



ACCC

AUSTRALIAN COMPETITION
& CONSUMER COMMISSION

Report on the Australian petroleum market

March quarter 2023

June 2023



Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Ngunnawal
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601
© Commonwealth of Australia 2023

This work is copyright. In addition to any use permitted under the *Copyright Act 1968*, all material contained within this work is provided under a Creative Commons Attribution 4.0 Australia licence, with the exception of:

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

The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 4.0 AU licence. Requests and inquiries concerning reproduction and rights should be addressed to the Director, Corporate Communications, ACCC, GPO Box 3131, Canberra ACT 2601.

Important notice

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

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

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

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

ACCC 06/23_23-37

www.accc.gov.au

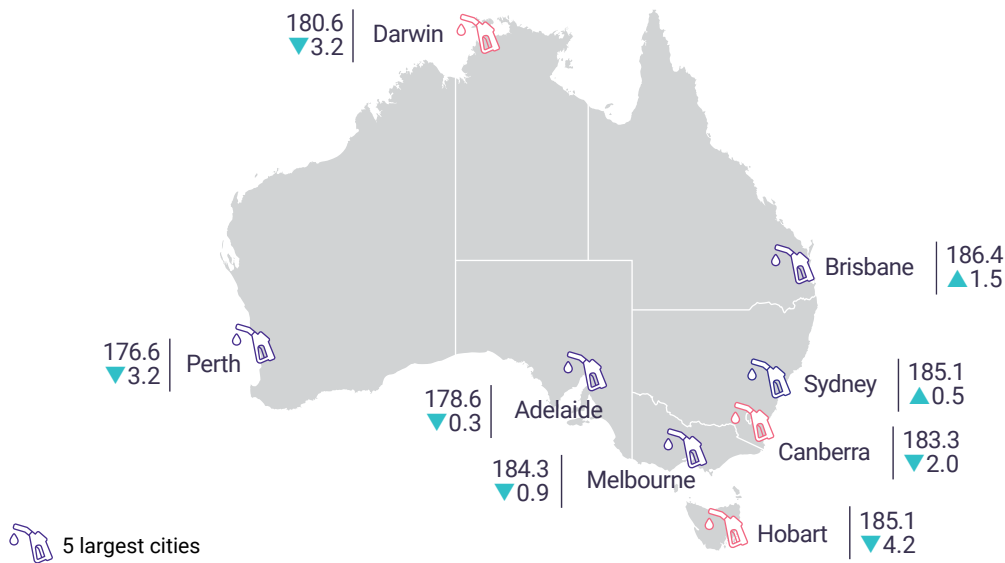
Contents

March quarter 2023 – Petrol snapshot	1
Key messages	2
1. Developments in the petroleum industry	10
1.1 Petrol sales volumes were generally higher and more stable over the past year	10
1.2 Decreasing diesel prices contributed to the lower rate of inflation in the quarter	11
1.3 Fuel excise was stable in real terms, adjusted marginally in line with the Consumer Price Index	11
1.4 Both Australian refiners recorded significantly increased profits in 2022	11
1.5 Australia implemented G7 price caps on Russian refined petroleum products	12
1.6 The Royal Automobile Association of South Australia’s fuel price app has been used more than 6.5 million times	12
1.7 The Northern Territory Government started publishing historical fuel price data	12
1.8 Ampol announced a settlement with the Australian Taxation Office relating to transfer pricing	13
1.9 Ampol completed rebranding its retail sites	13
1.10 Electric vehicle charging continued to be rolled out	13
2. ACCC activities	15
2.1 The ACCC monitors prices, costs and profits in the petroleum industry	15
2.2 The ACCC conducted monitoring and stakeholder liaison activities	15
3. Retail petrol price movements in the 5 largest cities	18
3.1 Retail prices in the 5 largest cities decreased marginally	18
3.2 Price cycles in each of the 5 capital cities vary	19
3.3 The price differential between premium unleaded petrol 95 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 The higher AUD–USD exchange rate put downward pressure on retail prices	24
4.3 Mogas 95 prices were stable in Australian dollar terms	25
4.4 Average gross indicative retail differences in the 5 largest cities were lower	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 higher AUD–USD exchange rate largely offset increases in Mogas 95 prices	31
5.	Retail petrol price movements in the smaller capital cities and in regional locations	33
5.1	Retail prices decreased in Canberra, Hobart and Darwin	33
5.2	Average regional prices were higher than prices in the 5 largest cities, but the differential decreased in the quarter	34
5.3	Average regional prices were lower than their respective capital city prices in New South Wales, Victoria and Queensland in the quarter	35
6.	Crude oil and refined petrol price movements	38
6.1	Crude oil prices decreased but refined petrol prices increased	38
6.2	Refiner margins increased significantly	39
6.3	The OPEC cartel, COVID-19, conflict in Ukraine and increasing interest rates have been the main factors influencing crude oil prices in recent years	40
7.	Retail diesel price movements in the 5 largest cities	43
7.1	Retail diesel prices decreased significantly	43
7.2	Gasoil 10 ppm was the largest component of average retail diesel prices	44
7.3	Retail diesel prices were higher than petrol prices but the difference reduced by more than half	45
Appendix A: Petrol price data for monitored locations		47
Appendix B: Components of automotive liquefied petroleum gas (LPG) prices		53

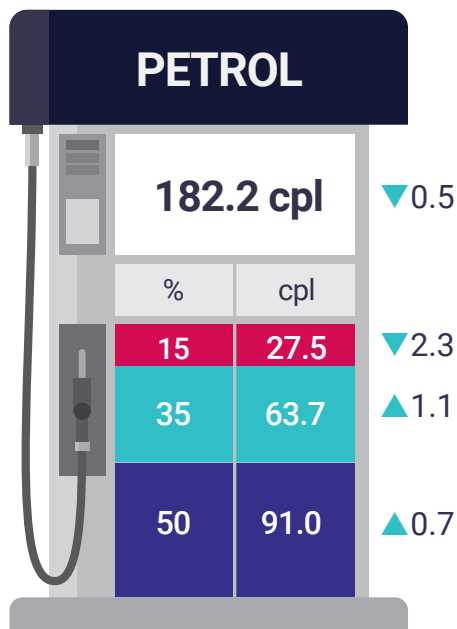
March quarter 2023 – Petrol snapshot

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

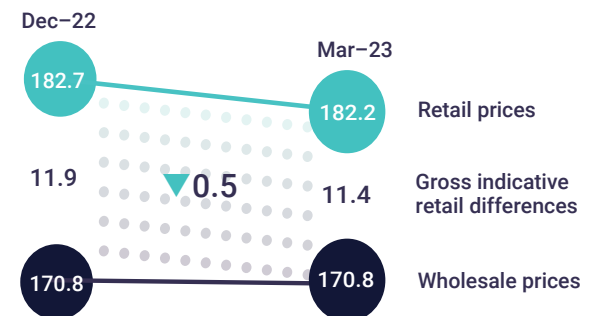
Breakdown of average petrol prices in the 5 largest cities.



- 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.



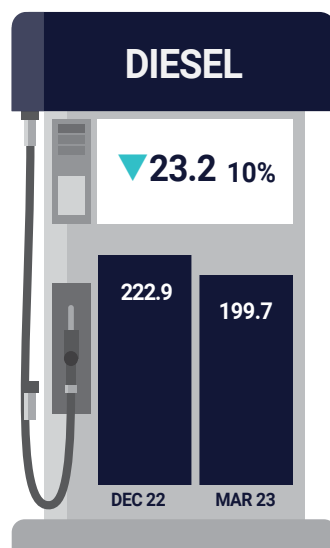
Prices are shown in cents per litre (cpl). ▲▼ cpl change from previous quarter. 'Petrol' means regular unleaded petrol in all capital cities.

Key messages

Retail diesel prices decreased significantly during the quarter

In the March quarter 2023, quarterly average retail diesel prices were 199.7 cents per litre (cpl) in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide and Perth).

The following figure shows the change in quarterly average retail diesel prices in the 5 largest cities between the December quarter 2022 and the March quarter 2023.



Source: ACCC calculations based on data from FUELtrac.

Notes: Prices are in cents per litre.

▼▲ cpl change from previous quarter.

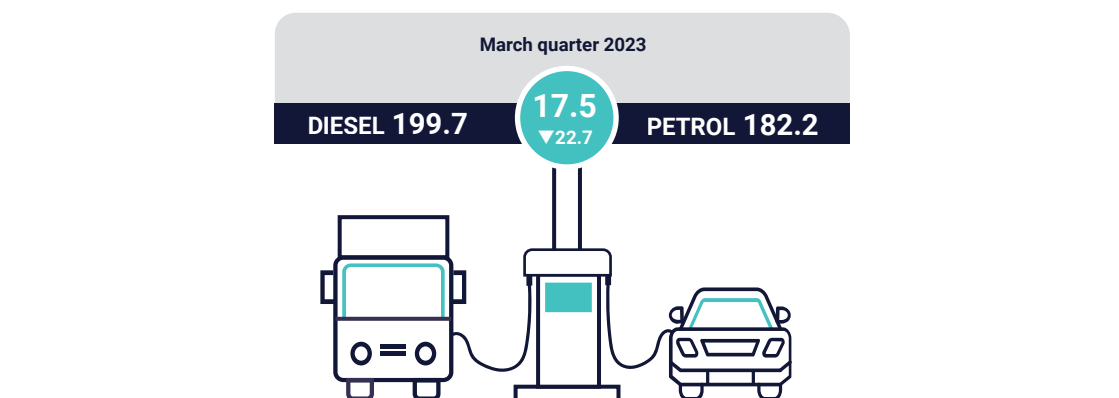
Retail diesel prices were higher than petrol prices but the difference reduced by more than half

Quarterly average retail diesel prices were 17.5 cpl higher than average retail petrol prices in the 5 largest cities.¹ However, this difference was 22.7 cpl lower than the difference in the December quarter 2022 (40.2 cpl).

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

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

Quarterly average retail diesel and petrol prices in the 5 largest cities and the difference between them, March quarter 2023 – cents per litre (cpl)



Average retail diesel prices were higher than average retail petrol prices due to the international benchmark price for refined diesel being higher than the international benchmark price for petrol.

- This has been influenced by fewer supplies from Russia prompted by the conflict in Ukraine.

Diesel also has a broader use in industrial activity and electricity generation, which affects demand for diesel.

During the quarter, the international benchmark price for refined diesel decreased, leading to the differential between retail diesel prices and retail petrol prices being smaller compared with the previous quarter. This was influenced by:

- a relatively warmer winter in Europe, which reduced diesel demand
- an increase in diesel exports from China
- an increase in refined diesel inventories in the United States.

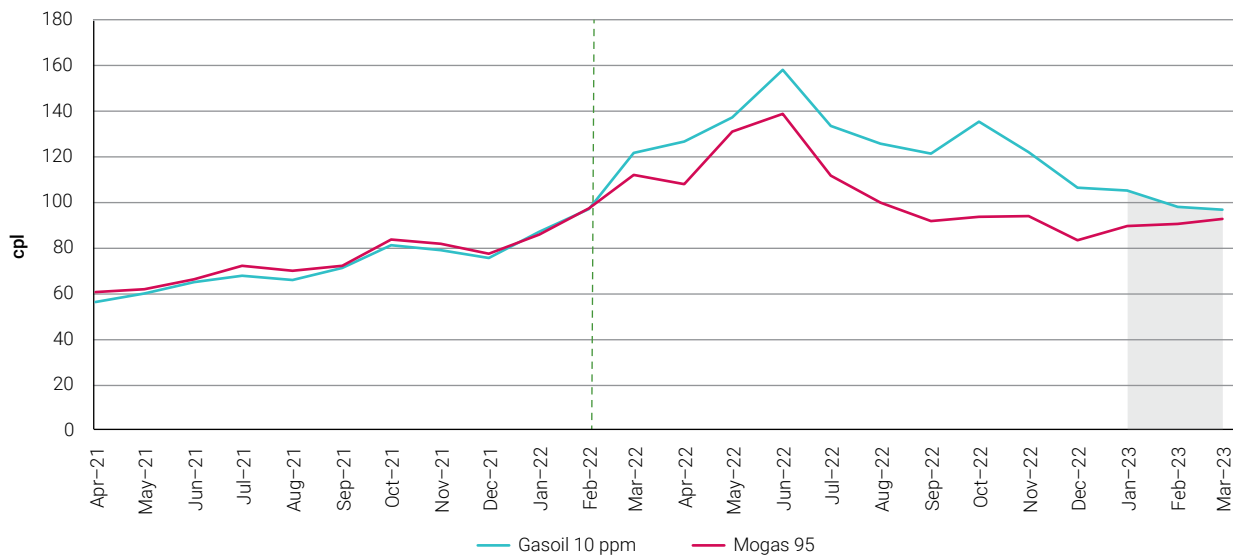
Sources: ACCC calculations based on data from FUELtrac, and Reuters, [Europe experienced second-warmest winter on record](#), 10 March 2023; [China's run of strong diesel, gasoline exports poised to end](#), 9 March 2023; and [U.S. diesel stocks bounce in sign of economic slowdown](#), 1 April 2023, accessed on 24 May 2023.

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

While both petrol and diesel are refined from crude oil and their prices broadly tend to follow similar movements over the long term, different short term influences can affect Gasoil 10 ppm and Mogas 95 prices.

The following chart shows monthly average Gasoil 10 ppm prices and monthly average 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: April 2021 to March 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 March quarter 2023.

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

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

Prior to the Russian invasion of Ukraine on 20 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. After that, 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. This was compounded by existing low global stocks of diesel and reduced exports from China.

