AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Report on the Australian petroleum market

September quarter 2023

December 2023

Acknowledgement 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.

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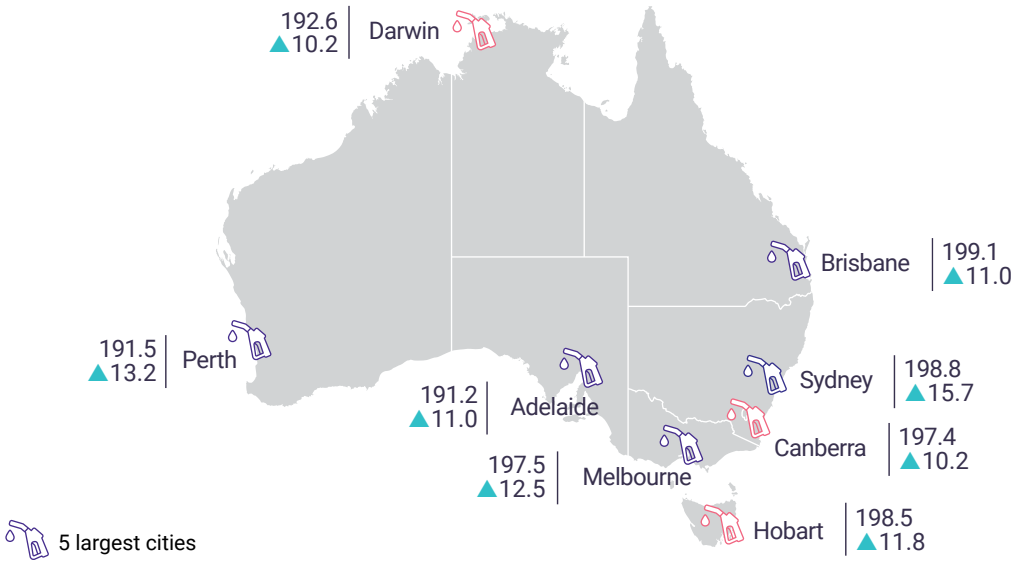
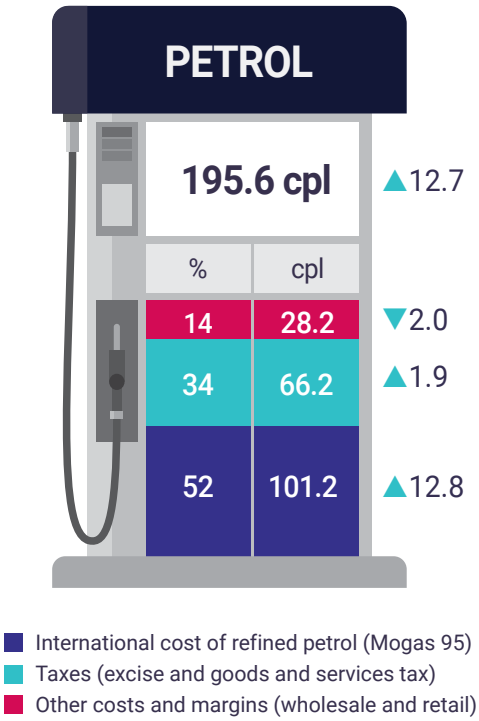


INTERNATIONAL FACTORS DROVE RETAIL PETROL PRICES HIGHER

International refined petrol prices were the largest contributor to changes in quarterly average retail petrol prices in the 5 largest cities.

COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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 (including both retail operating costs and profits).

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 the previous quarter.
'Petrol' means regular unleaded petrol in all capital cities.

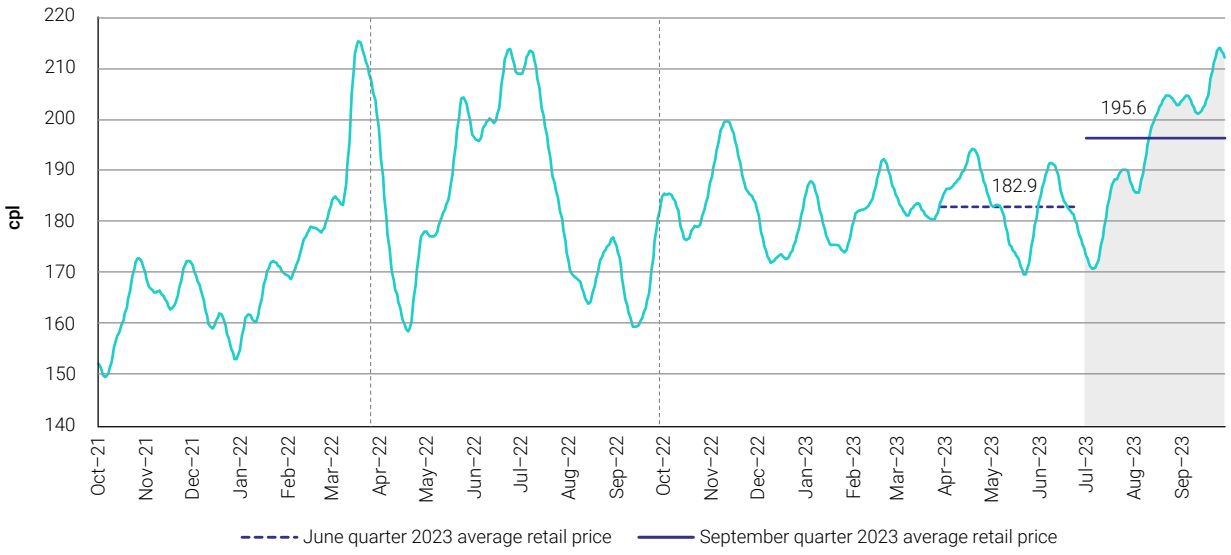
Key messages

International factors pushed Australian retail petrol prices higher

In the September quarter 2023, average retail petrol prices in the 5 largest cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) were 195.6 cpl. This was an increase of 12.7 cpl from the June quarter 2023 (182.9 cpl).

The following chart shows the increase in 7-day rolling average retail petrol prices in the 5 largest cities from October 2021 to September 2023.[1] Prices fluctuated significantly during 2022, influenced by volatile international crude oil and refined petrol prices, the temporary cut in fuel excise in late March 2022 and the restoration of full excise in late September 2022. In the first half of 2023, prices were relatively more stable, and then increased in the September quarter 2023.

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



Source: ACCC calculations based on data from FUELtrac and Informed Sources.

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

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

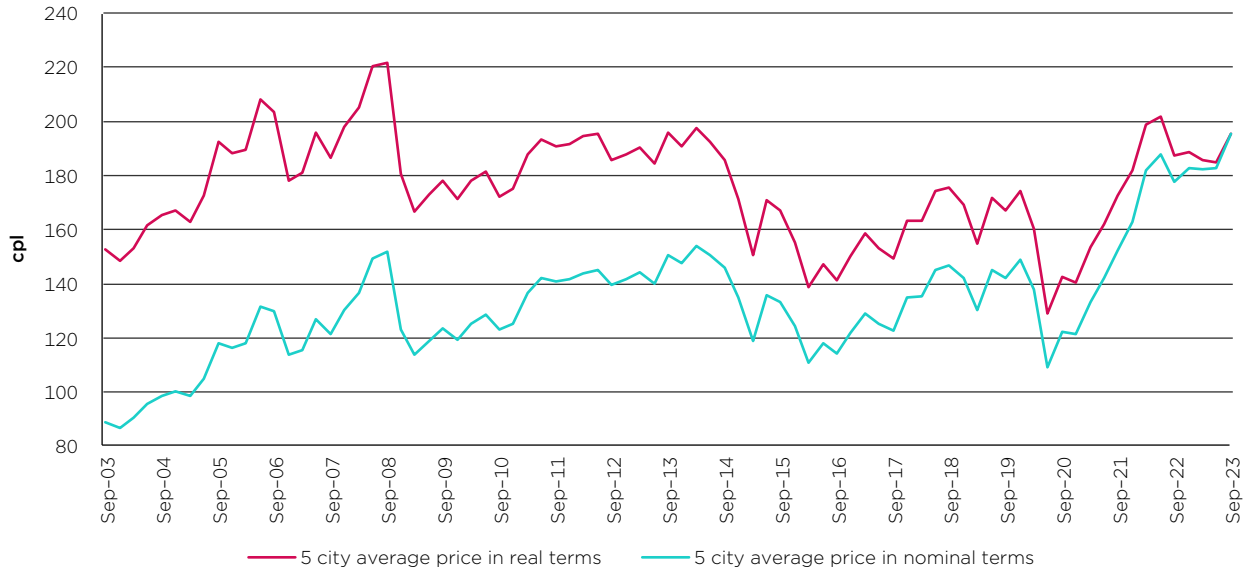
A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days.

Quarterly average retail petrol prices in the 5 largest cities in the September quarter 2023 increased to the highest on record in nominal terms (195.6 cpl), surpassing the previous highest nominal average price in the June quarter 2022 (188.0 cpl). However, in **real** (inflation-adjusted) terms average prices in the 5 largest cities were higher in 2022.

1 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.

The chart below shows quarterly average retail petrol prices in the 5 largest cities in nominal and **real** terms over the past 20 years.

Quarterly average retail petrol prices in the 5 largest cities in nominal and real terms: September quarter 2003 to September quarter 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, and Australian Bureau of Statistics, *6401.0 Consumer Price Index, Australia, September 2023*, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 15 November 2023.

Notes: **Real** prices are adjusted for September quarter 2023 dollars.

Quarterly average retail petrol prices were the highest in **real** terms around the time of the Global Financial Crisis in the September quarter 2008 (221.8 cpl). Quarterly average **real** prices in the September quarter 2023 (195.6 cpl) were 26.2 cpl lower than in the September quarter 2008.

Higher international benchmark prices and a lower AUD–USD exchange rate were key drivers of higher retail prices

International refined petrol prices (which are driven by international crude oil prices) and the AUD–USD exchange rate, largely determine movements in retail petrol prices in Australia. The price of Singapore Mogas 95 Unleaded (Mogas 95) is the price of refined petrol in the Asia-Pacific region and is the relevant benchmark for petrol prices in Australia.

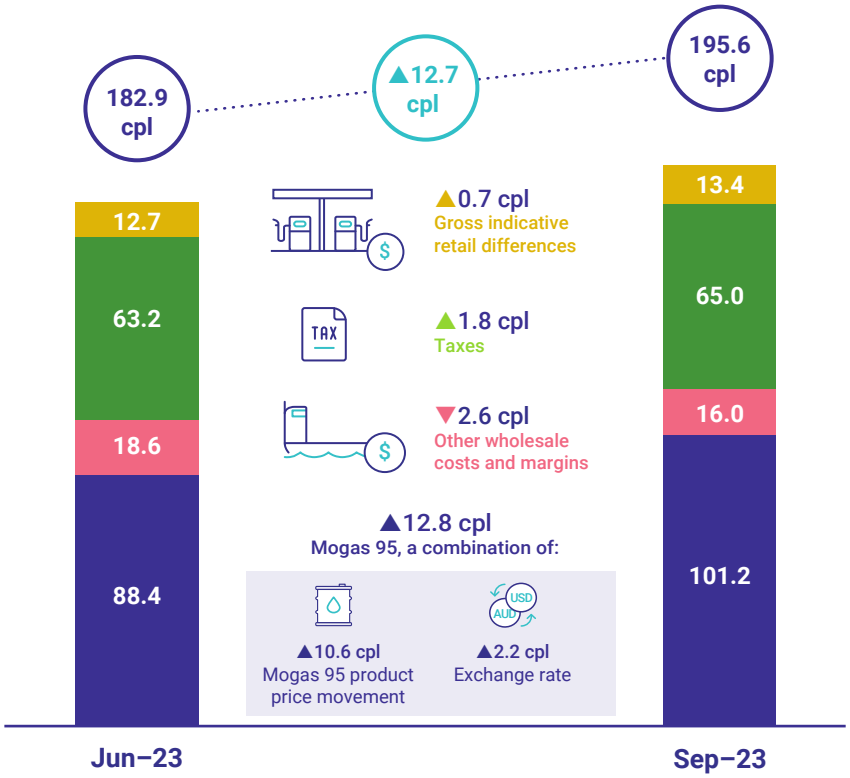
The following chart shows changes in the components of average retail petrol prices in the 5 largest cities between the June quarter 2023 and the September quarter 2023. These include:

- 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).[2]

The chart shows that the increase in average retail petrol prices in the 5 largest cities in the September quarter 2023 (12.7 cpl) was overwhelmingly due to increases in Mogas 95 prices and a lower AUD–USD exchange rate. 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 12.8 cpl.

