central Coast	187.6	186.7	-0.9	3.8	3.6	3.7	2.4
Coffs Harbour	178.6	179.6	1.0	-3.3	-3.5	-1.4	-2.7
Cooma	188.1	189.7	1.6	6.8	6.6	10.2	8.9
Coonabarabran	175.9	182.6	6.7	-0.3	1.2	-2.0	-1.8
Cootamundra	180.5	183.6	3.1	0.7	0.5	3.4	2.1
Cowra	189.9	190.4	0.5	7.5	9.0	14.8	15.0
Deniliquin	184.8	185.8	1.0	2.9	2.7	7.9	6.6
Dubbo	180.1	184.4	4.3	1.5	1.3	6.2	4.9
Forbes	198.4	197.1	-1.3	14.2	14.0	18.1	16.8
Forster	176.8	178.0	1.2	-4.9	-5.1	-3.4	-4.7
Gilgandra	180.5	186.9	6.4	4.0	5.5	5.1	5.3
Glen Innes	174.6	181.8	7.2	-1.1	-1.3	-1.8	-3.1
Goulburn	185.9	184.9	-1.0	2.0	1.8	5.6	4.3
Grafton	185.7	186.5	0.8	3.6	3.4	7.0	5.7
Griffith	179.5	182.0	2.5	-0.9	-1.1	0.4	-0.9
Gundagai	n/a	183.8	n/a	0.9	0.7	3.7	2.4
Gunnedah	177.2	177.5	0.3	-5.4	-3.9	-3.1	-2.9
Hay	185.3	186.6	1.3	3.7	3.5	7.8	6.5
Inverell	181.3	183.2	1.9	0.3	0.1	3.7	2.4
Jerilderie	n/a	186.3	n/a	3.4	3.2	8.1	6.8
Kempsey	176.1	179.5	3.4	-3.4	-3.6	-4.6	-5.9
Leeton	180.6	181.8	1.2	-1.1	-1.3	2.8	1.5
Lismore	185.9	190.1	4.2	7.2	7.0	9.2	7.9
Lithgow	190.5	183.0	-7.5	0.1	-0.1	6.3	5.0
Merimbula	180.3	182.8	2.5	-0.1	1.4	1.1	1.3
Mittagong	180.7	185.3	4.6	2.4	2.2	2.1	0.8
Moama	180.9	181.6	0.7	-1.3	-1.5	1.7	0.4
Moree	182.6	189.0	6.4	6.1	5.9	5.7	4.4
Moruya	179.7	182.5	2.8	-0.4	-0.6	0.7	-0.6
Moss Vale	179.8	185.3	5.5	2.4	2.2	1.5	0.2
Mudgee	190.4	191.2	0.8	8.3	8.1	15.5	14.2
Murwillumbah	197.8	195.0	-2.8	12.1	11.9	11.1	9.8

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Muswellbrook	182.2	179.8	-2.4	-3.1	-3.3	-1.9	-3.2
Narrabri	190.6	196.4	5.8	13.5	13.3	12.6	11.3
Newcastle	185.2	186.0	0.8	3.1	2.9	2.1	0.8
Nowra	183.3	178.8	-4.5	-4.1	-4.3	5.7	4.4
Nyngan	181.7	183.3	1.6	0.4	0.2	4.8	3.5
Orange	177.9	182.9	5.0	0.0	-0.2	4.8	3.5
Parkes	191.9	193.8	1.9	10.9	10.7	13.3	12.0
Port Macquarie	177.9	181.9	4.0	-1.0	-1.2	-1.9	-3.2
Queanbeyan	179.3	184.9	5.6	2.0	1.8	3.6	2.3
Singleton	177.2	191.1	13.9	8.2	8.0	3.1	1.8
Tamworth	181.2	184.1	2.9	1.2	1.0	0.7	-0.6
Taree	180.6	185.4	4.8	2.5	2.3	1.8	0.5
Temora	181.7	184.7	3.0	1.8	1.6	5.2	3.9
Tumut	181.6	181.6	0.0	-1.3	-1.5	1.1	-0.2
Tweed Heads South	188.8	191.9	3.1	9.0	8.8	9.2	7.9
Ulladulla	190.6	190.8	0.2	7.9	7.7	11.3	10.0
Wagga Wagga	179.5	180.0	0.5	-2.9	-3.1	-1.3	-2.6
Wauchope	186.1	187.3	1.2	4.4	4.2	4.0	2.7
Wellington	183.4	183.8	0.4	0.9	2.4	4.4	4.6
West Wyalong	181.7	185.3	3.6	2.4	3.9	6.9	7.1
Wollongong	184.8	186.7	1.9	3.8	3.6	5.7	4.4
Woolgoolga	190.6	189.3	-1.3	6.4	6.2	8.6	7.3
Yass	182.7	189.9	7.2	7.0	8.5	7.4	7.6
Northern Territory							
Alice Springs	193.2	194.4	1.2	11.5	12.0	18.0	14.8
Katherine	195.9	197.0	1.1	14.1	14.6	14.5	11.3
Tennant Creek	199.6	201.4	1.8	18.5	19.0	21.2	18.0
Queensland							
Atherton	179.9	184.7	4.8	1.8	-3.4	2.7	-0.7
Ayr	174.2	178.8	4.6	-4.1	-9.3	-5.7	-9.1
Biloela	180.2	182.9	2.7	0.0	-5.2	2.2	-1.2
Blackwater	199.9	197.2	-2.7	14.3	9.1	12.6	9.2
Bowen	174.4	180.4	6.0	-2.5	-7.7	-3.1	-6.5
Bundaberg	172.5	176.1	3.6	-6.8	-12.0	-6.9	-10.3
Caboolture	184.4	187.8	3.4	4.9	-0.3	3.2	-0.2