The difference between international refined diesel and petrol prices peaked in the December quarter 2022 when average Gasoil 10 ppm prices in Australian cents per litre 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. Average Gasoil 10 ppm prices were 99.6 cpl, which was 8.6 cpl higher than average Mogas 95 prices (91.0 cpl).

Average retail petrol prices decreased marginally

In the March quarter 2023, average retail petrol prices in the 5 largest cities were 182.2 cpl, a decrease of 0.5 cpl from the December quarter 2022 (182.7 cpl).

The following chart shows movements in 7-day rolling average retail petrol prices from 1 April 2021 to 31 March 2023.²

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

Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 April 2021 to 31 March 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the March 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.

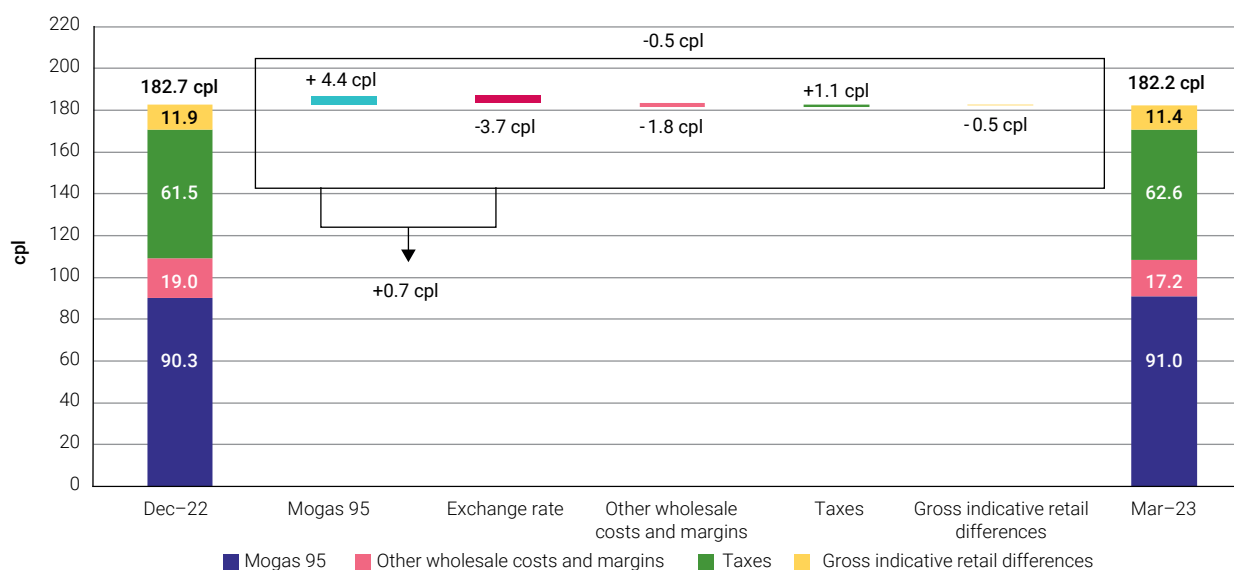
A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days.

The following chart shows the change in the components of average retail petrol prices in the 5 largest cities between the December quarter 2022 and March 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).³

³ 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: December quarter 2022 to March 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 'March quarter 2023 – Petrol snapshot'.

The chart shows that the marginal decrease in average retail petrol prices in the 5 largest cities in the March quarter 2023 (0.5 cpl) was primarily influenced by a higher AUD–USD exchange rate, which largely offset increases in Mogas 95 prices.

Excluding the effect of changes in the AUD–USD exchange rate (which increased by US 2.7 cents on average in the quarter), Mogas 95 prices would have increased by 4.4 cpl in the quarter. However, the increase in the AUD–USD exchange rate offset the influence of the increase in Mogas 95 prices by 3.7 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 increased by 0.7 cpl.

The tax component of average retail prices increased by 1.1 cpl, while other wholesale costs and margins and gross indicative retail differences both decreased in the quarter.

Refiner margins increased significantly as crude oil prices decreased while refined petrol prices increased

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 April 2021 and March 2023.

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



Source: ACCC calculations based on data from Argus Media.

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

In the March quarter 2023, average Brent crude oil prices were around USD 82 per barrel (a decrease of around 9%) from the previous quarter. Lower crude oil prices were influenced by:

- many central banks continued to raise interest rates or signalled further interest rate increases, leading to concerns about a global recession and lower demand
- a build up of crude oil stocks in the United States
- concerns that a crisis of confidence in the banking sector could trigger a recession and cut demand.⁴

Quarterly average Mogas 95 prices increased by around 5% in the March quarter 2023 to around USD 99 per barrel, leading to significant increases in refiner margins.

In the March quarter 2023, the average refiner margin was USD 16.8 per barrel (around 15.4 cpl in Australian dollar terms), an increase of USD 12.2 per barrel from the previous quarter. This quarterly average refiner margin was higher than the 10-year **real** average refiner margin (USD 12.9 per barrel, or AUD 10.5 cpl). The increase in the average refiner margin was influenced by increases in Asia-Pacific regional demand for refined fuels following higher mobility in China, as well as by supply disruptions in the United States and Europe.

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

In the March quarter 2023, average gross indicative retail differences in the 5 largest cities were 11.4 cpl, a decrease of 0.5 cpl from the previous quarter (11.9 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.

⁴ Reuters, [Oil slumps nearly 5% to lowest in more than a year as banking fears mount](#), 16 March 2023, accessed on 24 May 2023.

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.

Prior to the pandemic (between March 2017 and December 2019), **real** 12-month average gross indicative retail differences were between 13.6 cpl and 14.6 cpl. They reached their highest level on record in both nominal and **real** terms in the year to December 2020 (19.4 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.

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 recent lower gross indicative retail differences.

At the end of the March quarter 2023, gross indicative retail differences were 12.2 cpl, below pre-pandemic levels, as they were in the December quarter 2022.

Petrol sales volumes recovered as restrictions on activities and people movement in parts of Australia eased. Petrol sales volumes were generally higher and more stable over the past year, with a quarter-on-quarter change in sales volumes of 5% or less since the March quarter 2022.

Quarterly average sales volumes in 2022 were around 7% lower than in 2019. There are a number of reasons why petrol sales volumes may have not returned to pre-COVID-19 levels. These include increasing 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 being more fuel efficient.

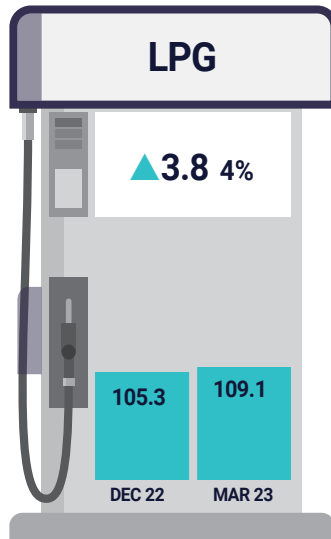
Retail petrol prices decreased in the smaller capitals and across regional locations on average

In the March quarter 2023, average retail petrol prices decreased in all 3 smaller capital cities: Hobart by 4.2 cpl, Darwin by 3.2 cpl and Canberra by 2.0 cpl. Average retail petrol prices in Darwin (180.6 cpl) were below the average retail petrol price across the 5 largest cities (182.2 cpl), while average prices in Canberra and Hobart were slightly above.

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. In the March quarter 2023, average retail petrol prices in regional locations in aggregate (regional prices) were 183.1 cpl, a decrease of 3.9 cpl from the December quarter 2022. Regional prices were 0.9 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 sixth consecutive quarter.

Retail automotive liquefied petroleum gas (LPG) prices increased

The following figure show the change in quarterly average retail liquefied petroleum gas (LPG) prices in the 5 largest cities between the December quarter 2022 and March quarter 2023.⁵



Source: ACCC calculations based on data from FUELtrac.

Notes: Prices are in cents per litre.

▼▲ cpl change from previous quarter.

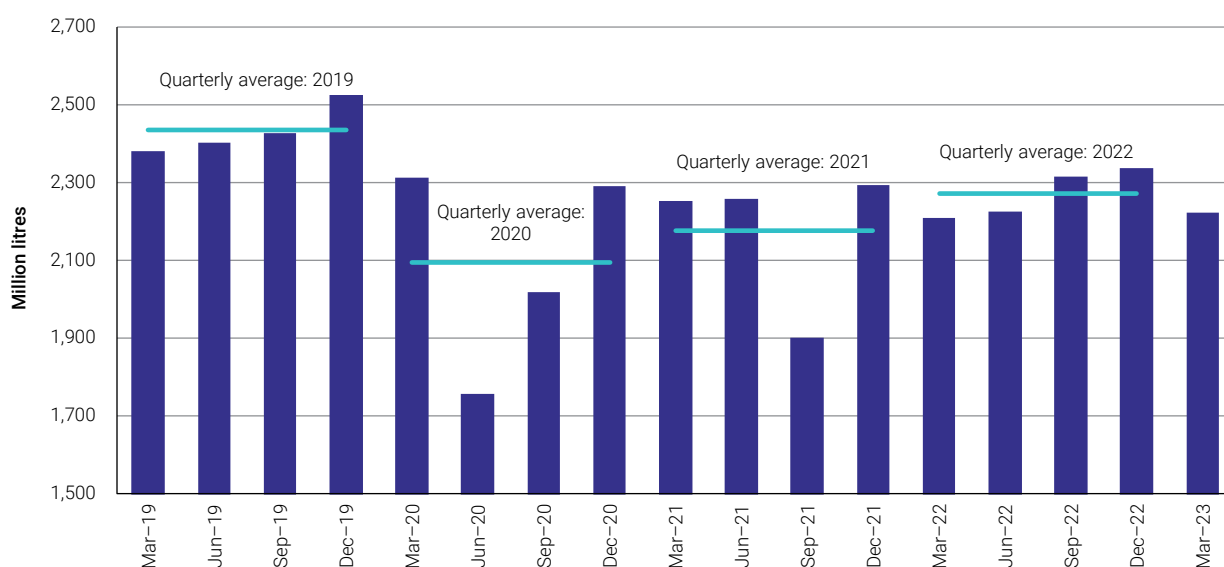
⁵ References to liquefied petroleum gas in this report are to automotive liquefied petroleum gas. Appendix B shows the components of liquefied petroleum gas prices.

1. Developments in the petroleum industry

1.1 Petrol sales volumes were generally higher and more stable over the past year

Petrol sales volumes across Australia in the March quarter 2023 were 2,221 million litres. In the previous quarter petrol sales volumes were 2,333 million litres, the highest since the COVID-19 pandemic began in early 2020.

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



Source: Department of Climate Change, Energy, the Environment and Water, [Australian Petroleum Statistics – Data Extract March 2023](#), accessed on 24 May 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.

Petrol sales volumes have been more stable over the past year, with quarter-on-quarter changes in sales volumes of 5% or less since the March quarter 2022.

Quarterly average sales in 2022 (2,269 million litres) were around 4% higher than in 2021 (2,175 million litres) and around 8% higher than in 2020 (2,094 million litres). They were around 7% 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 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 being more fuel efficient.

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

In the March quarter 2023, the Consumer Price Index increased by 1.4%, which was 0.5% lower than the increase in the December quarter 2022 (1.9%).⁶ 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.⁷

Automotive fuel prices decreased by 0.8% in the quarter. While unleaded petrol prices were unchanged, diesel prices decreased by 10.3%.

In the year to March 2023, the Consumer Price Index increased by 7.0%, with automotive fuel increasing by 1.1%. This is down from calendar year 2022, when the Consumer Price Index increased by 7.8%, with automotive fuel increasing by 13.2%. The March quarter 2023 represents one year since the invasion of Ukraine, which saw automotive fuel prices increase by 11.0% in the March quarter 2022.

1.3 Fuel excise was stable in real terms, adjusted marginally in line with the Consumer Price Index

Excise rates on fuel and petroleum products, other than aviation fuels, are indexed twice a year in line with the Consumer Price Index. This generally occurs in February and August. Automatic indexation of fuel excise was re-introduced by the Australian Government on 1 July 2015.⁸

Under these arrangements, on 1 February 2023 excise on petrol and diesel increased by 1.7 cpl to 47.7 cpl (remaining stable in **real** terms). Excise on automotive liquefied petroleum gas increased by 0.6 cpl to 15.6 cpl.⁹

1.4 Both Australian refiners recorded significantly increased profits in 2022

The 2 refineries in Australia – Ampol's refinery at Lytton (in Brisbane) and Viva Energy's refinery at Geelong – both reported significantly increased profits in 2022.

Ampol reported on 20 February 2023 that the Lytton refinery delivered earnings before interest and taxes (on a replacement cost operating profit basis) of \$686.7 million in 2022, a more than fourfold increase from 2021 (\$158.7 million).¹⁰ Ampol commented that strong operational performance and

6 Australian Bureau of Statistics, [Consumer Price Index, Australia, March quarter 2023](#), accessed on 24 May 2023.

7 Australian Bureau of Statistics, [Automotive fuel in the CPI](#), 23 March 2021, accessed on 24 May 2023.

8 Automatic twice-yearly indexation of excise on petrol commenced in 1983–84 and ceased in March 2001.

9 Australian Taxation Office, [Excise duty for fuel and petroleum products](#), accessed on 24 May 2023.

10 Ampol, [2022 Annual report](#), ASX/NZX Release, 20 February 2023, accessed on 24 May 2023.

the ability to secure sufficient crude supply meant that the Lytton refinery captured the elevated refiner margins available in 2022.