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



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

Notes: ▼▲cpl change from the previous quarter.
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, for consistency with gross indicative retail difference figures in this report. As a result, the taxes component in this chart is not the same as the taxes component in the bowser shown in the 'September quarter 2023 – Petrol snapshot'.

Excluding the effect of changes in the AUD–USD exchange rate (which decreased by US 1.3 cents on average in the quarter), Mogas 95 prices would have increased by 10.6 cpl. However, the lower AUD–USD exchange rate amplified this increase, resulting in Mogas 95 prices increasing by an additional 2.2 cpl in Australian dollar terms.

Gross indicative retail differences increased by 0.7 cpl in the September quarter 2023. Gross indicative retail differences are a broad indicator of gross retail margins (including both retail

2 Gross indicative retail differences are a broad indicator of gross retail margins, and include both retail operating costs and retail profits. Gross indicative retail differences represent the difference between average retail petrol prices and indicative wholesale prices.

operating costs and profits).[3] 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.[4]

OPEC production cuts and stronger global oil demand drove higher crude oil prices in the quarter

The major influences on crude oil prices in recent years have been:

- agreements by the Organisation of the Petroleum Exporting Countries (OPEC) cartel and other crude oil producing countries (including Russia), referred to as OPEC+, to decrease or increase production
- the influence of the COVID-19 pandemic on demand, and subsequent demand recovery
- geo-political events including the Russian invasion of Ukraine
- periods of reduced demand following central banks' interest rate increases around the world to combat higher inflation.

The following chart shows the movements in international Brent crude oil and Mogas 95 prices from October 2021 to September 2023.

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

Source: ACCC calculations based on data from Argus Media.
Note: The shaded area in the chart represents the September quarter 2023.

3 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.

4 See the ACCC's petrol market studies.

In the September quarter 2023, key factors that influenced higher crude oil prices included:

- reduced OPEC+ oil supply, with a sharp reduction in oil production from Saudi Arabia[5]
- higher world oil demand, boosted by strong summer air travel, increased oil use in power generation and stronger than expected demand from China[6]
- Saudi Arabia and Russia announcing an extension of oil output cuts in early September 2023 (making a combined cut of 1.3 million barrels per day) to the end of the year.[7]

Retail diesel prices increased due to higher international benchmark prices

Quarterly average retail diesel prices in the 5 largest cities were 201.7 cpl in the September quarter 2023, an increase of 15.1 cpl from the June quarter 2023 (186.6 cpl). This represented the first quarterly increase since the December quarter 2022.

Different international benchmark prices drive retail diesel and petrol prices, and these benchmarks can be influenced by various factors. The price of Singapore Gasoil with 10 parts per million sulphur content (Gasoil 10 ppm) is the relevant international benchmark for the wholesale price of diesel in Australia.

The following chart shows monthly average Gasoil 10 ppm prices and Mogas 95 prices in Australian cents per litre from October 2021 to September 2023. Following the Russian invasion of Ukraine on 24 February 2022 Gasoil 10 ppm prices were significantly higher than Mogas 95 prices, influenced by the ongoing sanctions on Russia's petroleum industry which meant the global supply of refined diesel decreased. At the time, this was compounded by existing low global stocks of diesel and reduced exports from China. Diesel also has a broader use in industrial activity and electricity generation, which affects demand for diesel.

Lower Gasoil 10 ppm prices in the June quarter 2023 were influenced by continuing exports of diesel from Russia despite the sanctions, a decline in diesel consumption across North America and Europe, and an unexpected build-up in diesel inventories.

5 Reuters, *Saudi Arabia, Russia deepen oil cuts, sending prices higher*, 4 July 2023, accessed on 15 November 2023.

6 International Energy Agency, *Oil Market Report – August 2023*, accessed on 15 November 2023.

7 Reuters, *Saudi Arabia extends voluntary oil output cuts to year-end, markets jump*, 5 September 2023, accessed on 15 November 2023.

Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: October 2021 to September 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 September quarter 2023.
The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).
Gasoil 10 ppm is the international diesel benchmark and Mogas 95 is the international petrol benchmark.

In the September quarter 2023, average Gasoil 10 ppm prices were 111.0 cpl, an increase of 23.4 cpl from the previous quarter. Quarterly average Mogas 95 prices were 101.2 cpl, an increase of 12.8 cpl.

In addition to the broader influences on crude oil prices, the increase in Gasoil 10 ppm prices in the September quarter 2023 was influenced by a global shortage of diesel stocks, driven by both crude production cuts announced by the OPEC cartel and shortages of refining capacity around the world.[8]

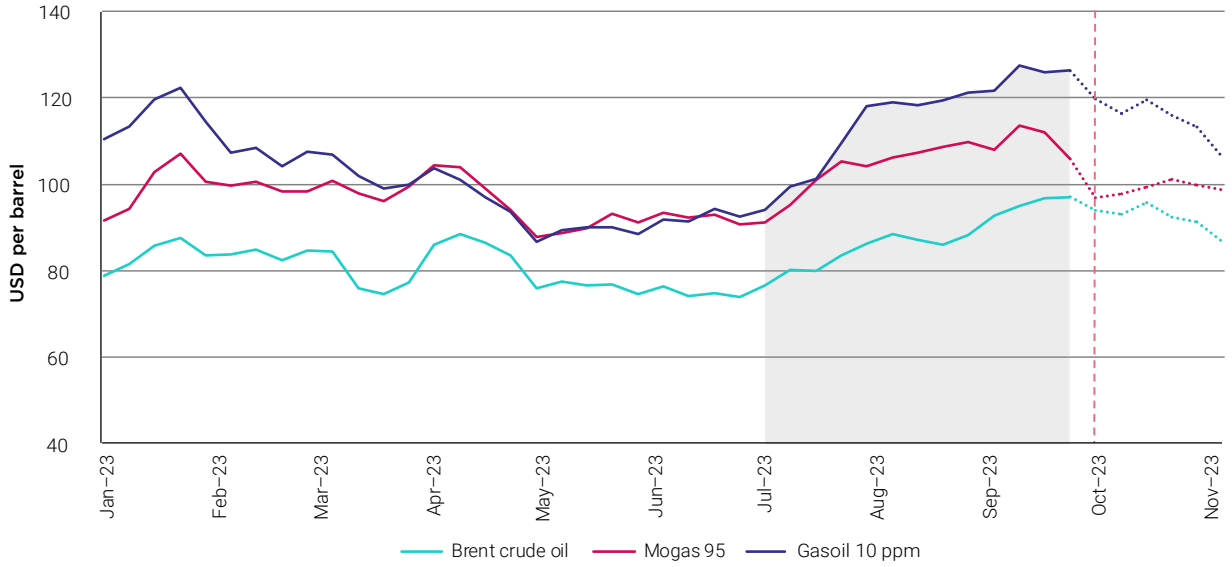
International crude oil and refined fuel prices fluctuated after conflict began in the Middle East

Many international factors, including geo-political events, have influenced the supply, demand and prices for crude oil and refined fuel in 2023. On Monday 9 October 2023, following the attacks in Israel, daily Brent crude oil prices increased by around 3%, and Mogas 95 and Gasoil 10 ppm prices both increased by around 5%.

The following chart shows movements in weekly average Brent crude oil, Mogas 95 and Gasoil 10 ppm prices from January to mid-November 2023. International prices fluctuated following the initial lift in daily prices on 9 October. The ACCC will continue to monitor retail fuel prices closely as international prices react to the conflict in the Middle East as well as other influences.

8 Reuters, *Global diesel shortage boosts prices*, 14 September 2023, accessed on 15 November 2023.

Weekly average Brent crude oil, Mogas 95 and Gasoil 10 ppm prices in nominal terms: January 2023 to mid-November 2023 – USD per barrel



Source: ACCC calculations based on data from Argus Media.

Note: The shaded area in the chart represents the September quarter 2023.
The blue, red and purple dotted lines represent prices from October to mid-November 2023 for Brent crude oil, Mogas 95 and Gasoil 10 ppm respectively.
The vertical orange dotted line indicates average price levels in the week to 6 October 2023.

Quarterly average retail petrol prices increased in the smaller capital cities and in regional locations

In the September quarter 2023, average retail petrol prices increased in all 3 smaller capital cities: Hobart by 11.8 cpl, and both Canberra and Darwin by 10.2 cpl. Average retail prices in Darwin were below the average retail price across the 5 largest cities, while average prices in Canberra and Hobart were above.

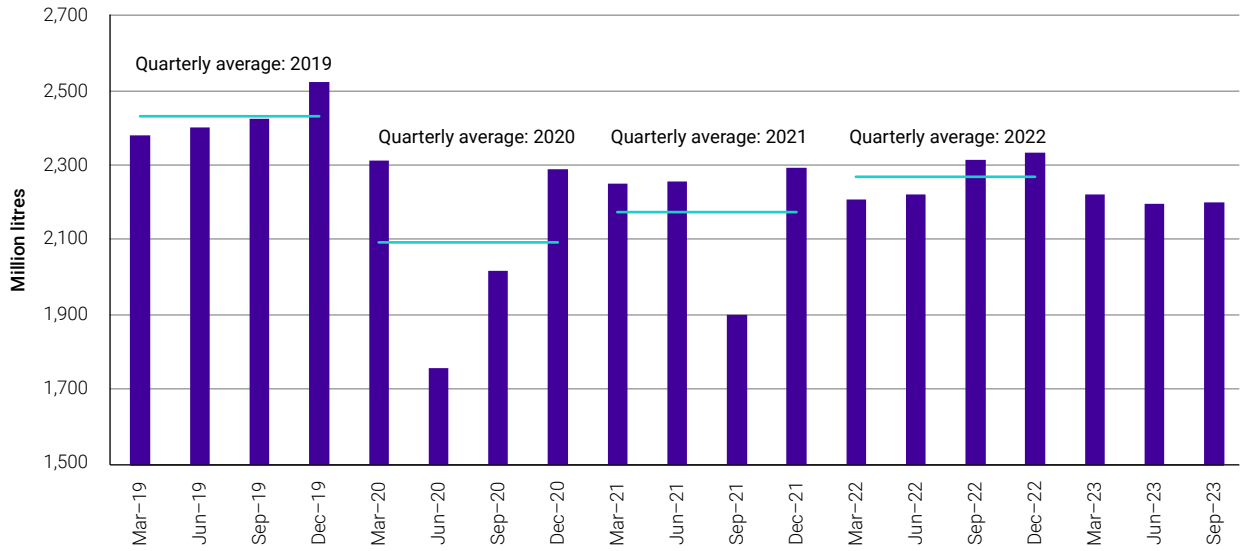
The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. In the September quarter 2023, average retail petrol prices in regional locations in aggregate (regional prices) were 195.4 cpl, an increase of 10.1 cpl from the June quarter 2023. Regional prices were 0.2 cpl lower than average retail petrol prices in the 5 largest cities, following 7 successive quarters where they were higher.

1. Developments in the petroleum industry

1.1 Petrol sales volumes increased marginally in the September quarter

Petrol sales volumes across Australia in the September quarter 2023 were 2,200 million litres, a marginal increase from the previous quarter (2,196 million litres).

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



Source: Department of Climate Change, Energy, the Environment and Water, *Australian Petroleum Statistics – Data Extract September 2023*, accessed on 15 November 2023.