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Cairns	174.2	177.9	3.7	-5.0	-10.2	-5.1	-8.5
Charleville	183.2	198.7	15.5	15.8	10.6	15.2	11.8
Charters Towers	185.5	187.8	2.3	4.9	-0.3	4.3	0.9
Childers	180.5	183.8	3.3	0.9	-4.3	-0.2	-3.6
Dalby	172.9	173.6	0.7	-9.3	-14.5	-5.3	-8.7
Emerald	190.0	192.5	2.5	9.6	4.4	9.6	6.2
Gladstone	176.6	177.5	0.9	-5.4	-10.6	-4.0	-7.4
Gold Coast	182.4	187.4	5.0	4.5	-0.7	1.4	-2.0
Goondiwindi	173.7	176.3	2.6	-6.6	-11.8	-4.8	-8.2
Gympie	177.4	182.5	5.1	-0.4	-5.6	-3.5	-6.9
Hervey Bay	173.6	180.0	6.4	-2.9	-8.1	-6.0	-9.4
Ingham	180.7	182.0	1.3	-0.9	-6.1	0.2	-3.2
Innisfail	179.2	179.9	0.7	-3.0	-8.2	-1.0	-4.4
Ipswich	192.9	183.5	-9.4	0.6	-4.6	5.2	1.8
Kingaroy	171.7	178.4	6.7	-4.5	-9.7	-5.4	-8.8
Longreach	207.2	206.7	-0.5	23.8	18.6	32.6	29.2
Mackay	178.9	182.8	3.9	-0.1	-5.3	2.6	-0.8
Mareeba	183.6	186.6	3.0	3.7	-1.5	4.7	1.3
Maryborough	174.3	178.2	3.9	-4.7	-9.9	-3.7	-7.1
Miles	170.7	178.2	7.5	-4.7	-9.9	-6.4	-9.8
Moranbah	178.6	180.6	2.0	-2.3	-7.5	1.4	-2.0
Rockhampton	176.1	180.0	3.9	-2.9	-8.1	-3.1	-6.5
Roma	180.0	182.0	2.0	-0.9	-6.1	-1.2	-4.6
Sunshine Coast	179.1	182.2	3.1	-0.7	-5.9	-0.5	-3.9
Toowoomba	174.0	186.3	12.3	3.4	-1.8	-1.7	-5.1
Townsville	172.4	175.2	2.8	-7.7	-12.9	-7.9	-11.3
Tully	181.8	n/a	n/a	n/a	n/a	4.7	1.3
Warwick	173.9	179.0	5.1	-3.9	-9.1	-2.6	-6.0
Whitsunday	169.7	174.3	4.6	-8.6	-13.8	-7.7	-11.1
Yeppoon	176.9	180.2	3.3	-2.7	-7.9	-3.2	-6.6
South Australia							
Bordertown	181.4	183.0	1.6	0.1	2.8	0.2	4.2
Ceduna	183.9	184.7	0.8	1.8	4.5	3.1	7.1
Clare	180.3	184.1	3.8	1.2	3.9	-0.7	3.3
Cooper Pedy	212.9	198.6	-14.3	15.7	18.4	31.2	35.2