Viva Energy reported on 21 February 2023 that the Geelong refinery delivered earnings before interest taxes depreciation and amortisation (on a replacement cost basis) of \$504.4 million in 2022, a more than fivefold increase from 2021 (\$91.4 million).¹¹ Viva Energy commented that the Geelong refinery operated at near-full production during a period of strengthening regional refining margins.

1.5 Australia implemented G7 price caps on Russian refined petroleum products

On 4 February 2023, the Group of Seven (G7) countries plus Australia agreed to price caps of USD 100 per barrel for high value, and USD 45 per barrel for low value, Russian-origin refined petroleum products.¹²

The price caps aim to support stability in global energy markets while reducing the revenue Russia receives from refined petroleum products. This initiative is part of a suite of measures Australia and its international partners have introduced to impose costs on Russia for its invasion of Ukraine.

1.6 The Royal Automobile Association of South Australia's fuel price app has been used more than 6.5 million times

On 20 March 2023, the Royal Automobile Association of South Australia noted that there had been more than 6.5 million fuel price checks on its myRAA app since it was launched in March 2021.¹³

A survey of more than 500 users of the fuel price app found that they save an average of \$28.50 per month. With an average of 70,000 people using the fuel price feature on the app each month, the Royal Automobile Association of South Australia estimated that more than \$45 million in total could have been saved by South Australian motorists in the past 2 years.

On 30 March 2023, the Royal Automobile Association of South Australia stated that, since the launch of the fuel price transparency scheme in South Australia in March 2021, more than 200 outlets had been issued warnings and 18 fined for failing to report their prices accurately.¹⁴

1.7 The Northern Territory Government started publishing historical fuel price data

In February 2023, the Northern Territory Government started publishing historical fuel price data.¹⁵ The data goes back to the commencement of the Northern Territory's fuel price transparency scheme (MyFuel NT) in November 2017.

11 Viva Energy Australia, [Annual Report 2022](#), accessed on 24 May 2023.

12 Department of Foreign Affairs, [Russia – Australia implements G7 price caps on Russian refined petroleum products](#), news, 24 February 2023, accessed on 24 May 2023.

13 Royal Automobile Association of South Australia, [Putting millions back in the pockets of motorists](#), RAA Daily, 20 March 2023, accessed on 24 May 2023.

14 Royal Automobile Association of South Australia, [Servo crackdown to enforce fuel price laws over Easter](#), RAA Daily, 30 March 2023, accessed on 24 May 2023.

15 Northern Territory Government, [Open data portal, Organisations, Treasury and Finance](#), accessed on 24 May 2023.

The Northern Territory Government joins those in Western Australia, New South Wales and Queensland in publishing historical site-specific retail fuel price data.

1.8 Ampol announced a settlement with the Australian Taxation Office relating to transfer pricing

On 20 February 2023, Ampol announced that it had reached a final settlement with the Australian Taxation Office in relation to the Australian corporate tax treatment of earnings by Ampol's Singaporean entities from transactions with Ampol's Australian entities.¹⁶ The settlement resolves the dispute for past years back to 2014 for \$157 million.¹⁷ It also locks in the tax outcomes of the arrangement out to 2033.

1.9 Ampol completed rebranding its retail sites

In February 2023, Ampol announced that it had completed the rebranding of its retail sites from the Caltex brand to the Ampol brand in December 2022.¹⁸ The rebranding involved over 1,800 retail sites and commenced in August 2020.¹⁹

1.10 Electric vehicle charging continued to be rolled out

The Royal Automobile Association of South Australia launched its electric vehicle charging network in South Australia

On 2 March 2023, the Royal Automobile Association of South Australia, in partnership with the South Australian Government, launched its electric vehicle charging network unveiling the first 12 charging locations.²⁰ The network will comprise 140 charging sites and is estimated to be completed in 2024. The charge sites will be located within the driving range of a typical electric vehicle, with 98% of sites less than 200 km apart.

At the AC fast chargers, electric vehicle drivers will pay 25 cents per kWh during the day, and 32 cents per kWh during evening peak times (5.00 pm to 10.00 pm). At this rate, a driver with an electric vehicle with a battery capacity of 64 kWh would pay around \$16 during standard hours and \$20 during evening peak times.

16 Ampol, [Settlement reached between Ampol and the Australian Taxation Office](#), ASX/NZX Release, 20 February 2023, accessed on 24 May 2023.

17 Australian Taxation Office, [ATO settles dispute over Singapore hub](#), media release, 20 February 2023, accessed on 24 May 2023.

18 Ampol, [2022 Annual report](#), ASX/NZX Release, 20 February 2023, accessed on 24 May 2023.

19 Ampol, [Ampol Celebrates 1000th Rebranded Site](#), News and media, 11 March 2023, accessed on 24 May 2023.

20 Royal Automobile Association of South Australia, [RAA Charge – 12 electric vehicle charging locations switched on today as part of network launch](#), News Daily, 2 March 2023, accessed on 24 May 2023. The network will be made up of 86 AC Fast charging stations (with a maximum output of 7kW), and 54 DC Rapid and Ultra-Rapid charging stations (with a maximum output of 150kW and 200kW respectively). The AC Fast chargers will be able to charge a vehicle within several hours and the DC Rapid and Ultra-Rapid chargers will be able to charge an electric vehicle in 10 to 45 minutes.

The National Roads and Motorists' Association introduced mobile electric vehicle chargers

On 31 January 2023, the National Roads and Motorists' Association in New South Wales introduced mobile electric chargers for its members, as part of its broader strategy to support the transition to electric vehicles in Australia.²¹ The National Roads and Motorists' Association currently has a network of over 50 fast electric vehicle chargers.

The Electric Vehicle Council highlighted progress in 2022

On 7 February 2023, the Electric Vehicle Council of Australia released its report 'Australian Electric Vehicle Industry Recap 2022'.²² Key findings of the report include:

- At the end of 2022, there were around 83,000 electric vehicles in Australia.
- 39,353 new electric vehicles were purchased in 2022.
- 3.8% of all new vehicles purchased in 2022 were electric vehicles (an increase of 86% on 2021).
- Public charging sites increased from 1,614 in 2021 to 2,392 in 2022. Individual public chargers increased from 3,413 in 2021 to 4,943 in 2022.
- Over the past 3 years, the number of public charging sites in Australia has roughly doubled.

21 National Roads and Motorists' Association, [NRMA introduces mobile electric vehicle charging](#), press release, 31 January 2023, accessed on 24 May 2023.

22 Electric Vehicle Council, [Australian Electric Vehicle Industry Recap 2022](#), accessed on 24 May 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.²³ On 14 December 2022, the Treasurer issued a new Direction to the ACCC to monitor the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia for a further 3 years.

The ACCC is also responsible for administration of the Oil Code.²⁴

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* (such as price fixing with competitors), high petrol prices are not illegal.

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

2.2 The ACCC conducted monitoring and stakeholder liaison activities

The ACCC continued its fuel price monitoring role under the new Direction, releasing its petrol monitoring report on the December quarter 2022 on 24 March 2023.²⁵ The ACCC also continued its liaison with a range of stakeholders.

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

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

24 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.

25 ACCC, [Quarterly report on the Australian petroleum market – December quarter 2022](#), 24 March 2023.

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.

Greenwashing practices is a key issue for the ACCC



On 2 March 2023, the ACCC released a report on the prevalence of ‘greenwashing’ based on its internet sweep to understand the nature and prevalence of environmental and sustainability claims made by businesses in Australia.²⁶ The sweep covered 247 different businesses across 8 sectors: energy; motor vehicles; electronics and home appliances; textiles, garments and shoes; household and cleaning products; food and beverages; cosmetics and personal care; and takeaway packaging.

The use of environmental and sustainability claims is becoming more common in the marketing of consumer goods and services. However, there are concerns that a significant proportion of the claims made by businesses may be false, misleading, or have no reasonable basis. This is often known as ‘greenwashing’.

The ACCC’s report found that across the range of targeted sectors in the economy, 57% were identified as having made concerning claims about their environmental credentials.

The ACCC is increasing its engagement with a range of businesses and industry associations to promote compliance with the *Australian Consumer Law*. This included an information session presented to the ACCC’s Fuel Consultative Committee in May 2023. In the meeting the ACCC presented key findings from its report, outlined various ways that sustainability claims may be made, and provided guidance on its broader education, enforcement and compliance priorities.

The ACCC is currently finalising a draft guidance for business on environmental and sustainability claims. The ACCC will consult with business and consumer representatives before finalising the guide.

²⁶ ACCC, [Greenwashing by businesses in Australia – findings of the ACCC’s internet sweep of environmental claims](#), 2 March 2023.

Other stakeholder engagement and communications activity

Figure 2.1 outlines ACCC fuel-related communications activity in the March quarter 2023.

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

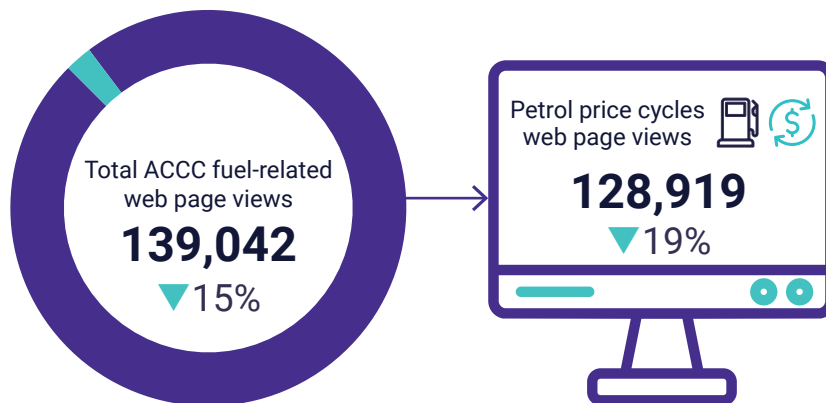


Responded to fuel-related correspondence and media enquiries on issues such as retail fuel prices, petrol price cycles, regional fuel prices, fuel price information and competition.



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

MARCH QUARTER 2023



Source: ACCC data.

Note: ▼▲ % change from previous quarter.

3. Retail petrol price movements in the 5 largest cities

This chapter focuses on petrol prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide, and Perth). Chapter 5 analyses petrol prices in the smaller capital cities (Canberra, Hobart, and Darwin) and regional locations across Australia.²⁷

3.1 Retail prices in the 5 largest cities decreased marginally

In the March quarter 2023, average retail petrol prices in the 5 largest cities were 182.2 cpl, a decrease of 0.5 cpl from the December quarter 2022 (182.7 cpl).

Table 3.1 shows quarterly average retail prices in the December quarter 2022 and March 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: December quarter 2022 and March quarter 2023 – cents per litre (cpl)

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
Dec-22	184.6	185.2	184.9	178.9	179.8	182.7
Mar-23	185.1	184.3	186.4	178.6	176.6	182.2
Change	0.5	-0.9	1.5	-0.3	-3.2	-0.5

Source: ACCC calculations based on data from FUELtrac.

Table 3.1 shows that, in the March quarter 2023:

- prices increased in Sydney and Brisbane and decreased in Melbourne, Adelaide and Perth
- Brisbane's average retail prices were the highest (186.4 cpl)
 - in the September and December quarters 2022, Melbourne had the highest retail petrol prices
- Perth's average retail prices were the lowest (176.6 cpl)
 - in the previous 7 quarters, Adelaide had the lowest retail petrol prices
- prices increased the most in Brisbane (by 1.5 cpl) and decreased the most in Perth (by 3.2 cpl).

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 21 June 2021 (137.6 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

²⁷ 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](#).

by volatile international crude oil and refined petrol prices as well as the temporary cut in fuel excise in late March 2022 and the restoration of full excise in late September 2022. At the end of the December quarter 2022, 7-day rolling average prices were 182.4 cpl.

Chart 3.1: Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 April 2021 to 31 March 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

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

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

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

At the beginning of the March quarter 2023, 7-day rolling average retail petrol prices increased to 187.6 cpl on 3 January 2023 before decreasing to a quarterly low of 173.7 cpl on 27 January 2023. Seven-day rolling average retail prices then gradually increased to a quarterly high of 191.8 cpl on 21 February 2023, before dropping to 180.9 cpl on 8 March 2023 and remaining broadly stable to the end of the quarter.

3.2 Price cycles in each of the 5 capital cities vary

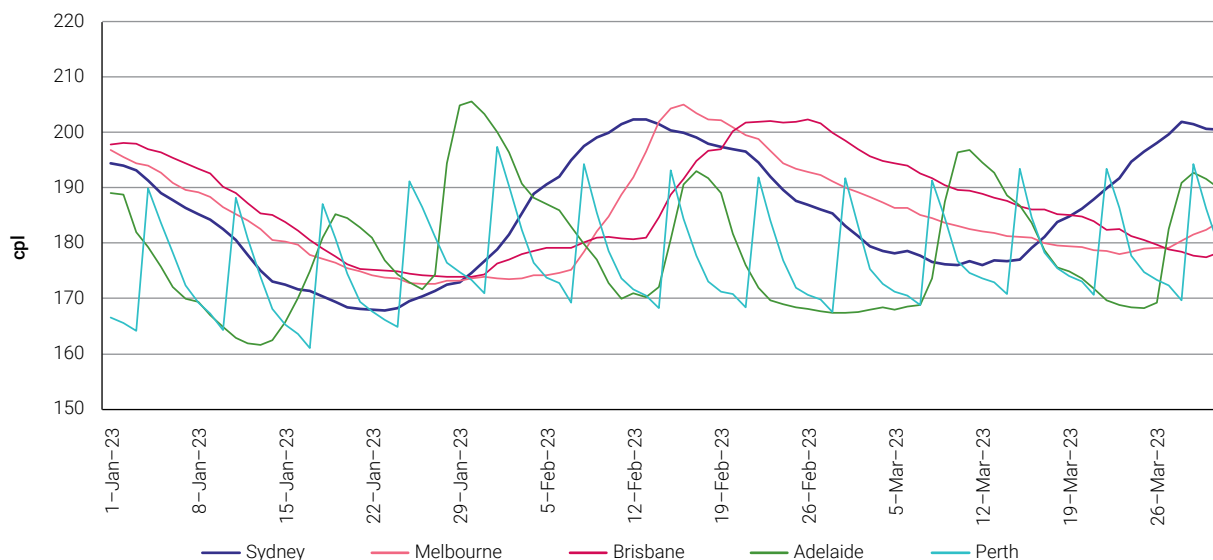
Price cycles (that is, the sudden, sharp increases in the price of petrol, followed by a gradual decline) are a prominent and longstanding feature of retail petrol prices in Australia's 5 largest cities. These price cycles do not occur in the smaller capital cities or in most regional locations. Price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

The ACCC released a report on petrol price cycles in Australia in December 2018.²⁸ 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 a number of 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 March quarter 2023.