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

Quarterly average sales in the first 3 quarters of 2023 (2,206 million litres) were around 3% lower than quarterly average sales in 2022 (2,269 million litres), but around 1% higher than in 2021 (2,175 million litres), and around 5% higher than in 2020 (2,094 million litres). They were around 9% lower than in 2019 (2,430 million litres).

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

1.2 Fuel prices were a significant contributor to the higher rate of inflation in the quarter

In the September quarter 2023, the Consumer Price Index increased by 1.2%, which was 0.4 percentage points higher than the increase in the June quarter 2023 (0.8%).[9] 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.[10]

Automotive fuel prices increased by 7.2% in the quarter, the largest quarterly increase since March 2022.[11] Over the past 12 months, automotive fuel prices increased by 7.9%.[12]

1.3 Fuel excise indexed 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.[13]

Under these arrangements, on 1 August 2023 excise on petrol and diesel increased by 1.1 cpl to 48.8 cpl (remaining stable in real terms). Excise on automotive liquefied petroleum gas increased by 0.3 cpl to 15.9 cpl.[14]

1.4 The Australian Government's minimum stockholding obligation commenced

On 1 July 2023, the minimum stockholding obligation commenced, as part of the Government's fuel security package introduced in 2021.[15] The Government notes that the minimum stockholding obligation will be supported by Australia's sovereign refining capability through the Fuel Security Services Payment, to protect fuel consumers and the economy by ensuring ongoing fuel availability in the event of an emergency.[16]

The minimum stockholding obligation requires major fuel importers and refineries that meet certain volume thresholds to hold the following baseline stocks of:

- petrol – 24 days, increasing to 27 days in 2024 for importers
- diesel fuel – 20 days, increasing to 32 in 2024 for importers

9 Australian Bureau of Statistics, *Consumer Price Index, Australia, September quarter 2023*, accessed on 15 November 2023.

10 Australian Bureau of Statistics, *Automotive Fuel in the CPI*, 23 March 2021, accessed on 15 November 2023.

11 Australian Bureau of Statistics, *CPI rose 1.2 per cent in the September 2023 quarter*, media release, accessed on 15 November 2023.

12 Australian Bureau of Statistics, *Consumer Price Index, Australia, September quarter 2023*, accessed on 15 November 2023.

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

14 Australian Taxation Office, *Excise duty for fuel and petroleum products*, accessed on 15 November 2023.

15 See: Australian Government, *Fuel Security Act 2021*, Federal Register of Legislation.

16 See: Department of Climate Change, Energy, the Environment and Water, *Minimum Stockholding Obligation*.

- jet fuel – 24 days, increasing to 27 days in 2024 for importers.[17]

Refiners and importers are required to confirm stock levels with the Department of Climate Change, Energy, the Environment and Water on a fortnightly basis, changing to a weekly basis from 1 July 2024.

1.5 Quantem announced an expansion of diesel storage capacity at Pelican Point

The Government's fuel security package has various other measures, including the Boosting Australia's Diesel Storage Program, which provides grants, with matched funding from industry, to build additional storage capacity.[18]

On 31 July 2023, Quantem announced a project to more than double the diesel storage capacity at its Pelican Point terminal in Adelaide (a project supported by the Government's program).[19] The $56 million project will add 90,000 cubic metres of new diesel storage capacity for the fuel industry in South Australia.

1.6 Viva Energy to supply various fuels to the Australian Department of Defence

On 3 July 2023, Viva Energy announced it had executed a contract with the Australian Department of Defence for the supply of aviation, marine and ground fuel.[20] The contract is for an initial 6-year term, which may be extended to 12 years. It will see Viva Energy supply fuel to the Australian Defence Force both locally and internationally.

The contract includes the supply of the specialist military aviation fuel for Navy helicopters. Viva Energy will produce this fuel at its refinery in Geelong.[21]

1.7 Viva Energy announced Reddy Express brand to gradually replace Coles Express branding

On 27 September 2023, Viva Energy announced the launch of the Reddy Express brand to gradually replace the Coles Express brand across the country.[22] Viva Energy is also in the process of seeking regulatory approvals to complete the acquisition of the On The Run business (announced in April 2023).

17 To be obligated under the MSO, entities must have imported and/or refined one or more of the key transport fuels which exceed the following thresholds: petrol – 200 megalitres, diesel fuel – 250 megalitres, jet fuel – 250 megalitres.

18 See: Department of Climate Change, Energy, the Environment and Water, *Australia's fuel security*.

19 Quantem, *Quantem announces 90,000 cubic metre expansion of diesel storage capacity at Pelican Point terminal*, media release, 31 July 2023, accessed on 15 November 2023.

20 Viva Energy, *Viva Energy secures Australia Defence Force Fuel Supply Contract*, media release, 3 July 2023, accessed on 15 November 2023.

21 The Hon. Pat Conroy MP, Minister for Defence Industry and Minister for International Development and the Pacific, *Supporting Australian jobs and national fuel security with a multi-billion dollar Defence fuel contract,* media release, 3 July 2023, accessed on 15 November 2023.

22 Viva Energy, *Viva Energy launches Reddy Express*, media release, 27 September 2023, accessed on 15 November 2023.

References to 'Coles Express' will be removed from the sites and replaced over the course of 3 and a half years from completion of Viva Energy's acquisition of the Coles Express convenience business (1 May 2023), with most sites rebranded over 2 years.

Viva Energy also noted that:

- its network will continue to sell Shell fuel products under a long-term brand licence agreement through to 2029
- customers will continue to have access to existing loyalty programs, including participation in FlyBuys and the 4 cents per litre shopper docket discount with Coles supermarkets.

1.8 Submissions largely support the introduction of fuel efficiency standards

In April, the Australian Government announced that it would introduce a fuel efficiency standard by the end of 2023, and was working with industry and the community on the details.[23] A consultation process inviting submissions closed on 31 May 2023.

On 25 August 2023, around 1,200 submissions from individuals and organisations were released. The Government noted that submissions overwhelmingly support the introduction of a fuel efficiency standard.[24]

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

The submissions are informing the Government's impact analysis and a preferred model, which will be released before the end of this year.

1.9 Survey results showed high satisfaction with the FuelCheck scheme in the Australian Capital Territory

The Australian Capital Territory Government introduced the New South Wales FuelCheck scheme into the Australian Capital Territory in November 2022, as part of a 6-month pilot.[25] FuelCheck is an online tool that provides consumers with real-time information about fuel prices at service stations across the Australian Capital Territory and New South Wales.

23 The Hon Chris Bowen MP, Minister for Climate Change and Energy, and the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government, *Australia's first National Electric Vehicle Strategy to drive cleaner, cheaper to run vehicles*, joint media release, 19 April 2023, accessed on 15 November 2023.

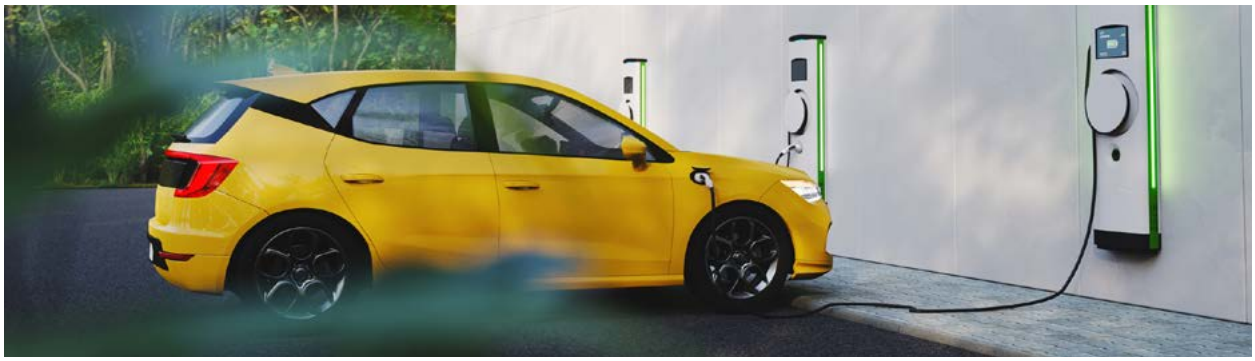
24 The Hon Chris Bowen MP, Minister for Climate Change and Energy, and the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government, *Submissions to fuel efficiency standard consultation back greater access to modern, safer, cheaper-to-run cars*, joint media release, 25 August 2023, accessed on 15 November 2023.

25 Tara Cheyne MLA, Minister for Business, and Shane Rattenbury MLA, Minister for Consumer Affairs and Minster for Energy, *FuelCheck now available in the ACT in a boost to Canberra motorists,* joint media release, 4 November 2022, accessed on 15 November 2023.

The Australian Capital Territory Government conducted a post-implementation review on the operation of the FuelCheck scheme since its commencement in the Australian Capital Territory.[26] This included seeking feedback from the Canberra community and fuel retailers in the Australian Capital Territory through online surveys. Over 90% of consumer respondents indicated they are likely to continue using the app and to refer others. Over 95% of fuel retailers in the Australian Capital Territory have opted in to provide real-time prices.[27]

The Government also noted that, since FuelCheck became available, it has been possible to use the app to shop around and save, on average, 12.0 cents per litre on regular unleaded petrol, 16.0 cents per litre on premium unleaded, and 25.0 cents per litre on diesel.[28]

1.10 Electric vehicle uptake and charging infrastructure developments



The New South Wales Government introduced electric vehicle kerbside charging grants

On 19 July 2023, the New South Wales Government announced, as part of its Electric Vehicle Strategy, first round funding of $3 million to install electric vehicle kerbside chargers.[29] There are 26 local government areas eligible for this grant. These areas have the least access to off-street parking based on population density and housing type.

The Government noted that 30% of New South Wales drivers are unable to charge at home as they do not have access to off-street parking. The New South Wales Government anticipate that kerbside charging will provide electric vehicle drivers with another option to meet their charging needs.

Electric vehicles sold between January and June 2023 surpassed annual sales in 2022

A report from the Electric Vehicle Council, published on 31 July 2023, showed that 46,624 electric vehicles were sold in the first 6 months of 2023 (compared to 39,353 for the previous 12 months).[30]

26 Australian Capital Territory Government, *FuelCheck – ACT Users*, accessed on 15 November 2023.

27 Australian Capital Territory Government, *FuelCheck – Listening Report (September 2023)*, accessed on 15 November 2023.

28 Australian Capital Territory Government, *FuelCheck – ACT Users*, accessed on 15 November 2023.

29 New South Wales Government, *EV kerbside charging grants to reduce charging worries*, media release, 19 July 2023, accessed on 15 November 2023.

30 Electric Vehicle Council, *State of Electric Vehicles Report 2023*, 31 July 2023, accessed on 15 November 2023.

The report also showed an increase in charging infrastructure. As at as 30 June 2023, the number of high-power public charging locations was 558 (an increase from 365 at the end of 2022).

Commonwealth Bank of Australia reported strong growth in electric vehicle loans

Commonwealth Bank of Australia revealed electric vehicle financing increased by 235% in 2022–23 compared with the previous financial year.[31] The increase in electric vehicle loans followed introduction of Commonwealth Bank of Australia's discounted rate offers for electric and hydrogen vehicles and machinery from April 2023.[32]

The National Roads and Motorists' Association (NRMA) announced a payment system for its fast charging network

On 25 September 2023, the NRMA announced it would commence a payment system for the use of its fast charging network. Users will be required to pay via the My NRMA app.[33] The roll out of the system to over 100 charging stations was expected to be completed by the end of October 2023. Prices will vary, from 54 cents per kilowatt hour up to 150 kW and 59 cents per kilowatt hour above 175 kW for ultra-fast charging. In its announcement, the NRMA noted that once the payment system is rolled out across the whole network, a 10% discount will apply for its members.

31 Commonwealth Bank of Australia, *CBA records strongest asset finance growth on record*, news, 25 August 2023, accessed on 15 November 2023.

32 Commonwealth Bank of Australia, *CBA launches green vehicle and equipment finance*, news, 17 April 2023, accessed on 15 November 2023.