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Gawler	181.7	185.8	4.1	2.9	5.6	-1.0	3.0
Kadina	180.6	184.4	3.8	1.5	4.2	-0.4	3.6
Keith	180.4	182.0	1.6	-0.9	1.8	-1.5	2.5
Loxton	181.3	182.7	1.4	-0.2	2.5	-1.3	2.7
Mt Gambier	175.9	178.8	2.9	-4.1	-1.4	-6.0	-2.0
Murray Bridge	174.9	178.5	3.6	-4.4	-1.7	-5.3	-1.3
Naracoorte	183.3	186.8	3.5	3.9	6.6	1.6	5.6
Port Augusta	182.2	183.9	1.7	1.0	3.7	1.0	5.0
Port Lincoln	181.2	182.9	1.7	0.0	2.7	1.1	5.1
Port Pirie	180.3	183.7	3.4	0.8	3.5	-0.7	3.3
Renmark	183.1	185.4	2.3	2.5	5.2	1.7	5.7
Tailem Bend	180.8	182.5	1.7	-0.4	2.3	-0.3	3.7
Victor Harbour	178.6	178.2	-0.4	-4.7	-2.0	-1.6	2.4
Whyalla	183.8	185.6	1.8	2.7	5.4	2.5	6.5
Tasmania							
Burnie	186.8	186.4	-0.4	3.5	-0.3	6.1	0.6
Campbell Town	188.9	191.4	2.5	8.5	4.7	10.1	4.6
Devonport	187.4	190.5	3.1	7.6	3.8	8.6	3.1
Huonville	182.2	186.6	4.4	3.7	-0.1	4.6	-0.9
Launceston	186.4	188.2	1.8	5.3	1.5	7.6	2.1
New Norfolk	185.9	189.0	3.1	6.1	2.3	4.5	-1.0
Queenstown	203.2	n/a	n/a	n/a	n/a	19.2	13.7
Smithton	186.5	187.9	1.4	5.0	1.2	9.0	3.5
Sorell	184.5	186.8	2.3	3.9	0.1	6.1	0.6
Ulverstone	190.0	190.8	0.8	7.9	4.1	10.3	4.8
Wynyard	185.0	186.1	1.1	3.2	-0.6	7.8	2.3
Victoria							
Ararat	179.1	182.4	3.3	-0.5	-2.6	3.7	0.3
Bairnsdale	174.8	175.9	1.1	-7.0	-9.1	-4.1	-7.5
Ballarat	178.8	178.0	-0.8	-4.9	-7.0	-2.4	-5.8
Benalla	176.4	179.5	3.1	-3.4	-5.5	-2.1	-5.5
Bendigo	180.0	181.6	1.6	-1.3	-3.4	-0.9	-4.3
Cobram	185.6	184.9	-0.7	2.0	-0.1	3.9	0.5
Colac	175.2	179.6	4.4	-3.3	-5.4	-0.9	-4.3
Corryong	192.3	194.8	2.5	11.9	9.8	9.7	6.3

Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Echuca	179.5	179.7	0.2	-3.2	-5.3	0.4	-3.0
Euroa	184.1	186.7	2.6	3.8	1.7	3.2	-0.2
Geelong	175.8	179.2	3.4	-3.7	-5.8	-1.4	-4.8
Hamilton	172.7	175.3	2.6	-7.6	-9.7	-8.8	-12.2
Horsham	178.8	182.9	4.1	0.0	-2.1	-0.1	-3.5
Koo Wee Rup	187.3	184.0	-3.3	1.1	-1.0	4.5	1.1
Kyabram	181.7	182.2	0.5	-0.7	-2.8	1.2	-2.2
Lakes Entrance	174.9	178.6	3.7	-4.3	-6.4	-2.6	-6.0
Leongatha	179.3	183.5	4.2	0.6	-1.5	0.6	-2.8
Mansfield	184.7	187.1	2.4	4.2	2.1	8.1	4.7
Mildura	178.4	181.3	2.9	-1.6	-3.7	-1.8	-5.2
Moe	178.0	178.8	0.8	-4.1	-6.2	-2.6	-6.0
Morwell	173.6	177.2	3.6	-5.7	-7.8	-4.5	-7.9
Orbost	185.3	n/a	n/a	n/a	n/a	5.0	1.6
Portland	172.2	174.6	2.4	-8.3	-10.4	-9.8	-13.2
Sale	177.1	181.7	4.6	-1.2	-3.3	0.3	-3.1
Seymour	181.7	181.1	-0.6	-1.8	-3.9	-0.4	-3.8
Shepparton	179.5	181.6	2.1	-1.3	-3.4	-1.3	-4.7
Swan Hill	181.8	182.4	0.6	-0.5	-2.6	3.3	-0.1
Traralgon	175.6	177.9	2.3	-5.0	-7.1	-2.6	-6.0
Wallan	185.4	184.5	-0.9	1.6	-0.5	3.0	-0.4
Wangaratta	186.4	183.4	-3.0	0.5	-1.6	6.0	2.6
Warrnambool	175.0	176.6	1.6	-6.3	-8.4	-1.9	-5.3
Wodonga	177.4	179.0	1.6	-3.9	-6.0	-4.4	-7.8
Wonthaggi	182.9	183.8	0.9	0.9	-1.2	2.6	-0.8
Yarrawonga	185.4	182.2	-3.2	-0.7	-2.8	5.6	2.2
Western Australia							
Albany	176.0	177.0	1.0	-5.9	-1.3	-1.2	3.1
Boulder	178.6	183.3	4.7	0.4	5.0	1.3	5.6
Bridgetown	180.0	182.8	2.8	-0.1	4.5	1.3	5.6
Broome	232.8	226.4	-6.4	43.5	48.1	53.3	57.6
Bunbury	177.8	179.6	1.8	-3.3	1.3	-1.3	3.0
Busselton	179.9	182.8	2.9	-0.1	4.5	1.7	6.0
Carnarvon	193.6	190.7	-2.9	7.8	12.4	14.6	18.9
Collie	183.1	189.7	6.6	6.8	11.4	5.3	9.6