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

Chart 3.2: Daily average retail petrol prices in the 5 largest cities: 1 January to 31 March 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 the year to March 2023.

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

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth
Jun-22	3	3	3	5	7
Sep-22	2	3	2	7	9
Dec-22	2	1	1	5	13
Mar-23	2	2	2	6	13
Year to Mar-23	9	9	8	23	42

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 March quarter 2023, Sydney had 2 price cycles, the same as the previous quarter. Melbourne and Brisbane both had 2 price cycles (one more cycle for each city than in the previous quarter), while Adelaide had 6 price cycles (also one more than the previous quarter).

In the year to March 2023, 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.

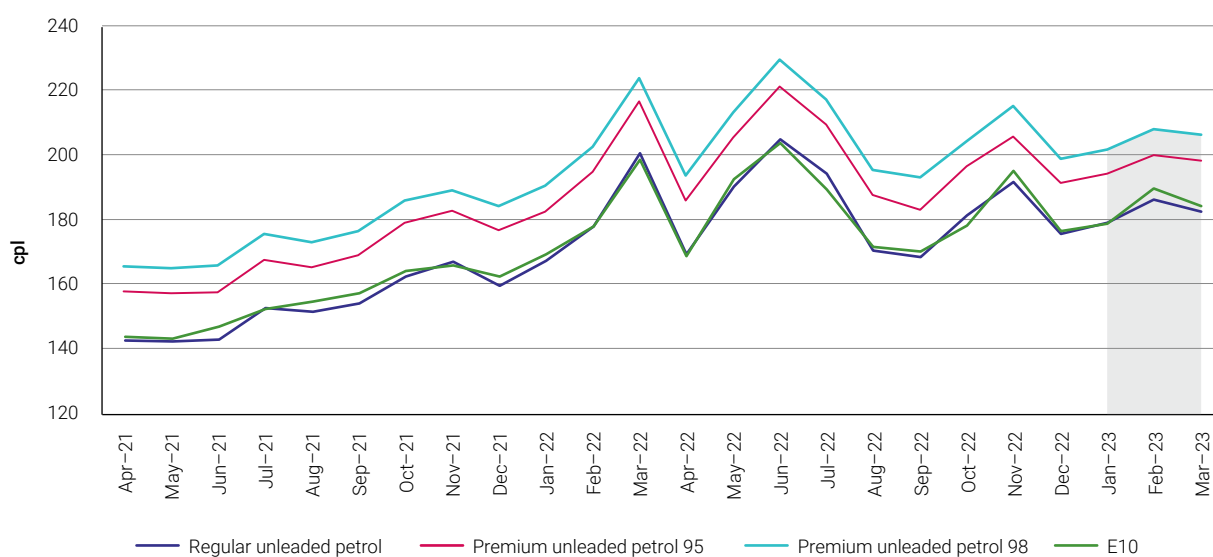
There were 13 price cycles in Perth in the March quarter 2023, the same as the previous quarter. In October 2021 price cycles in Perth changed from weekly to fortnightly. From late July 2022, they moved back to weekly price cycles. This change appears to have been driven by changes in retail pricing at Coles Express sites (at which Viva Energy sets retail prices).²⁹

²⁹ 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 differential between premium unleaded petrol 95 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 moved in a similar manner in the year to March 2023.³⁰

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: April 2021 to March 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac.

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

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

- regular unleaded petrol and premium unleaded petrol 95 prices was 15.1 cpl (an increase of 0.2 cpl from the previous quarter)
- regular unleaded petrol and premium unleaded petrol 98 prices was 22.9 cpl (a decrease of 0.3 cpl)
- regular unleaded petrol and E10 prices was 1.6 cpl (an increase of 1.3 cpl).³¹

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).

³⁰ E10 (regular unleaded petrol with up to 10% ethanol) prices are for Sydney and Brisbane only.

³¹ Historically, E10 (regular unleaded petrol with up to 10% ethanol) prices have generally been lower than regular unleaded petrol prices. However, this is the second consecutive quarter when average E10 prices were higher than average regular unleaded petrol prices. In the December quarter 2022, average E10 prices were 0.3 cpl higher than average regular unleaded petrol prices. In the recent 2 quarters, regular unleaded petrol prices in Adelaide and Perth were significantly lower than those in the other largest cities, which had the effect of reducing average prices across the 5 largest cities to levels below average E10 prices across Sydney and Brisbane. E10 prices in Sydney and Brisbane in the December quarter 2022 and March quarter 2023 were lower than regular unleaded petrol prices in those cities.

Premium unleaded petrol 95 and premium unleaded petrol 98 has 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.³²

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

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

32 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:

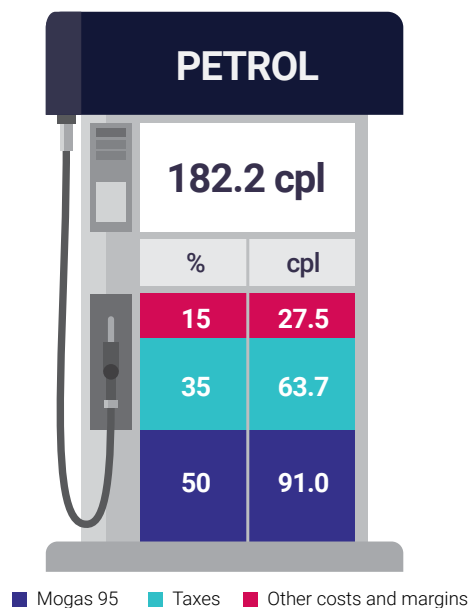
- the international price of refined petrol (Mogas 95)
- taxes (excise and the goods and services tax)
- other costs and margins, at the wholesale and retail levels.

This chapter analyses these components in the March 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 March quarter 2023.³³

Chart 4.1: Components of average retail petrol prices in the 5 largest cities in the March 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 March quarter 2023 (50%). The 2 largest components—Mogas 95 and taxes—accounted for 85% of average petrol prices. These components are largely outside the control of local petrol retailers.

³³ Taxes include fuel excise, and both the wholesale and retail components of the goods and services tax. On 1 February 2023 excise on petrol increased by 1.7 cpl to 47.7 cpl.

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

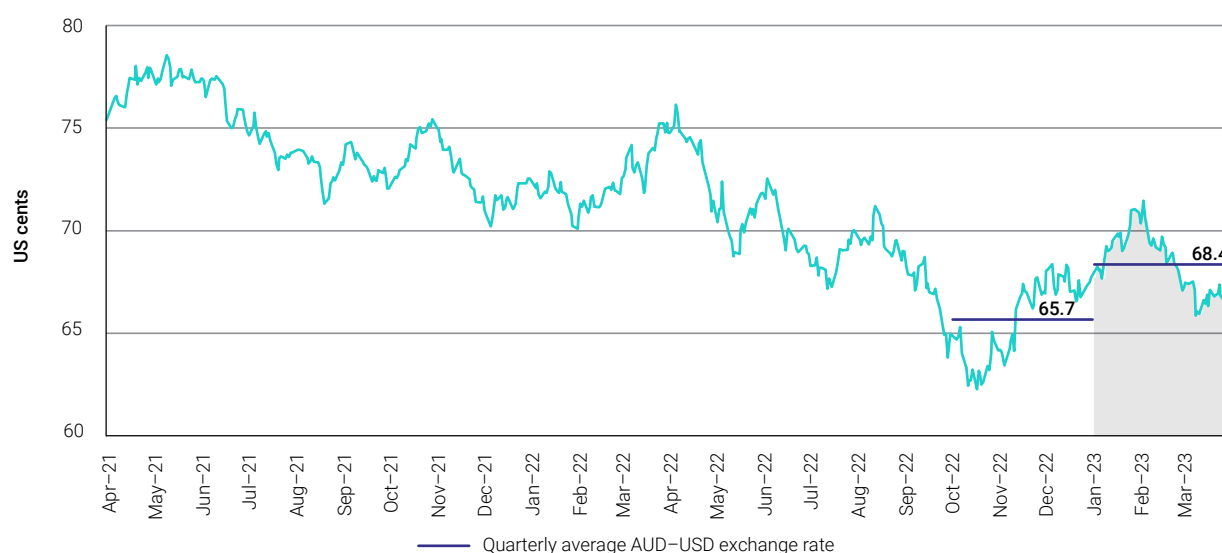
- Mogas 95 and taxes both increased by one percentage point from the December quarter 2022
- other costs and margins decreased by one percentage point.³⁴

4.2 The higher AUD–USD exchange rate put downward 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 4.2 shows that the daily AUD–USD exchange rate varied significantly over the past 2 years, ranging from a low of US 62 cents in mid-October 2022 to a high of US 79 cents in early May 2021. The exchange rate has largely trended downwards since May 2021.

Chart 4.2: Daily AUD–USD exchange rates in nominal terms: 1 April 2021 to 31 March 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 March quarter 2023.

In the March quarter 2023, the AUD–USD exchange rate ranged within a US 6 cent band between US 66 cents and US 72 cents. The quarterly average AUD–USD exchange rate was US 68.4 cents, an increase of US 2.7 cents from the December quarter 2022.

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

If the AUD–USD exchange rate had remained at the period high of US 79 cents in early May 2021, average retail petrol prices in Australia in the March quarter 2023 would have been around 12.9 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 March quarter 2023 would have been around 9.8 cpl higher.

³⁴ The percentage changes in the March quarter 2023 do not sum to zero because the component percentages in the December quarter 2022 did not sum to 100% due to rounding.

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

4.3 Mogas 95 prices were stable in Australian dollar terms

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 4.3 shows monthly average Mogas 95 prices in Australian cents per litre, and monthly average retail petrol prices in the 5 largest cities, from April 2021 to March 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 4.3: Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in nominal terms: April 2021 to March 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 March quarter 2023.

In the March quarter 2023:

- quarterly average Mogas 95 prices were 91.0 cpl (an increase of 0.7 cpl from the December quarter 2022)
- monthly average Mogas 95 prices increased from 83.3 cpl in December 2022 to 92.7 cpl in March 2023 (an increase of 9.4 cpl or around 11%)
- monthly average retail petrol prices in the 5 largest cities increased from 175.5 cpl in December 2022 to 182.3 cpl in March 2023 (an increase of 6.8 cpl or around 4%).

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

Average gross indicative retail differences in the 5 largest cities (in aggregate) were 11.4 cpl in the March quarter 2023. This was 0.5 cpl lower than the previous quarter (11.9 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.³⁵

Table 4.1 shows quarterly average gross indicative retail differences in each of the 5 largest cities in the year to March 2023.

35 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: June quarter 2022 to March quarter 2023 – cents per litre (cpl)

Location	Quarter	Retail prices cpl	Terminal gate prices cpl	Gross indicative retail differences cpl
5 largest cities	Jun-22	188.0	177.9	10.1
	Sep-22	177.7	162.0	15.7
	Dec-22	182.7	170.8	11.9
	Mar-23	182.2	170.8	11.4
	Year to Mar-23	182.6	170.4	12.2
Sydney	Jun-22	189.8	178.3	11.5
	Sep-22	178.2	163.3	14.9
	Dec-22	184.6	171.8	12.8
	Mar-23	185.1	171.3	13.8
	Year to Mar-23	184.4	171.1	13.3
Melbourne	Jun-22	189.3	178.1	11.2
	Sep-22	184.8	161.9	22.9
	Dec-22	185.2	170.6	14.6
	Mar-23	184.3	170.3	14.0
	Year to Mar-23	185.9	170.2	15.7
Brisbane	Jun-22	190.8	177.7	13.1
	Sep-22	179.8	161.8	18.0
	Dec-22	184.9	170.8	14.1
	Mar-23	186.4	170.7	15.7
	Year to Mar-23	185.5	170.2	15.3
Adelaide	Jun-22	184.0	178.1	5.9
	Sep-22	172.0	163.0	9.0
	Dec-22	178.9	172.1	6.8
	Mar-23	178.6	172.2	6.4
	Year to Mar-23	178.4	171.3	7.1
Perth	Jun-22	186.2	177.3	8.9
	Sep-22	173.6	160.0	13.6
	Dec-22	179.8	168.9	10.9
	Mar-23	176.6	169.7	6.9
	Year to Mar-23	179.0	168.9	10.1

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

The table shows that in the year to March 2023, 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 5.9 cpl (in Adelaide in the June quarter 2022)
- were lowest in all cities in the June quarter 2022, except for Perth where they were lowest in the March quarter 2023
- were highest in all cities in the September quarter 2022
- were consistently lower in Adelaide compared with average gross indicative retail differences across the 5 largest cities, and consistently higher in Melbourne and Brisbane
- in the March quarter 2023, gross indicative retail differences were lowest in Adelaide (6.4 cpl) and highest in Brisbane (15.7 cpl).