33 NRMA, *NRMA to introduce payment for fast charging network*, press release, 25 September 2023, accessed on 15 November 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 petroleum industry the ACCC monitors prices, costs and profits relating to the supply of petroleum products in Australia under a direction from the Treasurer.[34] It is also responsible for administration of the Oil Code.[35]

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

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

2.2 The ACCC published draft guidance to improve businesses' environmental claims

In the May 2023 meeting of the ACCC's Fuel Consultative Committee, one of many issues discussed was greenwashing issues relevant to Australian fuel markets.

Greenwashing practices, across the economy, are a key issue for the ACCC. On 14 July 2023, the ACCC published draft guidance to improve the integrity of environmental and sustainability claims made by businesses and protect consumers from 'greenwashing'.[36] 'Greenwashing' is where a business uses any claim, or omits key information, that makes a product or service seem better or less harmful for the environment than it really is.

The draft guidance aims to address the concerning conduct identified by the ACCC's greenwashing internet sweep in 2022, which found 57% of businesses reviewed were making potentially misleading environmental claims. Consultation with businesses, consumers and other stakeholders for the draft guidance closed on 15 September 2023.[37]

34 See the *Competition and Consumer (Price Monitoring—Petroleum Fuels) Direction 2022*.

35 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.

36 ACCC, *ACCC publishes draft guidance to improve businesses' environmental claims*, media release, 14 July 2023.

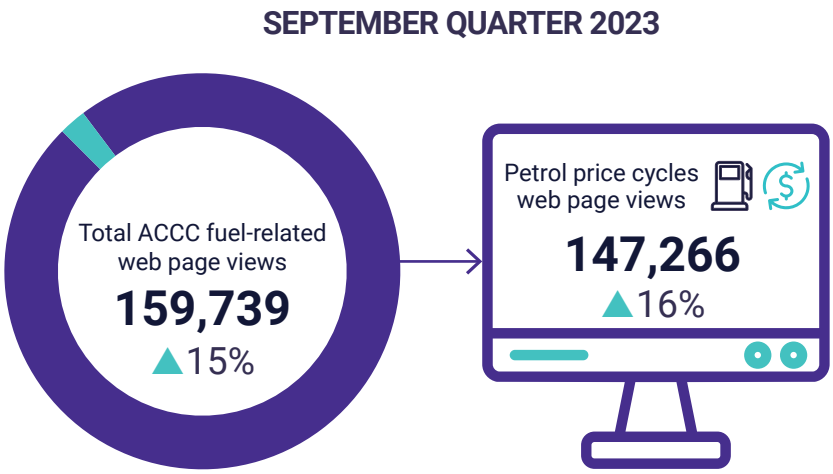
37 See ACCC: *Environmental and sustainability claims*.

2.3 Other stakeholder engagement and communications activity

Figure 2.1: Fuel-related inquiries and ACCC webpage views – September 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.



Source: ACCC data.
Note: ▼▲% change from the 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.[38]

3.1 Retail prices in the 5 largest cities increased

In the September quarter 2023, average retail petrol prices in the 5 largest cities were 195.6 cpl, an increase of 12.7 cpl from the June quarter 2023 (182.9 cpl).

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

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
Jun–23	183.1	185.0	188.1	180.2	178.3	182.9
Sep–23	198.8	197.5	199.1	191.2	191.5	195.6
Change	**15.7**	**12.5**	**11.0**	**11.0**	**13.2**	**12.7**

Source: ACCC calculations based on data from FUELtrac and Informed Sources.

Table 3.1 shows that, in the September quarter 2023:

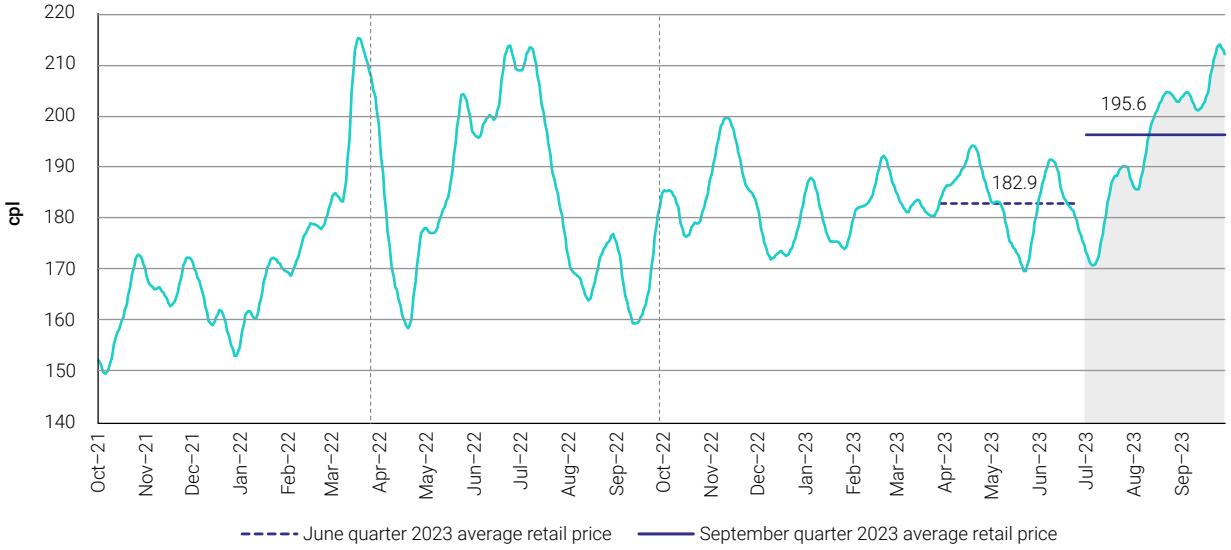
- prices increased in each of the 5 largest cities
- Brisbane's average retail prices were the highest (199.1 cpl), as they were in the previous 2 quarters
- Adelaide's average retail prices were the lowest (191.2 cpl), as they were from the June quarter 2021 to the December quarter 2022
  - in the March and June quarters 2023, Perth had the lowest retail petrol prices of the 5 largest cities
- prices increased the most in Sydney (by 15.7 cpl) and increased the least in Brisbane and Adelaide (by 11.0 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 5 October 2021 (149.4 cpl) and then trended upwards reaching a period high of 214.9 cpl on 18 March 2022. They fluctuated significantly over the next 9 months, influenced by volatile international crude oil and refined petrol prices, the temporary cut in fuel excise

38 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*.

in late March 2022 and the restoration of full excise in late September 2022. In the first half of 2023, prices fluctuated, but were relatively more stable.

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



Source: ACCC calculations based on data from FUELtrac and Informed Sources.

Notes: The shaded area in the chart represents the September quarter 2023.
The 2 vertical dotted lines indicate the cut in fuel excise from 30 March 2022 and the restoration of full excise from 29 September 2022.
A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days.

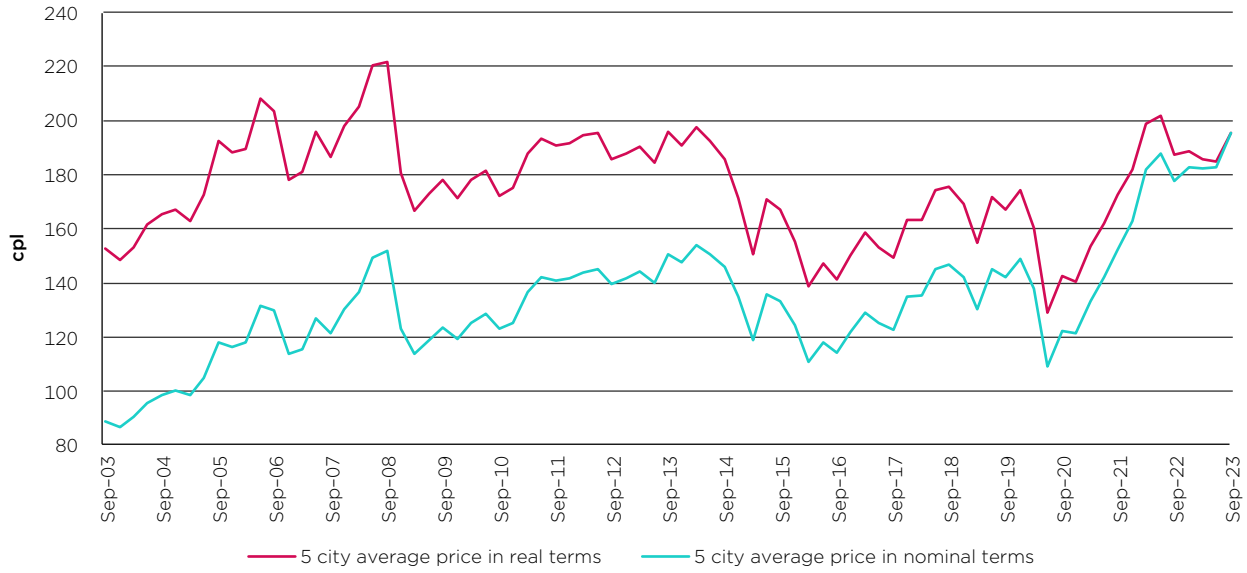
Seven-day rolling average retail petrol prices trended upwards in the September quarter 2023. They were 174.3 cpl at the start of the September quarter 2023. After reaching a quarterly low of 170.5 cpl on 7 July, they increased to a quarterly high of 213.5 cpl on 26 September. Prices decreased slightly to 211.7 cpl by the end of the quarter.

3.2 Quarterly average retail prices were the highest on record in nominal terms, but lower than last year in real terms

In the September quarter 2023, average retail petrol prices in the 5 largest cities were the highest on record in nominal terms (195.6 cpl), surpassing the previous highest nominal average price in the June quarter 2022 (188.0 cpl).

Chart 3.2 places the high quarterly average prices in historical context. It shows quarterly average retail petrol prices in the 5 largest cities in nominal and **real** terms over the past 20 years.

Chart 3.2: Quarterly average retail petrol prices in the 5 largest cities in nominal and real terms: September quarter 2003 to September quarter 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac, Informed Sources, and Australian Bureau of Statistics, *6401.0 Consumer Price Index, Australia, September 2023*, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 15 November 2023.

Notes: **Real** prices are adjusted for September quarter 2023 dollars.

Quarterly average prices were the highest in **real** terms around the time of the Global Financial Crisis in the September quarter 2008 (221.8 cpl). Over the past 20 years quarterly average prices were lowest in **real** terms during the early stages of the COVID-19 pandemic in the June quarter 2020 (129.2 cpl).

Compared to the September quarter 2008, average prices in the September quarter 2023 (195.6 cpl) were 26.2 cpl lower in **real** terms.

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

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.

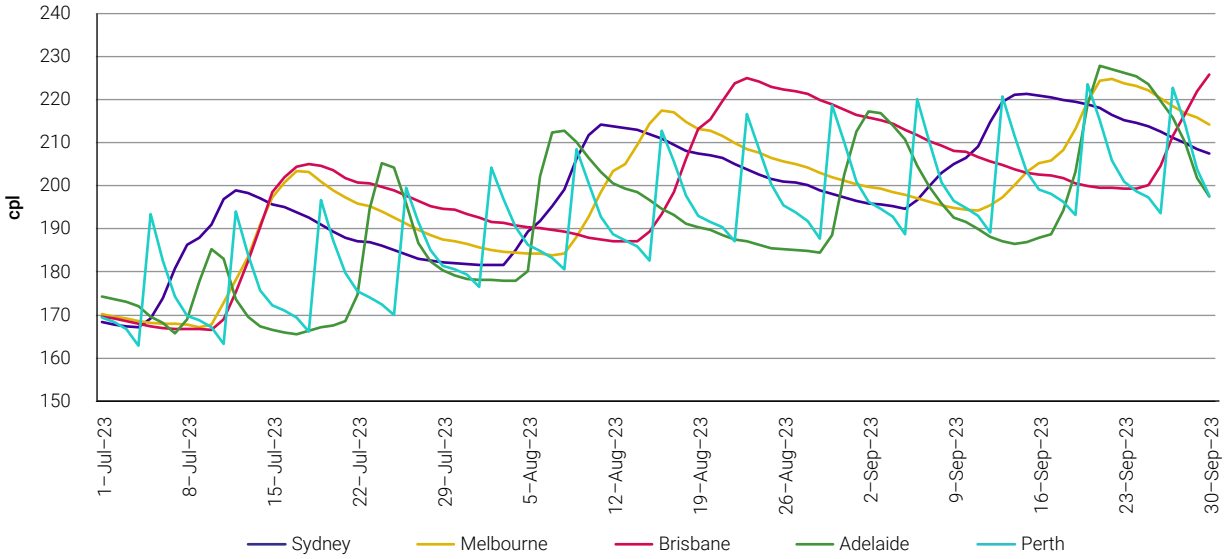
In the 5 largest cities, price cycles affect various grades of petrol – regular unleaded petrol, premium unleaded 95, premium unleaded 98 and E10 (regular unleaded petrol with up to 10% ethanol). Diesel prices do not move in cycles.