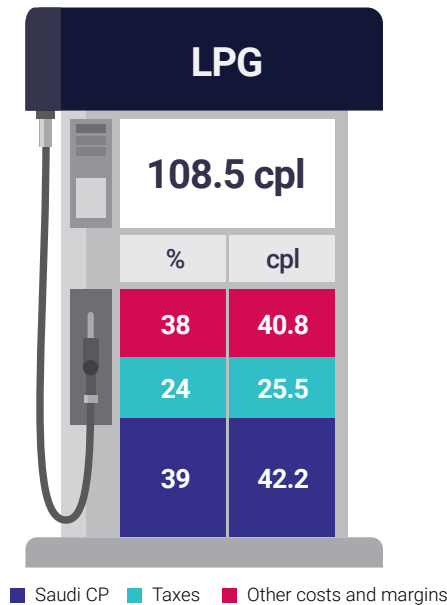
Location	Mar-23	Jun-23	Change	Differential Jun-23		Differential 2022-23	
			Mar-23 to Jun-23	5 largest cities	Capital city	5 largest cities	Capital city
Dongara	184.8	184.2	-0.6	1.3	5.9	4.0	8.3
Esperance	191.4	195.2	3.8	12.3	16.9	13.7	18.0
Geraldton	180.4	183.7	3.3	0.8	5.4	2.6	6.9
Kalgoorlie	175.4	180.2	4.8	-2.7	1.9	-1.2	3.1
Karratha	191.4	192.4	1.0	9.5	14.1	14.6	18.9
Manjimup	180.5	182.7	2.2	-0.2	4.4	1.2	5.5
Mount Barker	181.0	182.6	1.6	-0.3	4.3	2.7	7.0
Port Hedland	203.1	203.9	0.8	21.0	25.6	26.0	30.3
Waroona	n/a	185.4	n/a	2.5	7.1	6.6	10.9

Appendix C: Components of automotive liquefied petroleum gas (LPG) prices

Quarterly average retail liquefied petroleum gas (LPG) prices in the 5 largest cities in the June quarter 2023 were 108.5 cpl, a decrease of 0.6 cpl from the March quarter 2023 (109.1 cpl).

The Saudi Aramco Contract Prices for propane and butane (Saudi CP) are the appropriate international benchmarks for wholesale LPG prices. These prices only change once a month, at the start of each month. International LPG prices loosely move in line with international refined petrol and diesel prices. Chart C.1 shows the 3 broad components of average retail LPG prices in the 5 largest cities in the June quarter 2023.

Chart C.1: Components of average retail liquefied petroleum gas (LPG) prices in the 5 largest cities in the June quarter 2023 – in percentage and cents per litre (cpl) terms



Source: ACCC calculations based on data from FUELtrac, Reuters, the Reserve Bank of Australia and the Australian Taxation Office.

In the June quarter 2023:

- the Saudi CP international benchmarks decreased by 12 percentage points from the March quarter 2023
- other costs and margins increased by 12 percentage points
- taxes increased by one percentage point.⁵⁴

Other costs and margins generally make up a relatively large proportion of the retail price for LPG compared with those for petrol and diesel because of the higher transportation and storage costs for LPG, and the lower rate of excise. The significant increase in other costs and margins in the June quarter 2023 may have been influenced by lags in changes in retail prices following significant decreases (almost 25%) in the Saudi CP international benchmarks.

⁵⁴ The percentage changes in the June quarter 2023 do not sum to zero due to rounding.