In the year to March 2023, gross indicative retail differences were lowest in Adelaide (7.1 cpl) and highest in Melbourne (15.7 cpl).

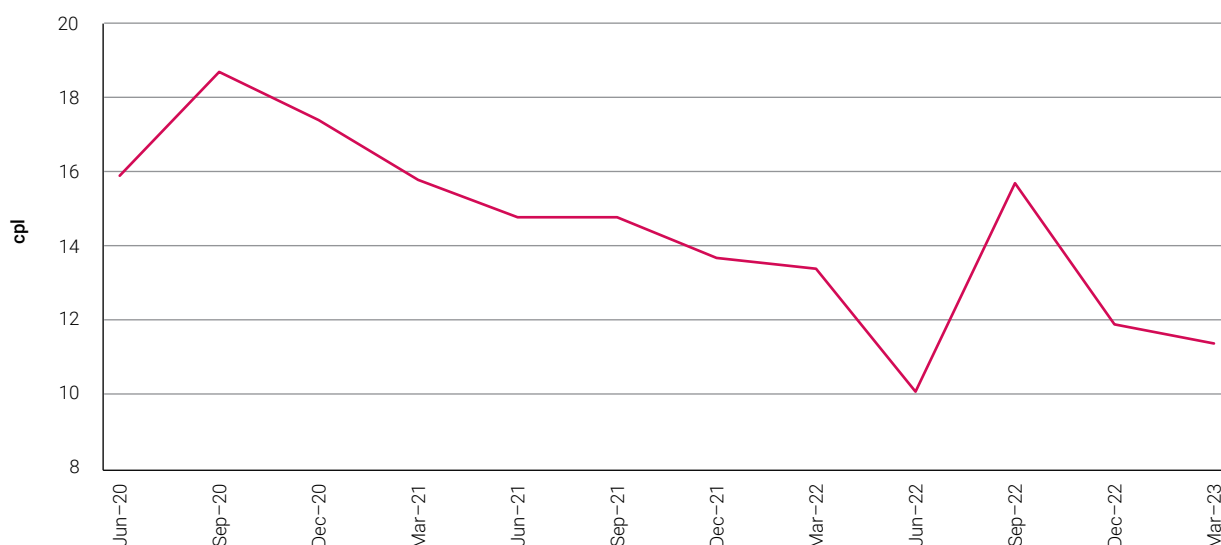
The comparatively lower gross indicative retail differences in Adelaide are the result of relatively lower retail petrol prices. These may have been influenced by greater fuel price transparency following the commencement of the South Australian Government's fuel price transparency scheme in March 2021.

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.³⁶ The comparatively higher gross indicative retail differences in Melbourne in the September and December 2022 quarters appear to have been influenced by the timing of the Melbourne petrol price cycle.

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

³⁶ 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: June quarter 2020 to March 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 continued to decrease in the March quarter 2023 after decreasing substantially in the December quarter 2022.

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.

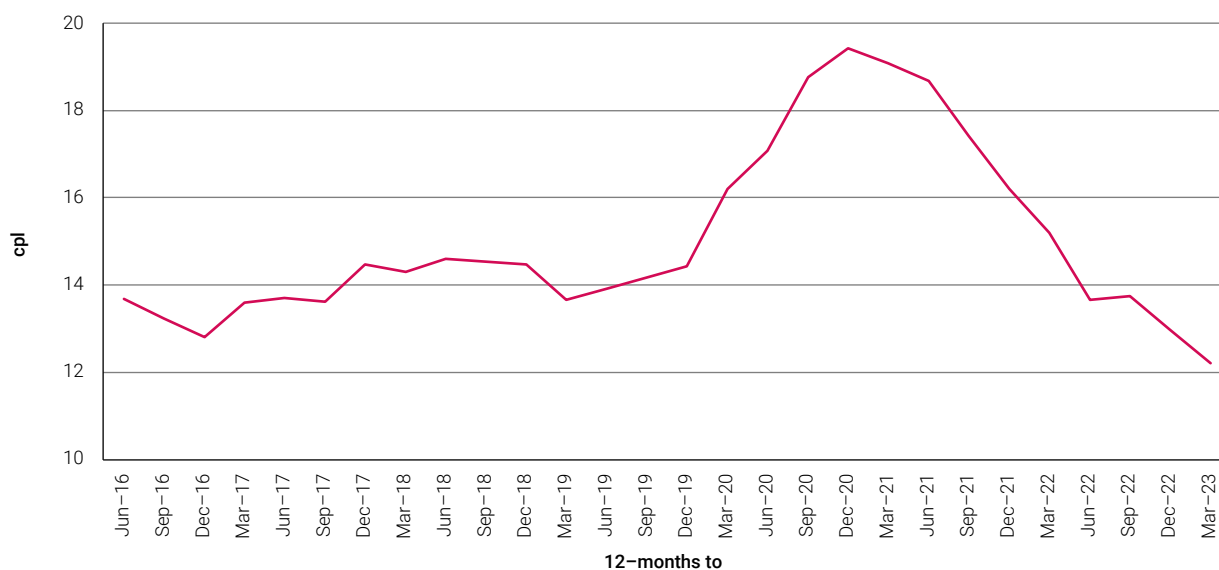
The effects of the lags between changes in terminal gate prices and retail prices, and their impact on gross indicative retail differences, is less prevalent when gross indicative retail differences are considered over a longer period.

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.³⁷

³⁷ 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: June 2016 to March 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, March 2023](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 24 May 2023.

Note: **Real** values are shown in March 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 (19.4 cpl), influenced by COVID-19 restrictions and retailers experiencing lower sales volumes.³⁸ 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 recent lower gross indicative retail differences.

Since December 2020, 12-month average gross indicative retail differences have decreased by 7.2 cpl in **real** terms, and were 12.2 cpl at the end of the March quarter 2023.

Twelve-month average gross indicative retail differences at the end of the March quarter 2023 were below pre-pandemic levels, as they were in the December quarter 2022. The chart shows that between March 2017 and December 2019, **real** 12-month average gross indicative retail differences were in a 1.0 cpl band between 13.6 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.³⁹ 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.⁴⁰

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

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

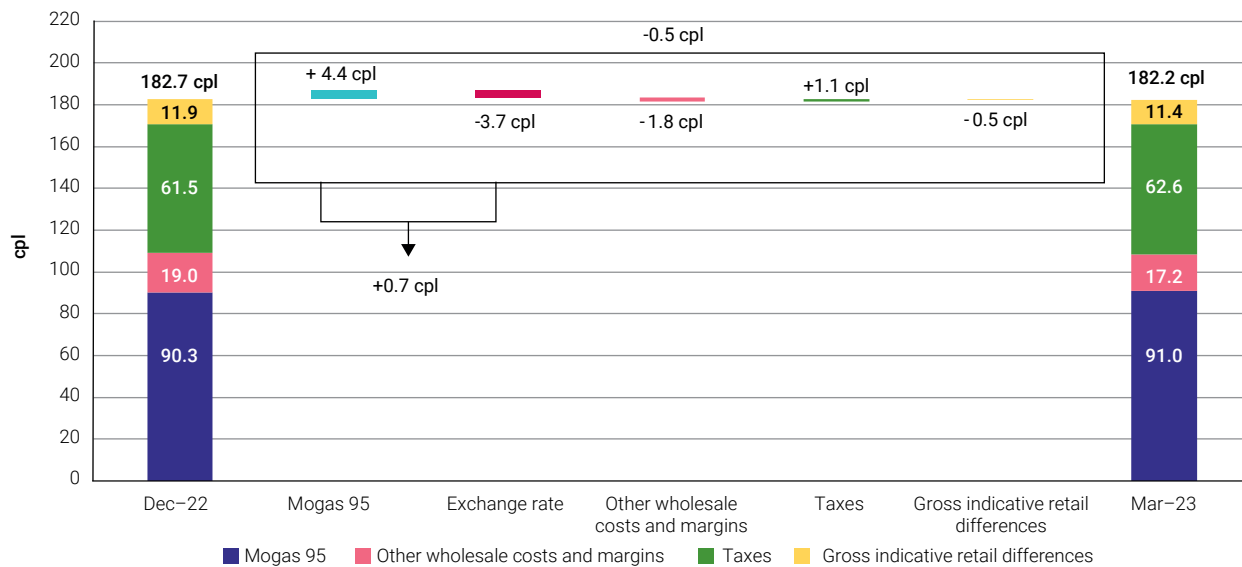
40 The analysis compared gross indicative retail differences (which are based on price data) with retail gross profit financial results on regular unleaded petrol (which are based on financial data). Both measures, although not directly comparable, showed a broadly similar upward trend over the longer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

4.6 Retail prices were broadly stable because the higher AUD–USD exchange rate largely offset increases in Mogas 95 prices

Chart 4.6 shows the change in the components of average retail petrol prices in the 5 largest cities between the December quarter 2022 and March 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: December quarter 2022 to March 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 decrease in average retail petrol prices in the 5 largest cities in the March quarter 2023 (0.5 cpl) was primarily influenced by a higher AUD–USD exchange rate, which largely offset increases in Mogas 95 prices.

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 increased by US 2.7 cents on average in the quarter), Mogas 95 prices would have increased by 4.4 cpl in the quarter. However, the increase in the AUD–USD exchange rate offset the influence of the increase in Mogas 95 prices by 3.7 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 increased by 0.7 cpl.

The tax component of average retail prices increased by 1.1 cpl in the March quarter 2023, influenced by the 1.7 cpl increase in petrol excise in February 2023.⁴¹ Both other wholesale costs and margins and gross indicative retail differences decreased in the quarter.

41 See section 1.3 in chapter 1.

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

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

5.1 Retail prices decreased in Canberra, Hobart and Darwin

In the March quarter 2023, average retail prices decreased in all 3 smaller capital cities: Hobart by 4.2 cpl, Darwin by 3.2 cpl and Canberra by 2.0 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 slightly above.

Table 5.1 shows quarterly average retail prices in the December quarter 2022 and March 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.

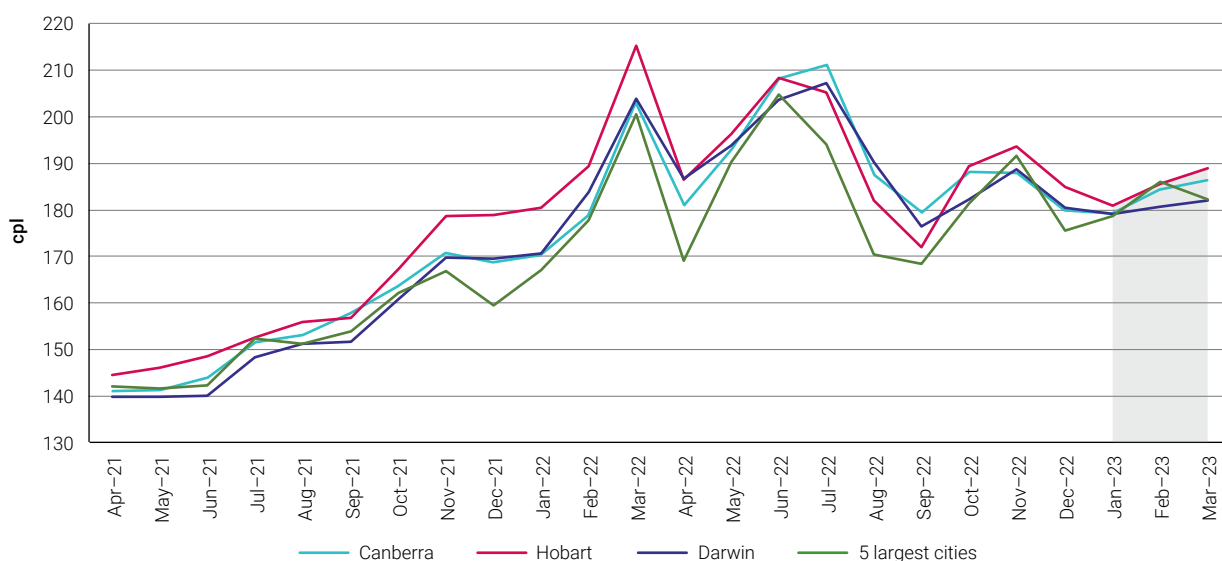
Table 5.1: Quarterly average retail petrol prices in each of the smaller capital cities and the 5 largest cities: December quarter 2022 and March quarter 2023 – cents per litre (cpl)

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
Dec-22	185.3	189.3	183.8	182.7	2.6	6.6	1.1
Mar-23	183.3	185.1	180.6	182.2	1.1	2.9	-1.6
Change	-2.0	-4.2	-3.2	-0.5	-1.5	-3.7	-2.7

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 April 2021 to March 2023.

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



Source: ACCC calculations based on data from FUELtrac.

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

In the year to March 2023, 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
- higher in Darwin in most months, but were lower in June and November 2022, and in February and March 2023.

5.2 Average regional prices were higher than prices in the 5 largest cities, but the differential decreased in the quarter

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

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

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

Average prices in regional locations in aggregate (regional prices) were 183.1 cpl in the March quarter 2023. They were higher than average prices in the 5 largest cities (182.2 cpl) for the sixth successive quarter, but the differential decreased. Quarterly average regional prices were 0.9 cpl higher than average prices in the 5 largest cities in the March quarter 2023, compared with 4.3 cpl higher in the December quarter 2022.