The ACCC released a report on petrol price cycles in Australia in December 2018.[39] The report noted that while motorists find price cycles frustrating, they could use price cycles to their advantage to make substantial savings across the year. While the increase in the duration of price cycles in some cities since that report was published can make it more difficult for motorists to time their purchases, the increased availability of fuel price websites and apps means that they can still make savings if they shop around.

39 ACCC, *Petrol price cycles in Australia*, 6 December 2018.

Chart 3.3 shows petrol price cycles in the 5 largest cities in the September quarter 2023.

Chart 3.3: Daily average retail petrol prices in the 5 largest cities: 1 July to 30 September 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from Informed Sources.

As shown in chart 3.3, 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 September 2023.

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

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth
Dec–22	2	1	1	5	13
Mar–23	2	2	2	6	13
Jun–23	1	2	2	6	13
Sep–23	3	3	2	5	13
Year to Sep–23	**8**	**8**	**7**	**22**	**52**

Source: ACCC calculations based on data from FUELtrac and Informed Sources.
Note: A price cycle occurs in a quarter if the peak of a price cycle takes place in that quarter.

In the September quarter 2023, Sydney had 3 price cycles, 2 more than the previous quarter. Melbourne had 3 price cycles, one more than the previous quarter. Brisbane had 2 price cycles (the same as in the previous quarter), while Adelaide had 5 price cycles, one less than the previous quarter.

Weekly price cycles continued in Perth. In October 2021 price cycles in Perth changed from weekly to fortnightly. Then from late July 2022, they moved back to weekly price cycles. This change appears to have been driven by changes in retail pricing at Coles Express sites (at which Viva Energy sets retail prices).[40]

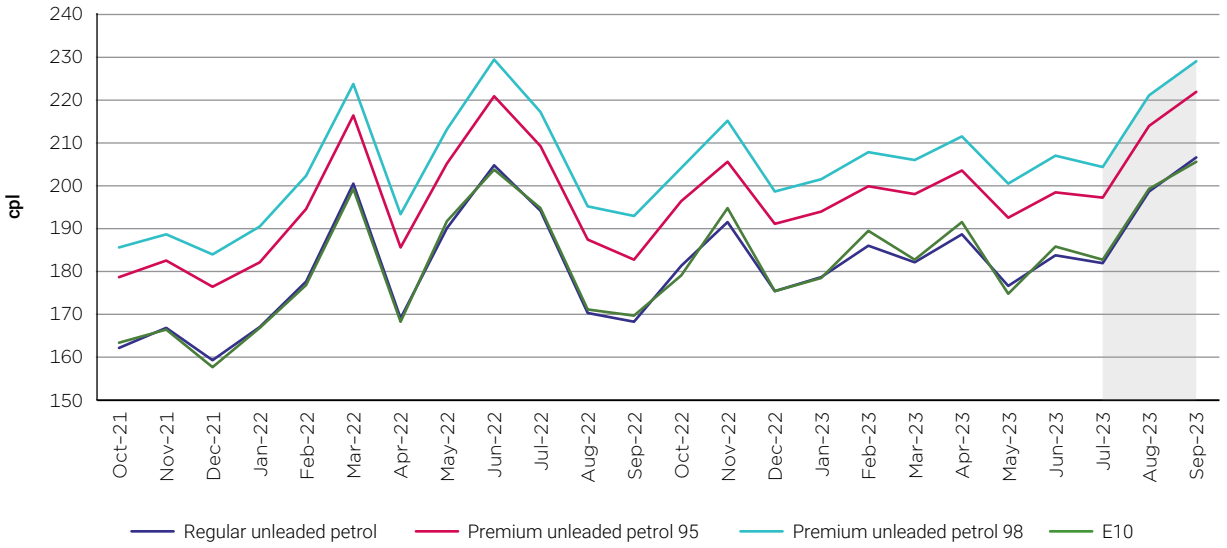
In the year to September 2023, the average duration of price cycles was around 7 weeks in Sydney, Melbourne and Brisbane, and around 2 weeks in Adelaide.

40 This was analysed in detail in Appendix D in the *Report on the Australian petroleum market, September quarter 2022*, 13 December 2022.

3.4 The price differential between premium unleaded petrol 98 and regular unleaded petrol decreased marginally

Chart 3.4 shows that retail prices of the main grades of unleaded petrol—regular unleaded petrol, premium unleaded petrol 95, premium unleaded petrol 98, and E10 (regular unleaded petrol with up to 10% ethanol)—all move in a similar manner.[41]

Chart 3.4: Monthly average retail prices of regular unleaded petrol, premium unleaded petrol 95 and 98 and E10 in the 5 largest cities in nominal terms: October 2021 to September 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac and Informed Sources.
Note: The shaded area in the chart represents the September quarter 2023.

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

- regular unleaded petrol and premium unleaded petrol 95 prices was 15.3 cpl (an increase of 0.1 cpl from the previous quarter)
- regular unleaded petrol and premium unleaded petrol 98 prices was 22.5 cpl (a decrease of 0.9 cpl)
- regular unleaded petrol and E10 prices was 0.3 cpl (a decrease of 0.7 cpl).[42]

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).

41 E10 (regular unleaded petrol with up to 10% ethanol) prices are for Sydney, Melbourne and Brisbane only. This is the first quarterly monitoring report which includes E10 prices for Melbourne. Previous quarterly monitoring reports have presented E10 prices for Sydney and Brisbane only.

42 Historically, E10 (regular unleaded petrol with up to 10% ethanol) prices have generally been lower than regular unleaded petrol prices. However, this is the fifth consecutive quarter when average E10 prices (across Sydney, Melbourne and Brisbane) were higher than average regular unleaded petrol prices (across the 5 largest cities). In the recent 5 quarters, regular unleaded petrol prices in Adelaide and Perth were lower than those in the other largest cities, which has the effect of reducing average regular unleaded petrol prices across the 5 largest cities to levels below average E10 prices across only Sydney, Melbourne and Brisbane.
On a like-for-like basis, for the past 2 years, quarterly average E10 prices in Sydney, Melbourne and Brisbane were lower than quarterly average regular unleaded petrol prices in those cities.

Premium unleaded petrol 95 and premium unleaded petrol 98 have become more expensive relative to the retail price of regular unleaded petrol over time, and premium unleaded petrol is significantly more profitable than other petrol products.[43]

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

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

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

43 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:

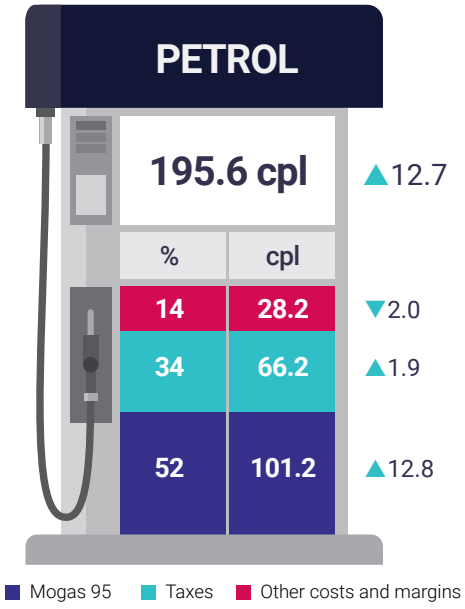
- the international price of refined petrol (Mogas 95)
- taxes (excise and the goods and services tax)
- other costs and margins, at the wholesale and retail levels.

This chapter analyses these components in the September 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 September quarter 2023.[44]

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



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

Note: ▼▲cpl change from the previous quarter.

The chart shows that the price of Mogas 95 was the largest component of average petrol prices in the September quarter 2023 (52%). The 2 largest components – Mogas 95 and taxes – accounted for 86% of average petrol prices. These components are largely outside the control of local petrol retailers.

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

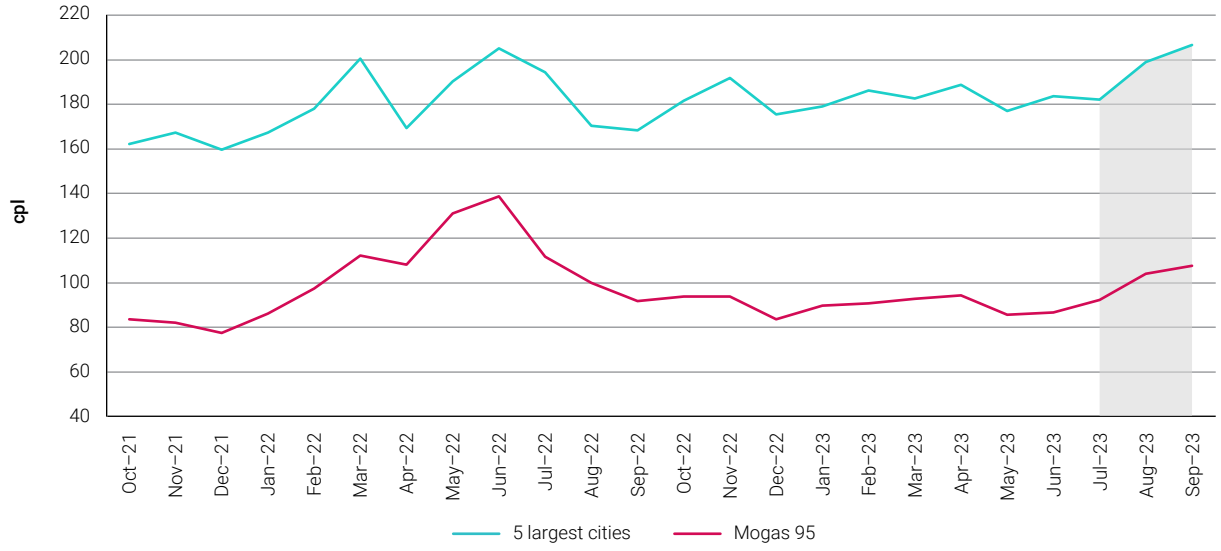
4.2 Higher Mogas 95 prices drove higher retail prices

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

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

Chart 4.2 shows monthly average Mogas 95 prices in Australian cents per litre, and monthly average retail petrol prices in the 5 largest cities, from October 2021 to September 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 temporary cut in fuel excise and the increase in October 2022 reflecting the restoration of the full rate of excise). This indicates that changes in the international price of refined petrol generally drive changes in domestic retail prices.

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



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Argus Media and the Reserve Bank of Australia.
Note: The shaded area in the chart represents the September quarter 2023.

In the September quarter 2023:

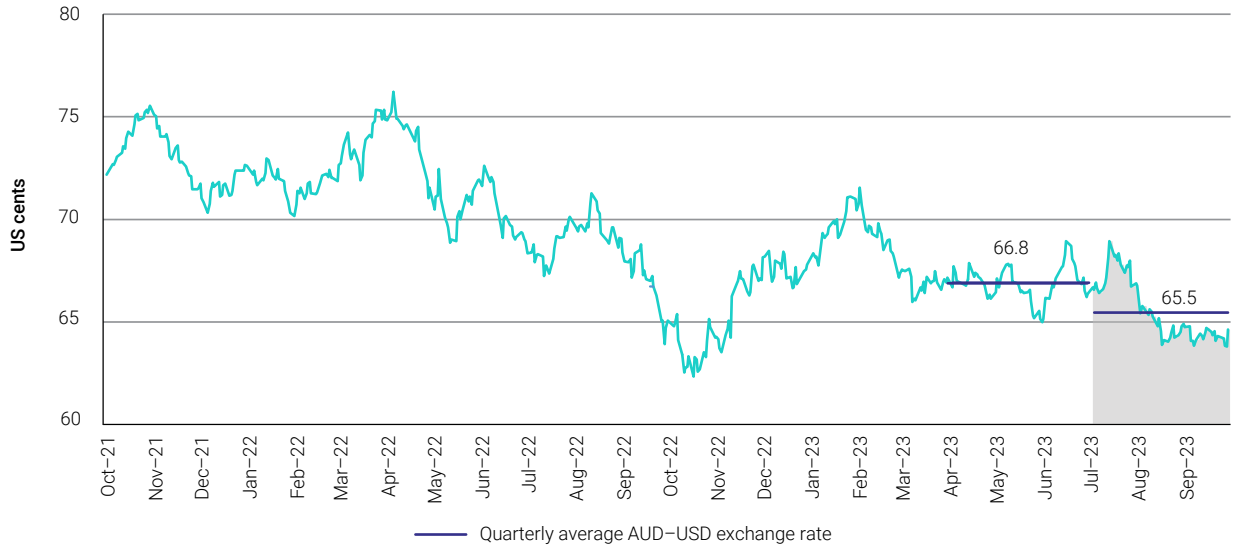
- quarterly average Mogas 95 prices were 101.2 cpl (an increase of 12.8 cpl from the June quarter 2023)
- quarterly average retail petrol prices in the 5 largest cities were 195.6 cpl (an increase of 12.7 cpl)
- monthly average Mogas 95 prices increased from 86.4 cpl in June 2023 to 107.6 cpl in September 2023 (an increase of 21.2 cpl or around 25%)
- monthly average retail petrol prices in the 5 largest cities increased from 183.7 cpl in June 2023 to 206.6 cpl in September 2023 (an increase of 22.9 cpl or around 12%).

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

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

Chart 4.3 shows that the daily AUD–USD exchange rate varied over the past 2 years, but has largely trended downwards since October 2021. At the start of October 2021, the AUD–USD exchange rate was around US 72 cents. It reached a period high of US 76 cents in early April 2022 and then decreased to a period low of US 62 cents in mid-October 2022.

Chart 4.3: Daily AUD–USD exchange rates in nominal terms: 1 October 2021 to 30 September 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 September quarter 2023.

In the September quarter 2023, the AUD–USD exchange rate ranged within a US 5 cent band between US 64 cents and US 69 cents. The quarterly average AUD–USD exchange rate was US 65.5 cents, a decrease of US 1.3 cents from the June quarter 2023.

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

If the AUD–USD exchange rate had remained at the period high of US 76 cents in early April 2022, average retail petrol prices in Australia in the September quarter 2023 would have been around 15.7 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 September quarter 2023 would have been around 5.6 cpl higher.

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

4.4 Average gross indicative retail differences increased in the 5 largest cities

Average gross indicative retail differences in the 5 largest cities (in aggregate) were 13.4 cpl in the September quarter 2023. This was 0.7 cpl higher than the previous quarter (12.7 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.[45]

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

45 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: December quarter 2022 to September quarter 2023 – cents per litre (cpl)

Location	Quarter	Retail prices (cpl)	Terminal gate prices (cpl)	Gross indicative retail differences (cpl)
5 largest cities	Dec–22	182.7	170.8	11.9
	Mar–23	182.2	170.8	11.4
	Jun–23	182.9	170.2	12.7
	Sep–23	195.6	182.2	13.4
	Year to Sep–23	**185.9**	**173.5**	**12.4**
Sydney	Dec–22	184.6	171.8	12.8
	Mar–23	185.1	171.3	13.8
	Jun–23	183.1	170.8	12.3
	Sep–23	198.8	182.4	16.4
	Year to Sep–23	**187.9**	**174.1**	**13.8**
Melbourne	Dec–22	185.2	170.6	14.6
	Mar–23	184.3	170.3	14.0
	Jun–23	185.0	170.1	14.9
	Sep–23	197.5	182.0	15.5
	Year to Sep–23	**188.0**	**173.3**	**14.7**
Brisbane	Dec–22	184.9	170.8	14.1
	Mar–23	186.4	170.7	15.7
	Jun–23	188.1	170.3	17.8
	Sep–23	199.1	181.9	17.2
	Year to Sep–23	**189.7**	**173.4**	**16.3**
Adelaide	Dec–22	178.9	172.1	6.8
	Mar–23	178.6	172.2	6.4
	Jun–23	180.2	171.1	9.1
	Sep–23	191.2	183.3	7.9
	Year to Sep–23	**182.3**	**174.7**	**7.6**
Perth	Dec–22	179.8	168.9	10.9
	Mar–23	176.6	169.7	6.9
	Jun–23	178.3	168.6	9.7
	Sep–23	191.5	181.3	10.2
	Year to Sep–23	**181.6**	**172.1**	**9.5**

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

Table 4.1 shows that in the year to September 2023, quarterly average gross indicative retail differences:

- varied significantly over time and across cities, ranging from a high of 17.8 cpl (in Brisbane in the June quarter 2023) to a low of 6.4 cpl (in Adelaide in the March quarter 2023)
- were lowest in Melbourne, Adelaide and Perth in the March quarter 2023, lowest in Sydney in the June quarter 2023, and lowest in Brisbane in the December quarter 2022
- were highest in Sydney and Melbourne in the September quarter 2023, highest in Brisbane and Adelaide in the June quarter 2023, and highest in Perth in the December quarter 2022
- were consistently lower in Adelaide and Perth compared with average gross indicative retail differences across the 5 largest cities, and consistently higher in Melbourne and Brisbane.

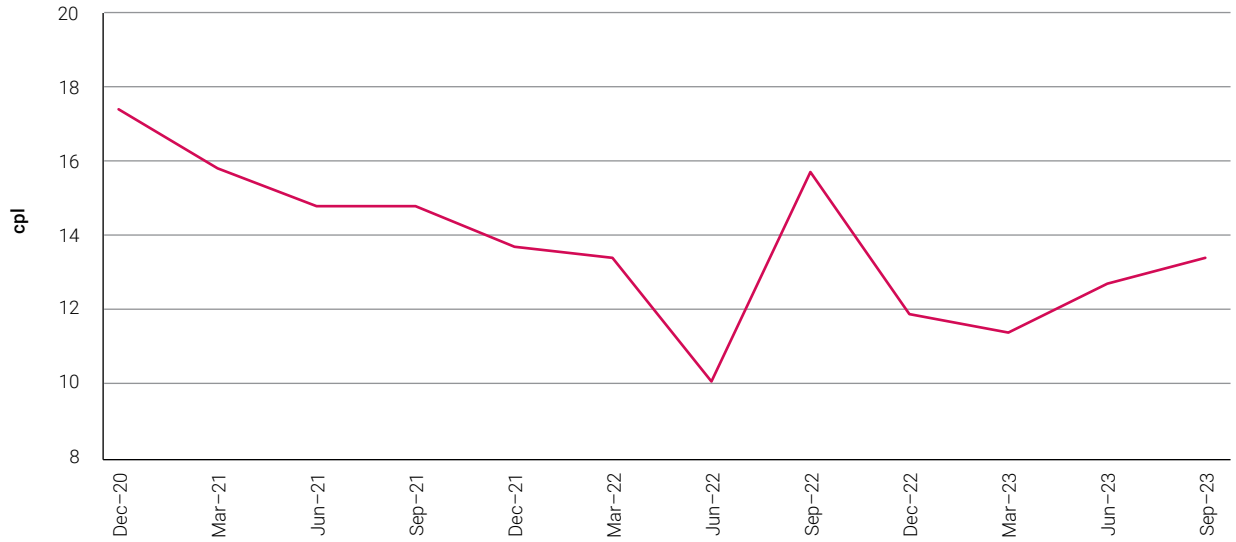
In the September quarter 2023, gross indicative retail differences were lowest in Adelaide (7.9 cpl) and highest in Brisbane (17.2 cpl). In the year to September 2023, annual average gross indicative retail differences were lowest in Adelaide (7.6 cpl) and highest in Brisbane (16.3 cpl).

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.[46]

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.

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



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

46 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 shows that quarterly average gross indicative retail differences in the 5 largest cities increased in the September quarter 2023, as they did in the previous quarter.

The chart also shows that gross indicative retail differences can be volatile on a quarterly basis. Typically, 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.[47] This was not the case in the September quarter 2023, when average terminal gate prices increased, and average gross indicative retail differences increased (by 0.7 cpl).

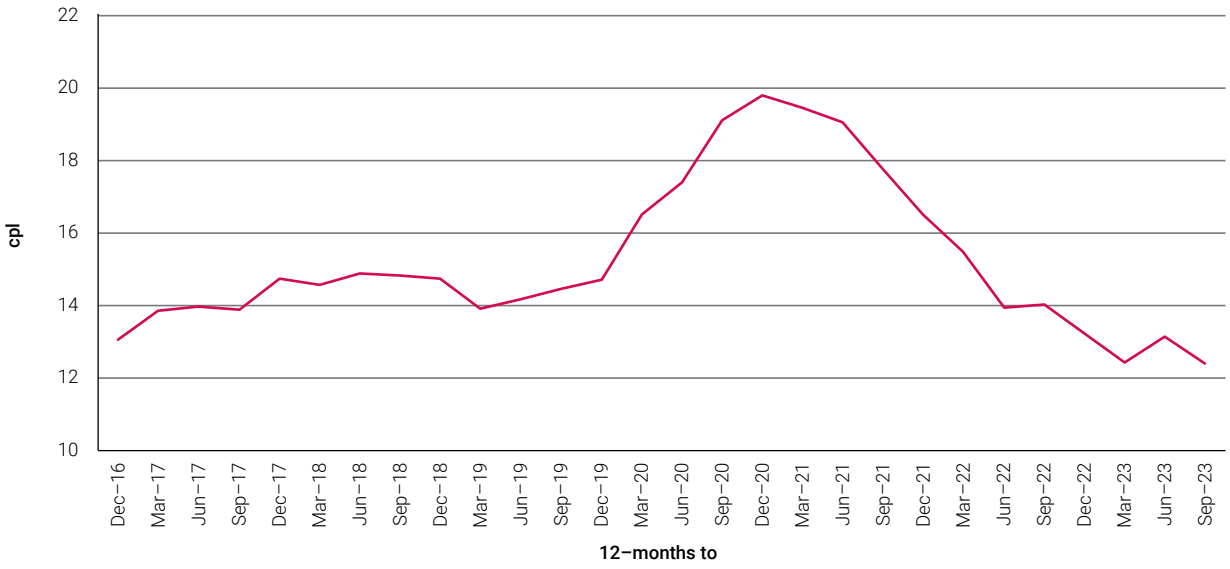
The increase in average gross indicative retail differences across the 5 largest cities is likely a result of higher gross indicative retail differences in Sydney, where they increased by 4.1 cpl from the previous quarter.

As noted in chapter 3, across the 5 largest cities, quarterly average retail petrol prices increased the most in Sydney (by 15.7 cpl). This may reflect Sydney experiencing 3 price cycle peaks in the September quarter 2023, which is the most it has experienced since the June quarter 2022.

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.[48]

Chart 4.5: Twelve-month average gross indicative retail differences in the 5 largest cities in real terms: December 2016 to September 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, September 2023*, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 15 November 2023.

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

47 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.

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

Chart 4.5 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 5.1 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 (19.8 cpl), influenced by COVID-19 restrictions and retailers experiencing lower sales volumes.[49]

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 was likely a factor influencing lower gross indicative retail differences as restrictions eased and sales volumes recovered.