Average regional prices decreased by 3.9 cpl from the December 2022 quarter, while average prices in the 5 largest cities decreased by 0.5 cpl.

Chart 5.2 shows that in the year to March 2023, monthly average regional prices were higher than average prices in the 5 largest cities in all months except November 2022 and February 2023.

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



Source: ACCC calculations based on data from FUELtrac.

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

In the March quarter 2023, average prices in 76 regional locations (representing around 42% of monitored locations) were higher than average prices in the 5 largest cities. In comparison, in the December quarter 2022, around 68% of regional locations were higher.

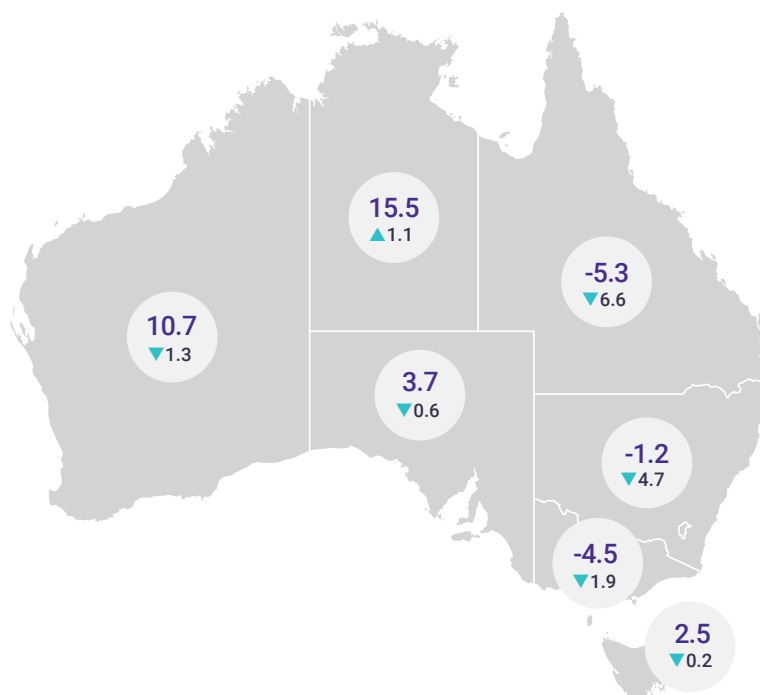
Appendix A has further information on petrol price movements in recent quarters and in the year to March 2023 in all locations the ACCC monitors.

5.3 Average regional prices were lower than their respective capital city prices in New South Wales, 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 March 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: March quarter 2023 – cents per litre (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.

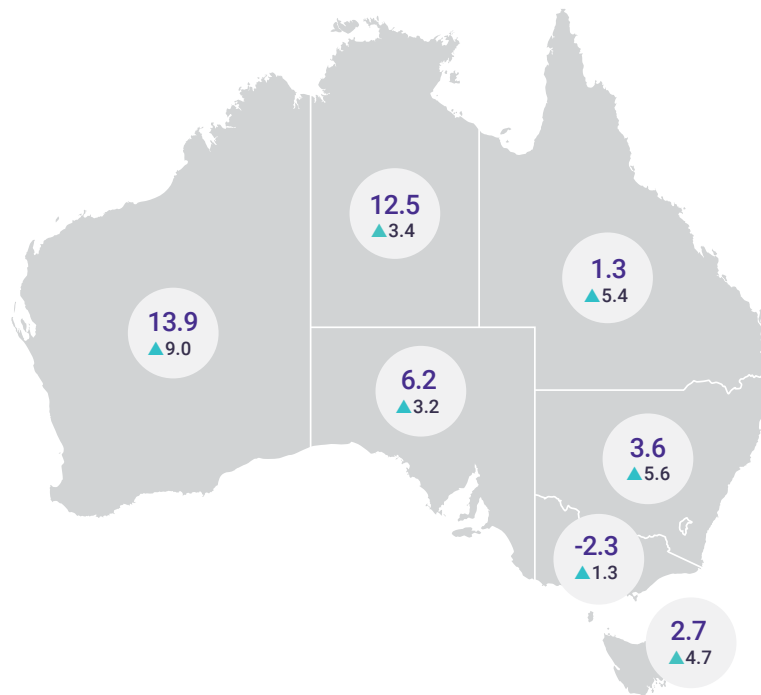
Figure 5.1 shows that in the March quarter 2023:

- Average regional prices were lower than their respective capital city prices in New South Wales, Victoria and Queensland.
 - These differentials ranged from regional prices being 5.3 cpl lower in Queensland to 1.2 cpl lower in New South Wales.
- Average regional prices were higher than their respective capital city prices in South Australia, Western Australia, Tasmania and the Northern Territory.
 - These differentials ranged from regional prices being 2.5 cpl higher in Tasmania, to 15.5 cpl higher in the Northern Territory.

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 the year to March 2023 and the change from the previous 12-month period.

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: year to March 2023 – cents per litre (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 the year to March 2023:

- average regional prices were higher than their respective capital city prices in all jurisdictions except Victoria
- the differentials ranged from regional prices being 2.3 cpl lower in Victoria to being 13.9 cpl higher in Western Australia
- compared with the previous 12-month period to March 2022, average prices in regional locations were relatively higher compared with their respective capital city in all jurisdictions.

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 prices decreased but refined petrol prices increased

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

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



Source: ACCC calculations based on data from Argus Media.

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

Weekly average Brent crude oil prices were around USD 63 per barrel at the beginning of April 2021 and subsequently trended upwards, reaching around USD 131 per barrel in mid-March 2022. Prices then fluctuated significantly, decreasing to around USD 102 per barrel in April 2022 before increasing back to around USD 131 per barrel in late June 2022. Weekly average Brent crude oil prices then trended downwards to around USD 80 per barrel in December 2022.

At the beginning of the March quarter 2023, weekly average Brent crude oil prices were around USD 79 per barrel. Prices remained relatively stable throughout the quarter fluctuating between USD 88 per barrel and USD 75 per barrel, and were around USD 77 per barrel at the end of the quarter.

Weekly average Mogas 95 prices moved in a similar manner to Brent crude oil prices. At the beginning of April 2021, weekly average Mogas 95 prices were around USD 73 per barrel, and broadly trended upwards to around USD 142 per barrel in mid-March 2022. After a small decrease, prices increased again, reaching 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.

In the March quarter 2023, average weekly Mogas 95 prices increased to around USD 107 per barrel at the end of January 2023. Prices subsequently decreased to around USD 96 per barrel in late March 2023 before ending the quarter at around USD 100 per barrel.

Quarterly average Brent crude oil prices were lower in the March quarter 2023 compared with the December quarter 2022, whereas quarterly average Mogas 95 prices were higher:

- quarterly average Brent crude oil prices were around USD 82 per barrel (a decrease of USD 8 per barrel, or around 9%)
- quarterly average Mogas 95 prices were around USD 99 per barrel (an increase of USD 5 per barrel, or around 5%).

6.2 Refiner margins increased significantly

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

In the March quarter 2023, the average refiner margin was USD 16.8 per barrel (around 15.4 cpl in Australian dollar terms), an increase of USD 12.2 per barrel from the previous quarter. The increase in the average refiner margin for the March quarter 2023 was influenced by increases in Asia-Pacific regional demand for refined fuels following higher mobility in China, as well as by supply disruptions in the United States and Europe.⁴²

The average refiner margin in the March quarter 2023 was higher than the 10-year **real** average refiner margin (USD 12.9 per barrel, or AUD 10.5 cpl).

⁴² Argus Media, [S Korea's S-Oil sees demand aiding 2Q refining margins](#), 28 April 2023, accessed on 24 May 2023.

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

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

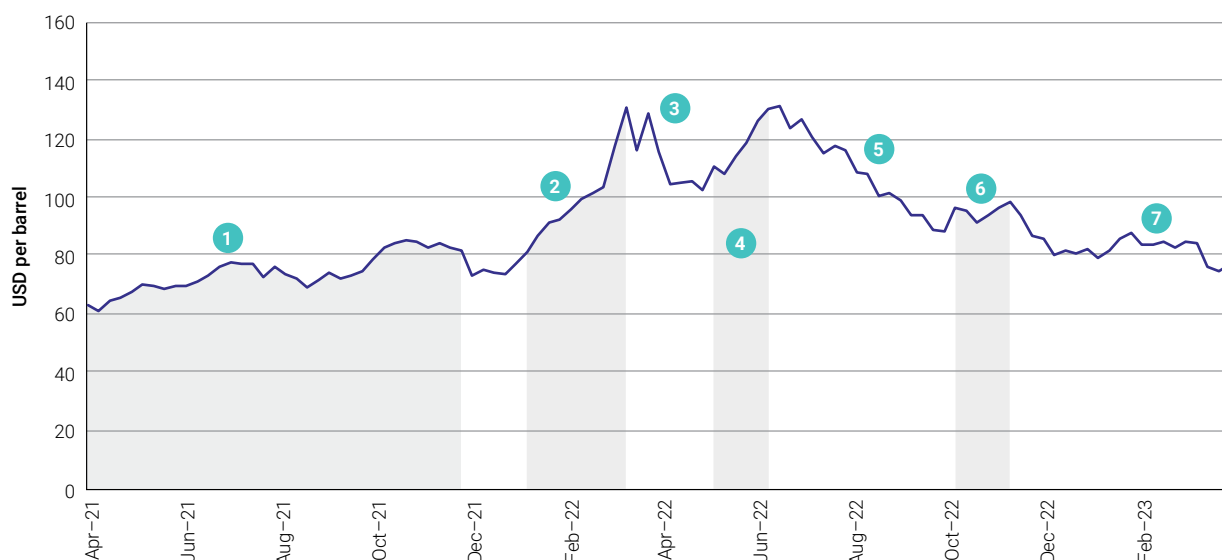
- agreements made by the Organisation of the Petroleum Exporting Countries (OPEC) cartel, and some other crude oil producing countries including Russia (referred to as OPEC+), to cut production
- the influence of the COVID-19 pandemic on demand
- geo-political events including the Russian invasion of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

In the March 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.
- a build up of crude oil stocks in the United States
- concerns that a crisis of confidence in the banking sector could trigger a recession and cut demand.⁴³

⁴³ Reuters, [Oil slumps nearly 5% to lowest in more than a year as banking fears mount](#), 16 March 2023, accessed on 24 May 2023.

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



1 April to November 2021

Crude oil prices steadily increased influenced by:

- recovering demand as economic activity increased
- on-going production cuts by OPEC+
- increased demand associated with cold weather
- 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.

The information in figure 6.1 is derived from the following sources.⁴⁴

April to November 2021

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

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

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

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

January to March 2022

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

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

Late March 2022

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

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

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

May to mid-June 2022

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

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

Late June to September 2022

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

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

October to mid-November 2022

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

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

Late November 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.

⁴⁴ All sources were accessed on 24 May 2023.

7. Retail diesel price movements in the 5 largest cities

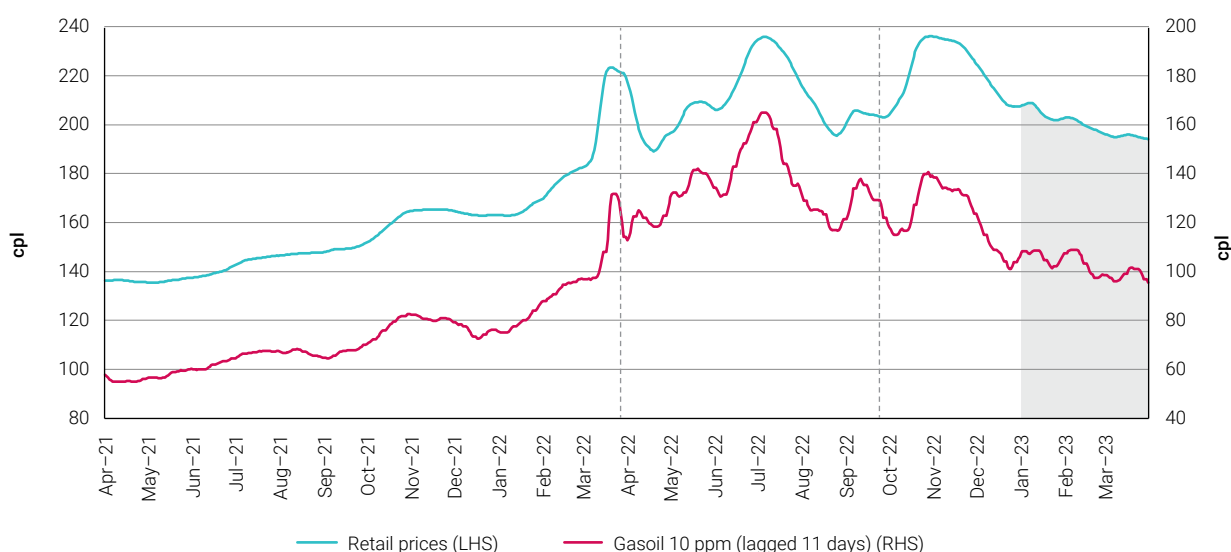
7.1 Retail diesel prices decreased significantly

Quarterly average retail diesel prices in the 5 largest cities were 199.7 cpl in the March quarter 2023, a decrease of 23.2 cpl from the December quarter 2022 (222.9 cpl).

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

Chart 7.1 shows that 7-day rolling average retail diesel prices in the 5 largest cities broadly tracked Gasoil 10 ppm prices between 1 April 2021 and 31 March 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 April 2021 to 31 March 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 March 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.

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 March quarter 2023. Prices were 207.7 cpl at the beginning of the quarter, and gradually decreased to 194.1 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 107.7 cpl at the beginning of the quarter and decreased to 95.5 cpl at the end of the quarter.