Since December 2020, 12-month average gross indicative retail differences have decreased by 7.4 cpl in **real** terms, and were 12.4 cpl at the end of the September quarter 2023.

Twelve-month average gross indicative retail differences at the end of the September quarter 2023 were below pre-pandemic levels, as they were in the previous 3 quarters. In the period before the pandemic, **real** 12-month average gross indicative retail differences moved from 13.1 cpl in December 2016 to 14.7 cpl in December 2019.

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.[50] 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.[51]

4.6 Retail prices increased due to higher Mogas 95 prices and a lower AUD–USD exchange rate

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

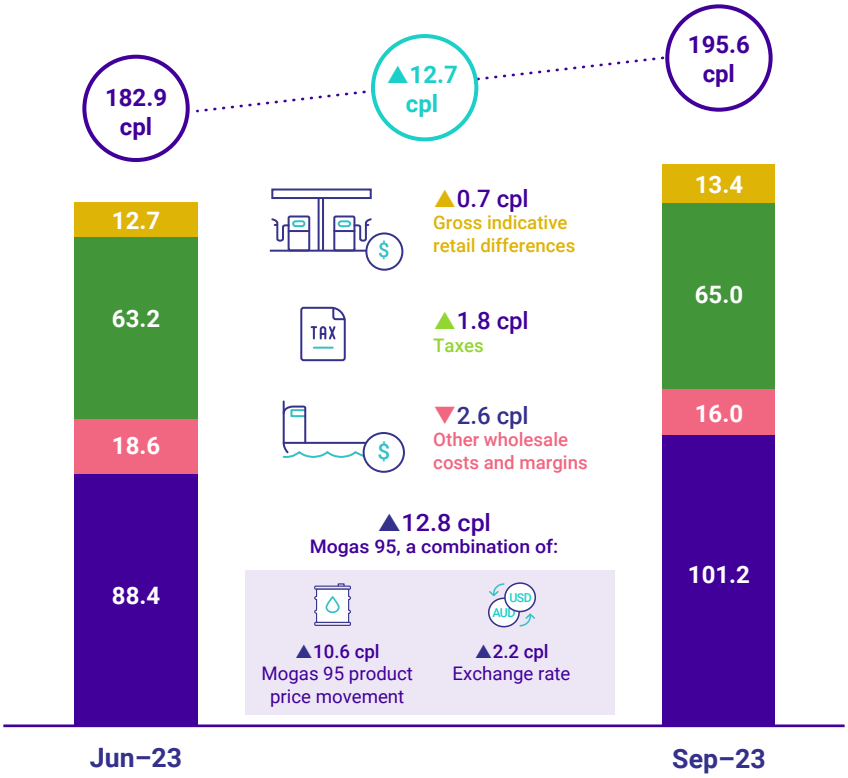
- the retail component (represented by gross indicative retail differences)
- the other wholesale costs and margins component (which includes international shipping costs and import costs).

49 ACCC, *Quarterly report on the Australian petroleum market – March quarter 2022*, 15 June 2022, pp 42–43.

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

51 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.

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



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

Notes: ▼▲cpl change from the previous quarter.

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, for consistency with gross indicative retail difference figures in this report. As a result, the taxes component in this chart is not the same as the taxes component in chart 4.1.

Chart 4.6 shows that the increase in average retail petrol prices in the 5 largest cities in the September quarter 2023 (12.7 cpl) was overwhelmingly due to increases in Mogas 95 prices and a lower AUD–USD exchange rate.

The AUD–USD exchange rate is a significant determinant of Australia's retail petrol prices because imported crude oil and international refined petrol (from which domestically refined petrol is priced) is bought and sold in US dollars in global markets. Excluding the effect of changes in the AUD–USD exchange rate (which decreased by US 1.3 cents on average in the quarter), Mogas 95 prices would have increased by 10.6 cpl in the quarter. However, the lower AUD–USD exchange rate amplified this increase, resulting in Mogas 95 prices increasing by an additional 2.2 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 12.8 cpl.

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

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

5.1 Retail prices increased in Canberra, Hobart and Darwin

In the September quarter 2023, average retail prices increased in all 3 smaller capital cities: Hobart by 11.8 cpl, and both Canberra and Darwin by 10.2 cpl. Average retail prices in Darwin were below the average retail price across the 5 largest cities, while average prices in Canberra and Hobart were above.

Table 5.1 shows quarterly average retail prices in the June quarter 2023 and September quarter 2023 in Canberra, Hobart and Darwin 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.

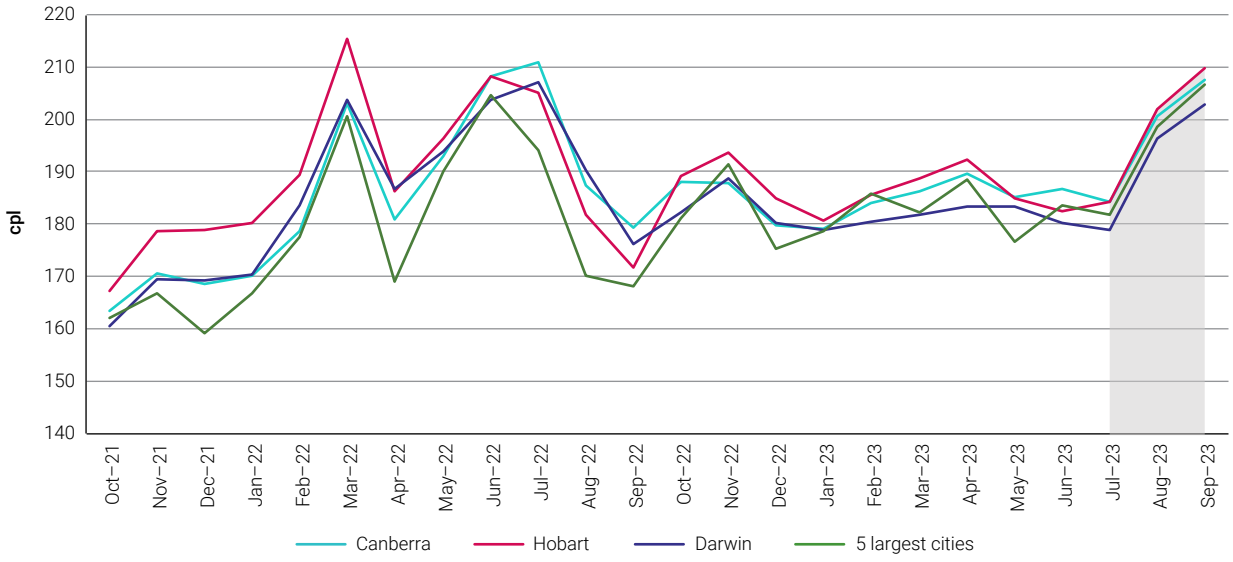
Table 5.1: Quarterly average retail petrol prices in Canberra, Hobart and Darwin and in the 5 largest cities: June quarter 2023 and September quarter 2023 – cents per litre (cpl)

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
Jun–23	187.2	186.7	182.4	182.9	4.3	3.8	-0.5
Sep–23	197.4	198.5	192.6	195.6	1.8	2.9	-3.0
Change	**10.2**	**11.8**	**10.2**	**12.7**	**-2.5**	**-0.9**	**-2.5**

Source: ACCC calculations based on data from FUELtrac and Informed Sources.

Chart 5.1 shows monthly average prices in Canberra, Hobart, Darwin and the 5 largest cities from October 2021 to September 2023.

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



Source: ACCC calculations based on data from FUELtrac and Informed Sources.
Note: The shaded area in the chart represents the September quarter 2023.

In the year to September 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 and June 2023
- lower in Darwin in all months except October and December 2022 and January and May 2023.

5.2 Average regional prices were marginally lower than prices in the 5 largest cities

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

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

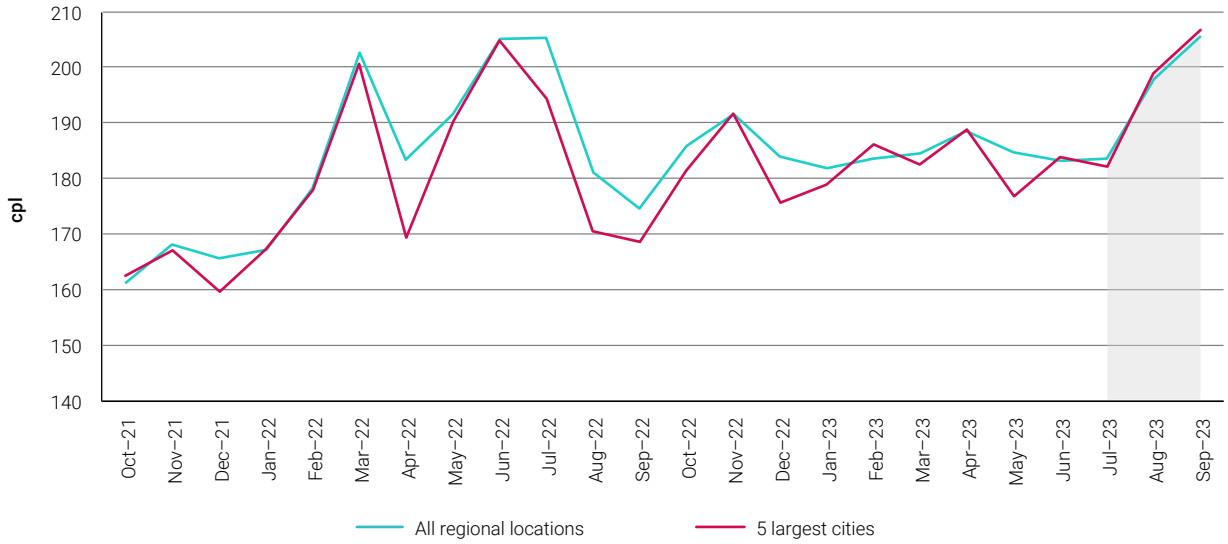
The influence of these factors varies significantly from location to location. This means that there may be substantial differences in prices between specific regional locations.

Average prices in regional locations in aggregate (regional prices) were 195.4 cpl in the September quarter 2023. They were marginally lower than average prices in the 5 largest cities (195.6 cpl) following 7 successive quarters where they were higher. Quarterly average regional prices were 0.2 cpl lower than average prices in the 5 largest cities in the September quarter 2023. In the June quarter 2023 average regional prices were 2.4 cpl higher.

Average regional prices increased by 10.1 cpl from the June 2023 quarter, while average prices in the 5 largest cities increased by 12.7 cpl.

Chart 5.2 shows that in the year to September 2023, monthly average regional prices were higher than average prices in the 5 largest cities in 6 of the months. Average regional prices were lower in November 2022, and February, April, June, August and September 2023.

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



Source: ACCC calculations based on data from FUELtrac and Informed Sources.
Note: The shaded area in the chart represents the September quarter 2023.

In the September quarter 2023, average prices in 64 regional locations (representing around 34% of monitored locations) were higher than average prices in the 5 largest cities. In comparison, in the June quarter 2023, average prices in around 56% of regional locations were higher.

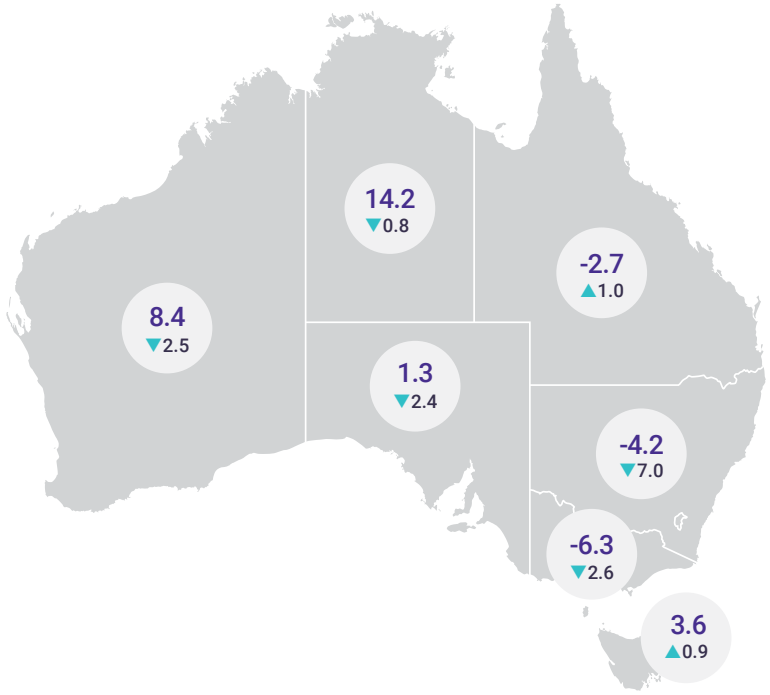
Appendix A has further information on petrol price movements in recent quarters and in the year to September 2023 in all locations the ACCC monitors.