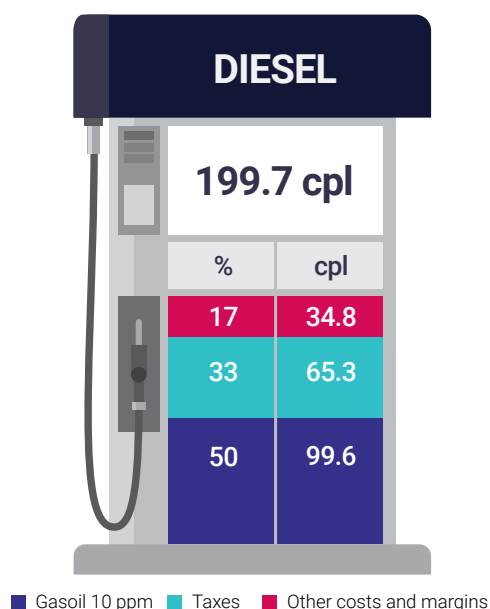
Quarterly average Gasoil 10 ppm prices in the March quarter 2023 in Australian cents per litre were 99.6 cpl, a decrease of 21.6 cpl from the December quarter 2022 (121.2 cpl).

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.⁴⁵

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 March quarter 2023.

Chart 7.2: Components of average retail diesel prices in the 5 largest cities in the March 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 in the March quarter 2023:

- Gasoil 10 ppm accounted for 50% of average diesel prices, a decrease of 4 percentage points from the December quarter 2022
- taxes accounted for 33% of average diesel prices, an increase of 3 percentage points⁴⁶
- other costs and margins accounted for 17% of average diesel prices, an increase of 1 percentage point.

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

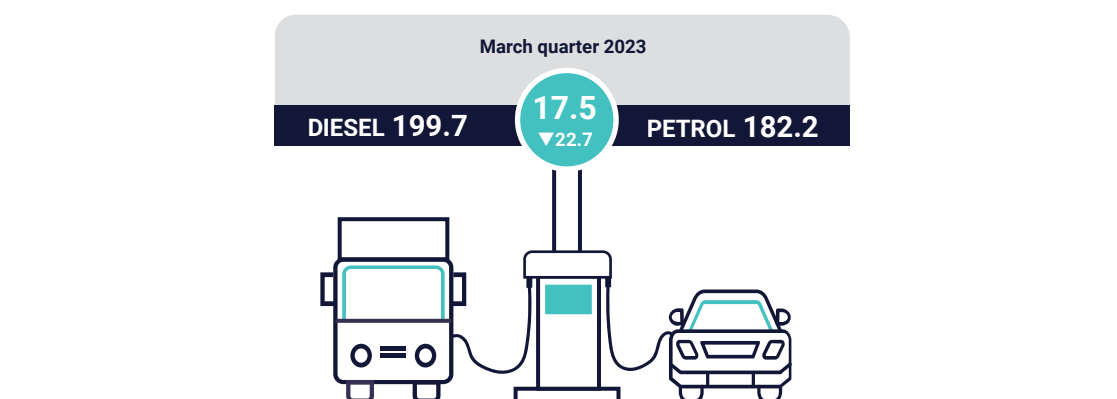
⁴⁵ Australian Institute of Petroleum, [Facts about diesel prices & the Australian fuel market](#), 2 May 2022, p 3, accessed on 24 May 2023.

⁴⁶ Fuel excise is indexed every 6 months, in February and August, in line with upwards movements in the Consumer Price Index. On 1 February 2023, excise on diesel increased from 46.0 cpl to 47.7 cpl.

7.3 Retail diesel prices were higher than petrol prices but the difference reduced by more than half

Figure 7.1 shows quarterly average retail diesel and petrol prices in the 5 largest cities in the March quarter 2023, the difference between them and key reasons for the difference. The difference between diesel and petrol prices was 22.7 cpl lower than the difference in the December quarter 2022 (40.2 cpl). Different international benchmark prices drive retail diesel and petrol prices, and these benchmarks can be influenced by various factors.

Figure 7.1: Quarterly average retail diesel and petrol prices in the 5 largest cities and the difference between them: March quarter 2023 – cents per litre (cpl)



Average retail diesel prices were higher than average retail petrol prices due to the international benchmark price for refined diesel being higher than the international benchmark price for petrol.

- This has been influenced by fewer supplies from Russia prompted by the conflict in Ukraine.

Diesel also has a broader use in industrial activity and electricity generation, which affects demand for diesel.

During the quarter, the international benchmark price for refined diesel decreased, leading to the differential between retail diesel prices and retail petrol prices being smaller compared with the previous quarter. This was influenced by:

- a relatively warmer winter in Europe, which reduced diesel demand
- an increase in diesel exports from China
- an increase in refined diesel inventories in the United States.

Sources: ACCC calculations based on data from FUELtrac, and Reuters, [Europe experienced second-warmest winter on record](#), 10 March 2023; [China's run of strong diesel, gasoline exports poised to end](#), 9 March 2023; and [U.S. diesel stocks bounce in sign of economic slowdown](#), 1 April 2023, accessed on 24 May 2023.

Chart 7.3 shows monthly average Gasoil 10 ppm prices and monthly average Mogas 95 prices (the relevant benchmark price for regular unleaded petrol) in Australian cents per litre over the past 2 years.

Chart 7.3: Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: April 2021 to March 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 March quarter 2023.

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

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

The chart shows that prior to the Russian invasion of Ukraine on 20 February 2022 Gasoil 10 ppm prices broadly moved in a similar manner to Mogas 95 prices. However, after that, Gasoil 10 ppm prices were significantly higher. 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. This was compounded by existing low global stocks of diesel and reduced exports from China.

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, with average Gasoil 10 ppm prices (99.6 cpl) being 8.6 cpl higher than average Mogas 95 prices (91.0 cpl).

Appendix A: Petrol price data for monitored locations

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. Table A.1 shows quarterly average retail petrol prices in the December quarter 2022 and the March quarter 2023, and the change between the 2 quarters, in these locations.⁴⁷ 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 March quarter 2023, and in the year to 31 March 2023.⁴⁸

Table A.1: Quarterly average retail petrol prices in the December quarter 2022 and the March quarter 2023, and differentials in the March quarter 2023 and the year to March 2023 – cents per litre (cpl)

Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
Sydney	184.6	185.1	0.5				
Melbourne	185.2	184.3	-0.9				
Brisbane	184.9	186.4	1.5				
Adelaide	178.9	178.6	-0.3				
Perth	179.8	176.6	-3.2				
5 largest cities	182.7	182.2	-0.5				
Canberra	185.3	183.3	-2.0	1.1		6.3	
Hobart	189.3	185.1	-4.2	2.9		6.9	
Darwin	183.8	180.6	-3.2	-1.6		5.1	
New South Wales							
Albury	186.9	184.8	-2.1	2.6	-0.3	5.1	3.3
Armidale	185.6	183.9	-1.7	1.7	-1.2	5.4	3.6
Ballina	189.7	189.6	-0.1	7.4	4.5	9.4	7.6
Batemans Bay	202.7	201.4	-1.3	19.2	16.3	17.3	15.5
Bathurst	187.7	176.4	-11.3	-5.8	-8.7	-3.5	-5.3
Bega	193.5	189.1	-4.4	6.9	4.0	12.2	10.4
Broken Hill	188.9	183.0	-5.9	0.8	-2.1	8.5	6.7
Bulahdelah	197.8	189.0	-8.8	6.8	3.9	9.5	7.7
Buronga	182.6	n/a	n/a	n/a	n/a	2.3	0.5
Casino	184.2	180.7	-3.5	-1.5	-4.4	5.4	3.6

⁴⁷ 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 March quarter 2023 – Blackall, Buronga, Cloncurry, Cunnamulla, Gundagai, Jerilderie, Mt Isa, Normanton, Oberon, Waroona and Weipa.

E10 prices (regular unleaded petrol with up to 10% ethanol) are reported instead of regular unleaded petrol prices in Coonabarabran, Cowra, Gilgandra, Gunnedah, Wellington, West Wyalong and Yass.

⁴⁸ In the year to March 2023, average regular unleaded petrol prices across the 5 largest cities were 182.6 cpl. Average prices in each capital city were: Sydney – 184.4 cpl, Melbourne – 185.9 cpl, Brisbane – 185.5 cpl, Adelaide – 178.4 cpl, Perth – 179.0 cpl, Canberra – 188.9 cpl, Hobart – 189.5 cpl and Darwin – 187.7 cpl.

For locations in New South Wales where E10 prices are reported, the differential with prices in Sydney uses E10 prices. In the December quarter 2022 average E10 prices in Sydney were 183.1 cpl, in the March quarter 2023 they were 183.7 cpl, and in the year to 31 March 2023 they were 182.9 cpl.

Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
Central Coast	188.5	187.6	-0.9	5.4	2.5	3.6	1.8
Coffs Harbour	184.6	178.6	-6.0	-3.6	-6.5	0.5	-1.3
Cooma	190.8	188.1	-2.7	5.9	3.0	11.3	9.5
Coonabarabran	188.6	175.9	-12.7	-6.3	-7.8	-3.0	-3.3
Cootamundra	183.7	180.5	-3.2	-1.7	-4.6	4.6	2.8
Cowra	198.1	189.9	-8.2	7.7	6.2	15.1	14.8
Deniliquin	190.1	184.8	-5.3	2.6	-0.3	10.4	8.6
Dubbo	191.7	180.1	-11.6	-2.1	-5.0	6.1	4.3
Forbes	200.6	198.4	-2.2	16.2	13.3	16.4	14.6
Forster	181.5	176.8	-4.7	-5.4	-8.3	-2.8	-4.6
Gilgandra	188.1	180.5	-7.6	-1.7	-3.2	4.4	4.1
Glen Innes	181.6	174.6	-7.0	-7.6	-10.5	-0.1	-1.9
Goulburn	191.9	185.9	-6.0	3.7	0.8	4.9	3.1
Grafton	188.9	185.7	-3.2	3.5	0.6	7.7	5.9
Griffith	183.0	179.5	-3.5	-2.7	-5.6	1.6	-0.2
Gundagai	187.3	n/a	n/a	n/a	n/a	5.2	3.4
Gunnedah	179.3	177.2	-2.1	-5.0	-6.5	-2.6	-2.9
Hay	188.3	185.3	-3.0	3.1	0.2	9.3	7.5
Inverell	186.2	181.3	-4.9	-0.9	-3.8	5.0	3.2
Jerilderie	188.1	n/a	n/a	n/a	n/a	9.2	7.4
Kempsey	180.4	176.1	-4.3	-6.1	-9.0	-3.9	-5.7
Leeton	184.2	180.6	-3.6	-1.6	-4.5	3.8	2.0
Lismore	189.1	185.9	-3.2	3.7	0.8	10.0	8.2
Lithgow	194.7	190.5	-4.2	8.3	5.4	6.4	4.6
Merimbula	184.4	182.3	-2.1	0.1	-2.8	3.7	1.9
Mittagong	186.4	180.7	-5.7	-1.5	-4.4	1.3	-0.5
Moama	183.1	180.9	-2.2	-1.3	-4.2	2.8	1.0
Moree	186.5	182.6	-3.9	0.4	-2.5	5.8	4.0
Moruya	182.8	179.7	-3.1	-2.5	-5.4	1.9	0.1
Moss Vale	186.4	179.8	-6.6	-2.4	-5.3	0.5	-1.3
Mudgee	201.0	190.4	-10.6	8.2	5.3	14.9	13.1
Murwillumbah	188.4	197.8	9.4	15.6	12.7	11.2	9.4
Muswellbrook	180.7	182.2	1.5	0.0	-2.9	0.0	-1.8
Narrabri	192.0	190.6	-1.4	8.4	5.5	11.8	10.0
Newcastle	187.2	185.2	-2.0	3.0	0.1	1.9	0.1
Nowra	192.0	183.3	-8.7	1.1	-1.8	7.0	5.2
Nyngan	189.6	181.7	-7.9	-0.5	-3.4	5.6	3.8
Oberon	177.1	n/a	n/a	n/a	n/a	-1.9	-3.7
Orange	194.5	177.9	-16.6	-4.3	-7.2	4.1	2.3
Parkes	197.1	191.9	-5.2	9.7	6.8	12.4	10.6
Port Macquarie	181.8	177.9	-3.9	-4.3	-7.2	-1.5	-3.3
Queanbeyan	188.0	179.3	-8.7	-2.9	-5.8	3.6	1.8
Singleton	183.5	177.2	-6.3	-5.0	-7.9	2.5	0.7

Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
Tamworth	183.4	181.2	-2.2	-1.0	-3.9	1.4	-0.4
Taree	186.2	180.6	-5.6	-1.6	-4.5	1.6	-0.2
Temora	185.5	181.7	-3.8	-0.5	-3.4	6.3	4.5
Tumut	183.2	181.6	-1.6	-0.6	-3.5	2.6	0.8
Tweed Heads South	187.9	188.8	0.9	6.6	3.7	8.6	6.8
Ulladulla	192.7	190.6	-2.1	8.4	5.5	10.7	8.9
Wagga Wagga	181.9	179.5	-2.4	-2.7	-5.6	0.1	-1.7
Wauchope	187.3	186.1	-1.2	3.9	1.0	4.3	2.5
Wellington	188.2	183.4	-4.8	1.2	-0.3	3.9	3.6
West Wyalong	189.0	181.7	-7.3	-0.5	-2.0	7.5	7.2
Wollongong	188.9	184.8	-4.1	2.6	-0.3	7.4	5.6
Woolgoolga	192.3	190.6	-1.7	8.4	5.5	9.7	7.9
Yass	191.5	182.7	-8.8	0.5	-1.0	7.1	6.8
Northern Territory							
Alice Springs	199.5	193.2	-6.3	11.0	12.6	19.4	14.3
Katherine	193.6	195.9	2.3	13.7	15.3	11.9	6.8
Tennant Creek	201.6	199.6	-2.0	17.4	19.0	21.6	16.5
Queensland							
Atherton	184.3	179.9	-4.4	-2.3	-6.5	3.6	0.7
Ayr	177.6	174.2	-3.4	-8.0	-12.2	-5.4	-8.3
Biloela	184.3	180.2	-4.1	-2.0	-6.2	3.1	0.2
Blackall	207.0	n/a	n/a	n/a	n/a	25.3	22.4
Blackwater	194.2	199.9	5.7	17.7	13.5	7.5	4.6
Bowen	178.0	174.4	-3.6	-7.8	-12.0	-1.8	-4.7
Bundaberg	177.1	172.5	-4.6	-9.7	-13.9	-5.8	-8.7
Caboolture	186.3	184.4	-1.9	2.2	-2.0	2.8	-0.1
Cairns	178.7	174.2	-4.5	-8.0	-12.2	-3.2	-6.1
Charleville	198.1	183.2	-14.9	1.0	-3.2	13.7	10.8
Charters Towers	183.9	185.5	1.6	3.3	-0.9	5.0	2.1
Childers	180.9	180.5	-0.4	-1.7	-5.9	0.8	-2.1
Cloncurry	213.7	n/a	n/a	n/a	n/a	36.9	34.0
Cunnamulla	200.8	n/a	n/a	n/a	n/a	20.8	17.9
Dalby	176.2	172.9	-3.3	-9.3	-13.5	-2.3	-5.2
Emerald	188.7	190.0	1.3	7.8	3.6	9.3	6.4
Gladstone	179.4	176.6	-2.8	-5.6	-9.8	-2.2	-5.1
Gold Coast	183.7	182.4	-1.3	0.2	-4.0	1.2	-1.7
Goondiwindi	175.9	173.7	-2.2	-8.5	-12.7	-2.1	-5.0
Gympie	179.9	177.4	-2.5	-4.8	-9.0	-3.9	-6.8
Hervey Bay	176.0	173.6	-2.4	-8.6	-12.8	-5.6	-8.5
Ingham	181.6	180.7	-0.9	-1.5	-5.7	0.2	-2.7
Innisfail	181.5	179.2	-2.3	-3.0	-7.2	-0.6	-3.5
Ipswich	187.6	192.9	5.3	10.7	6.5	6.4	3.5
Kingaroy	177.4	171.7	-5.7	-10.5	-14.7	-4.7	-7.6

Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
Longreach	222.2	207.2	-15.0	25.0	20.8	31.5	28.6
Mackay	184.8	178.9	-5.9	-3.3	-7.5	3.6	0.7
Mareeba	184.6	183.6	-1.0	1.4	-2.8	5.3	2.4
Maryborough	178.6	174.3	-4.3	-7.9	-12.1	-2.9	-5.8
Miles	176.5	170.7	-5.8	-11.5	-15.7	-6.0	-8.9
Moranbah	180.1	178.6	-1.5	-3.6	-7.8	4.8	1.9
Mt Isa	207.8	n/a	n/a	n/a	n/a	27.1	24.2
Normanton	200.6	n/a	n/a	n/a	n/a	24.6	21.7
Rockhampton	180.3	176.1	-4.2	-6.1	-10.3	-1.7	-4.6
Roma	178.2	180.0	1.8	-2.2	-6.4	-0.8	-3.7
Sunshine Coast	184.1	179.1	-5.0	-3.1	-7.3	-0.3	-3.2
Toowoomba	183.1	174.0	-9.1	-8.2	-12.4	-1.6	-4.5
Townsville	174.7	172.4	-2.3	-9.8	-14.0	-6.4	-9.3
Tully	186.3	181.8	-4.5	-0.4	-4.6	5.2	2.3
Warwick	176.4	173.9	-2.5	-8.3	-12.5	-2.4	-5.3
Weipa	223.7	n/a	n/a	n/a	n/a	41.8	38.9
Whitsunday	174.1	169.7	-4.4	-12.5	-16.7	-6.7	-9.6
Yeppoon	179.4	176.9	-2.5	-5.3	-9.5	-2.0	-4.9
South Australia							
Bordertown	181.3	181.4	0.1	-0.8	2.8	1.0	5.2
Ceduna	183.7	183.9	0.2	1.7	5.3	4.4	8.6
Clare	180.3	180.3	0.0	-1.9	1.7	0.2	4.4
Cooper Pedy	217.5	212.9	-4.6	30.7	34.3	32.9	37.1
Gawler	180.2	181.7	1.5	-0.5	3.1	-1.9	2.3
Kadina	180.7	180.6	-0.1	-1.6	2.0	0.2	4.4
Keith	180.1	180.4	0.3	-1.8	1.8	-0.6	3.6
Loxton	181.3	181.3	0.0	-0.9	2.7	-0.6	3.6
Mt Gambier	176.8	175.9	-0.9	-6.3	-2.7	-5.3	-1.1
Murray Bridge	176.1	174.9	-1.2	-7.3	-3.7	-5.2	-1.0
Naracoorte	183.0	183.3	0.3	1.1	4.7	2.2	6.4
Port Augusta	183.4	182.2	-1.2	0.0	3.6	2.0	6.2
Port Lincoln	183.6	181.2	-2.4	-1.0	2.6	2.7	6.9
Port Pirie	181.2	180.3	-0.9	-1.9	1.7	-0.1	4.1
Renmark	182.8	183.1	0.3	0.9	4.5	2.2	6.4
Tailem Bend	180.5	180.8	0.3	-1.4	2.2	0.3	4.5
Victor Harbour	181.2	178.6	-2.6	-3.6	0.0	0.7	4.9
Whyalla	184.5	183.8	-0.7	1.6	5.2	2.9	7.1
Tasmania							
Burnie	190.7	186.8	-3.9	4.6	1.7	7.3	0.4
Campbell Town	193.1	188.9	-4.2	6.7	3.8	11.9	5.0
Devonport	190.7	187.4	-3.3	5.2	2.3	9.8	2.9
Huonville	189.6	182.2	-7.4	0.0	-2.9	5.7	-1.2
Launceston	188.9	186.4	-2.5	4.2	1.3	8.8	1.9

Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
New Norfolk	186.9	185.9	-1.0	3.7	0.8	4.3	-2.6
Queenstown	201.3	203.2	1.9	21.0	18.1	19.9	13.0
Smithton	193.9	186.5	-7.4	4.3	1.4	10.5	3.6
Sorell	191.9	184.5	-7.4	2.3	-0.6	6.9	0.0
Ulverstone	193.4	190.0	-3.4	7.8	4.9	11.8	4.9
Wynyard	191.1	185.0	-6.1	2.8	-0.1	9.5	2.6
Victoria							
Ararat	186.0	179.1	-6.9	-3.1	-5.2	4.2	0.9
Bairnsdale	179.1	174.8	-4.3	-7.4	-9.5	-2.8	-6.1
Ballarat	177.9	178.8	0.9	-3.4	-5.5	-0.8	-4.1
Benalla	179.7	176.4	-3.3	-5.8	-7.9	-0.7	-4.0
Bendigo	180.3	180.0	-0.3	-2.2	-4.3	-0.4	-3.7
Cobram	186.3	185.6	-0.7	3.4	1.3	5.1	1.8
Colac	178.2	175.2	-3.0	-7.0	-9.1	-1.2	-4.5
Corryong	191.5	192.3	0.8	10.1	8.0	9.2	5.9
Echuca	182.4	179.5	-2.9	-2.7	-4.8	1.8	-1.5
Euroa	183.6	184.1	0.5	1.9	-0.2	3.6	0.3
Geelong	184.1	175.8	-8.3	-6.4	-8.5	-1.7	-5.0
Hamilton	172.8	172.7	-0.1	-9.5	-11.6	-8.4	-11.7
Horsham	181.1	178.8	-2.3	-3.4	-5.5	1.0	-2.3
Koo Wee Rup	187.2	187.3	0.1	5.1	3.0	5.4	2.1
Kyabram	184.9	181.7	-3.2	-0.5	-2.6	1.4	-1.9
Lakes Entrance	180.2	174.9	-5.3	-7.3	-9.4	-2.1	-5.4
Leongatha	183.7	179.3	-4.4	-2.9	-5.0	1.2	-2.1
Mansfield	188.5	184.7	-3.8	2.5	0.4	9.1	5.8
Mildura	180.3	178.4	-1.9	-3.8	-5.9	-1.3	-4.6
Moe	179.7	178.0	-1.7	-4.2	-6.3	-1.9	-5.2
Morwell	178.5	173.6	-4.9	-8.6	-10.7	-3.3	-6.6
Orbost	187.7	185.3	-2.4	3.1	1.0	5.7	2.4
Portland	173.4	172.2	-1.2	-10.0	-12.1	-7.9	-11.2
Sale	182.4	177.1	-5.3	-5.1	-7.2	1.2	-2.1
Seymour	183.4	181.7	-1.7	-0.5	-2.6	1.2	-2.1
Shepparton	183.0	179.5	-3.5	-2.7	-4.8	-1.1	-4.4
Swan Hill	185.0	181.8	-3.2	-0.4	-2.5	4.0	0.7
Traralgon	181.5	175.6	-5.9	-6.6	-8.7	-1.0	-4.3
Walla	185.3	185.4	0.1	3.2	1.1	3.7	0.4
Wangaratta	188.2	186.4	-1.8	4.2	2.1	7.0	3.7
Warrnambool	180.1	175.0	-5.1	-7.2	-9.3	-1.3	-4.6
Wodonga	179.7	177.4	-2.3	-4.8	-6.9	-3.7	-7.0
Wonthaggi	186.0	182.9	-3.1	0.7	-1.4	3.5	0.2
Yarrawonga	187.0	185.4	-1.6	3.2	1.1	7.1	3.8

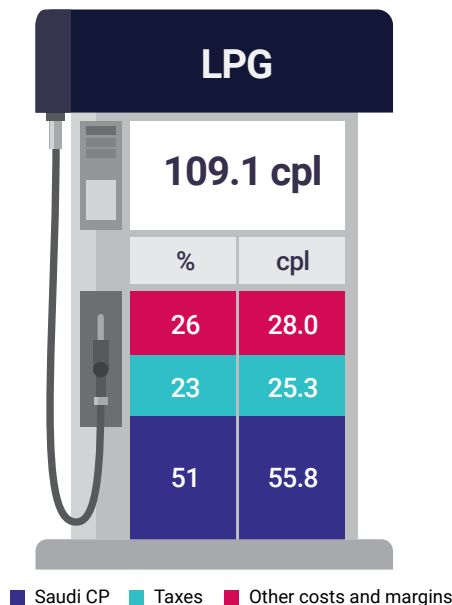
Location	Dec-22	Mar-23	Change Dec-22 to Mar-23	Differential Mar-23		Differential Year to Mar-23	
				5 largest cities	Capital city	5 largest cities	Capital city
Western Australia							
Albany	180.7	176.0	-4.7	-6.2	-0.6	0.9	4.5
Boulder	180.9	178.6	-2.3	-3.6	2.0	1.9	5.5
Bridgetown	185.1	180.0	-5.1	-2.2	3.4	3.2	6.8
Broome	237.9	232.8	-5.1	50.6	56.2	51.0	54.6
Bunbury	183.1	177.8	-5.3	-4.4	1.2	-0.5	3.1
Busselton	183.5	179.9	-3.6	-2.3	3.3	1.7	5.3
Carnarvon	196.3	193.6	-2.7	11.4	17.0	16.4	20.0
Collie	184.3	183.1	-1.2	0.9	6.5	4.3	7.9
Dongara	187.5	184.8	-2.7	2.6	8.2	5.1	8.7
Esperance	192.3	191.4	-0.9	9.2	14.8	14.5	18.1
Geraldton	185.0	180.4	-4.6	-1.8	3.8	3.2	6.8
Kalgoorlie	179.5	175.4	-4.1	-6.8	-1.2	-0.1	3.5
Karratha	201.0	191.4	-9.6	9.2	14.8	16.1	19.7
Manjimup	184.1	180.5	-3.6	-1.7	3.9	3.5	7.1
Mount Barker	183.3	181.0	-2.3	-1.2	4.4	5.0	8.6
Port Hedland	211.8	203.1	-8.7	20.9	26.5	25.5	29.1
Waroona	194.8	n/a	n/a	n/a	n/a	9.5	13.1

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

Quarterly average retail liquefied petroleum gas (LPG) prices in the 5 largest cities in the March quarter 2023 were 109.1 cpl, an increase of 3.8 cpl from the December quarter 2022 (105.3 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 B.1 shows the 3 broad components of average retail LPG prices in the 5 largest cities in the March quarter 2023.

Chart B.1: Components of average retail liquefied petroleum gas (LPG) prices in the 5 largest cities in the March 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 March quarter 2023:

- taxes accounted for 23% of average retail LPG prices, unchanged from the December quarter 2022
- other costs and margins accounted for 26% of average retail LPG prices, a decrease of 2 percentage points
- the Saudi CP international benchmarks accounted for 51% of average retail LPG prices, an increase of 3 percentage points.⁴⁹

⁴⁹ The percentage changes in the March quarter 2023 do not sum to zero because the component percentages in the December quarter 2022 did not sum to 100% due to rounding.

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