5.3 Quarterly average regional prices were lower than their respective capital city prices in New South Wales, Victoria and Queensland

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 September 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: September quarter 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac and Informed Sources.

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.

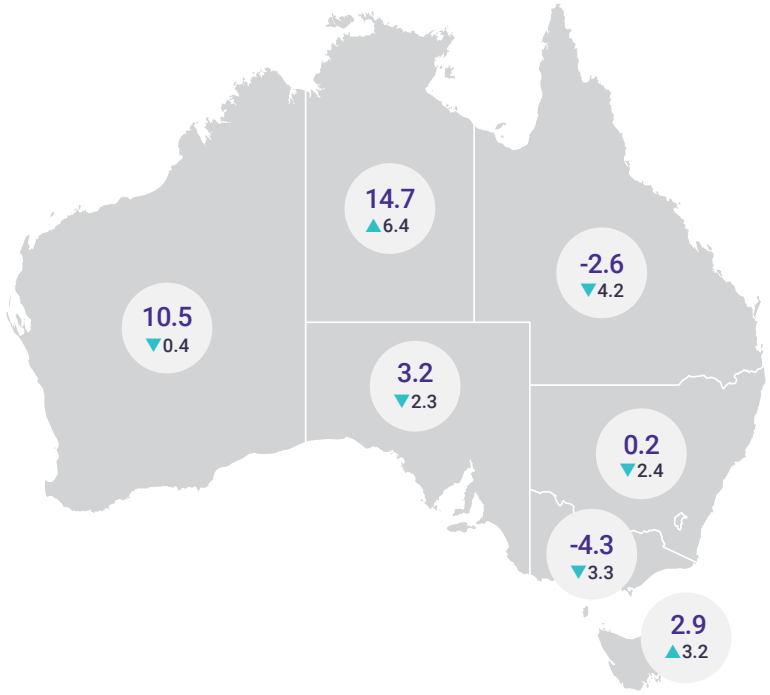
▼▲cpl change from the previous quarter.

Figure 5.1 shows that in the September quarter 2023, average regional prices were lower than their respective capital city prices in New South Wales, Victoria and Queensland and higher than their respective capital city prices in all other jurisdictions.

Figure 5.2 shows the average differential between retail prices in regional locations in each state and the Northern Territory, and their respective capital city in the year to September 2023 and the change from the year to September 2022.

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 September 2023 – cents per litre (cpl)



Source: ACCC calculations based on data from FUELtrac and Informed Sources.

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 the previous year.

Figure 5.2 shows that in the year to September 2023, average regional prices were higher than their respective capital city prices in all jurisdictions except Victoria and Queensland.

Compared with the year to September 2022, average prices in regional locations were relatively lower compared with their respective capital city in all jurisdictions except Tasmania and the Northern Territory.

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. Chapter 4 analysed movements in 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 Brent, Tapis, Dubai and West Texas Intermediate). Brent crude oil is the most widely used benchmark in global markets.

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.

6.1 Crude oil and refined petrol prices increased

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

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

Source: ACCC calculations based on data from Argus Media.
Note: The shaded area in the chart represents the September quarter 2023.

Weekly average Brent crude oil prices were around USD 78 per barrel at the beginning of October 2021 and subsequently trended upwards, reaching around USD 131 per barrel in mid-June 2022. Weekly average Brent crude oil prices then trended downwards to around USD 81 per barrel in December 2022. Prices increased to around USD 88 per barrel in January 2023 before fluctuating and generally trending downwards to around USD 74 per barrel at the end of June 2023.

At the beginning of the September quarter 2023, weekly average Brent crude oil prices were around USD 77 per barrel. Prices generally increased throughout the quarter and were around USD 97 per barrel at the end of September 2023.

Weekly average Mogas 95 prices moved in a similar manner to Brent crude oil prices. At the beginning of October 2021, weekly average Mogas 95 prices were around USD 88 per barrel, and broadly trended upwards to around USD 157 per barrel in mid-June 2022. Weekly average Mogas 95 prices then decreased substantially to around USD 87 per barrel in mid-December 2022, before increasing to around USD 107 per barrel in late January 2023. Prices fluctuated and generally trended downwards through the remaining first half of 2023 and were around USD 91 per barrel at the end of June 2023.

At the beginning of the September quarter 2023, average weekly Mogas 95 prices were around USD 91 per barrel. Prices increased to around USD 114 per barrel in mid-September 2023, before finishing the quarter at around USD 106 per barrel.

Quarterly average Brent crude oil prices and Mogas 95 prices were higher in the September quarter 2023 compared with the June quarter 2023:

- quarterly average Brent crude oil prices were around USD 88 per barrel (an increase of USD 9 per barrel, or around 11%)
- quarterly average Mogas 95 prices were around USD 105 per barrel (an increase of USD 11 per barrel, or around 12%).

6.2 Refiner margins increased

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

In the September quarter 2023, the average refiner margin was USD 17.7 per barrel (around 17.0 cpl in Australian dollar terms), an increase of USD 2.5 per barrel from the previous quarter. Higher refiner margins were influenced by stronger domestic demand for refined fuels in China and other Asian economies opening up after the COVID-19 pandemic.[52]

The average refiner margin in the September quarter 2023 was higher than the 10-year **real** average refiner margin (USD 13.4 per barrel, or AUD 11.1 cpl).

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

In the September quarter 2023 both refineries in Australia reported higher refiner margins compared with the June quarter 2023. Ampol announced a refiner margin at its Lytton refinery of USD 19.69 per barrel. This was a significant increase from the June quarter 2023 (USD 5.66 per barrel) as refinery production returned to a higher value product mix after outages affected the June quarter.[53] Viva Energy announced a refiner margin at its Geelong refinery of USD 8.50 per barrel. Viva Energy noted that its refiner margin increased, despite curtailed production from extended refinery maintenance.[54]

52 Reuters, *Asia oil refining margins climb, but a peak looms*, 24 August 2023, accessed on 15 November 2023.

53 Ampol, *3Q 2023 Trading update*, ASX Announcements, 25 October 2023, accessed on 15 November 2023.

54 Viva Energy, *3Q2023 Operating update*, ASX release, 23 October 2023, accessed on 15 November 2023.

6.3 Various international factors have influenced crude oil prices

Four factors have largely influenced movements in crude oil prices over the past 2 years:

- 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 decrease or increase production
- the influence of the COVID-19 pandemic on demand, and subsequent demand recovery
- geo-political events including the Russian invasion of Ukraine
- periods of reduced demand following central banks' interest rate increases around the world to combat higher inflation.

In the September quarter 2023, key factors that influenced higher crude oil prices included:

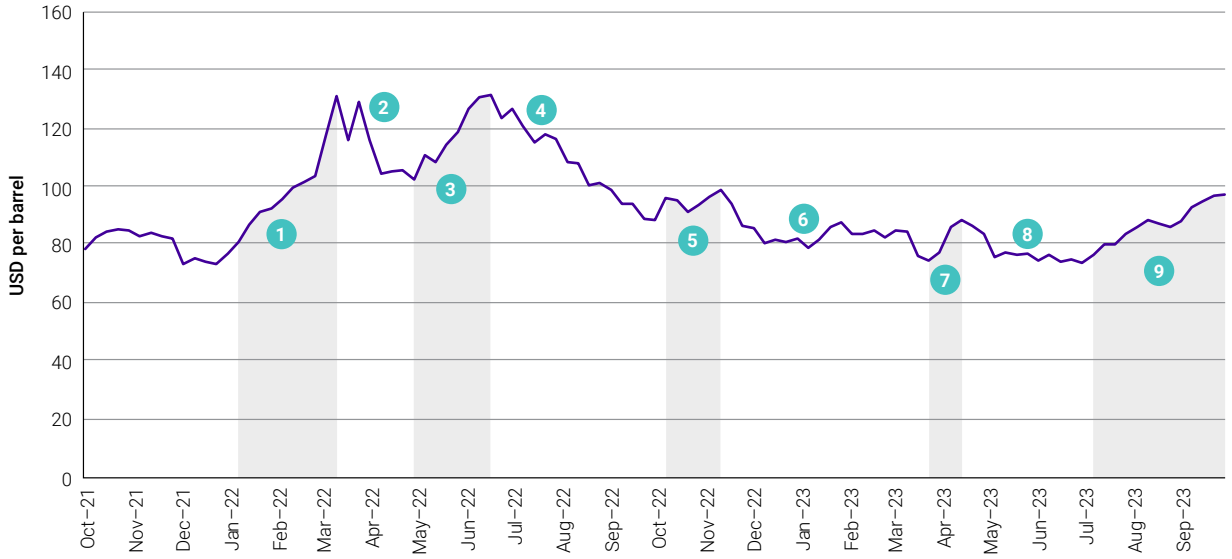
- reduced OPEC+ oil supply, with a sharp reduction in oil production from Saudi Arabia[55]
- higher world oil demand, boosted by strong summer air travel, increased oil use in power generation and stronger than expected demand from China[56]
- Saudi Arabia and Russia announcing an extension of oil output cuts in early September 2023 (making a combined cut of 1.3 million barrels per day) to the end of the year.[57]

55 Reuters, *Saudi Arabia, Russia deepen oil cuts, sending prices higher*, 4 July 2023, accessed on 15 November 2023.

56 International Energy Agency, *Oil Market Report – August 2023*, accessed on 15 November 2023.

57 Reuters, *Saudi Arabia extends voluntary oil output cuts to year-end, markets jump*, 5 September 2023, accessed on 15 November 2023.

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



1 January to March 2022

Crude oil prices increased sharply as supplies tightened with numerous countries banning imports from Russia due to its invasion of Ukraine. Stronger demand from the easing of the COVID-19 pandemic also put upward pressure on prices.

2 Late March 2022

Decreases in crude oil prices were influenced by the possibility of weakening demand due to rising COVID-19 cases and lockdowns in some parts of China. Additionally, the International Energy Agency and the United States announced oil supply to be released from their stockpiles.

3 May to mid-June 2022

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

4 Late June to September 2022

Crude oil prices decreased significantly as higher interest rates led to concerns about a global recession and lower demand. OPEC+ crude oil supply increased, including recovered production from Libya.

5 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.

6 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.

7 Late March to mid-April 2023

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

8 Mid-April to June 2023

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

9 July to September 2023

Higher crude oil prices were influenced by reduced OPEC+ supply and increased demand due to strong summer air travel and increased demand from China.

The information in figure 6.1 is derived from the following sources.[58]

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.

May to mid-June 2022

Reuters, *Global stocks fall, U.S. yields rise as oil prices reach new highs*, 31 May 2022.

Reuters, *Oil rises on tight supplies; trade choppy on demand worries*, 14 June 2022.

Reuters, *Oil falls around 3% as investors eye U.S. Fed rate hikes*, 23 June 2022.

Late June to September 2022

Reuters, *Lower oil prices defy robust forecasts for global demand*, 16 September 2022.

Reuters, *OPEC oil output in Sept hits highest since 2020 – survey*, 30 September 2022.

October to mid-November 2022

Reuters, *Oil settles up $2 on tighter supply; OPEC+ talks limit gains*, 30 November 2022.

International Energy Agency, *Oil Market Report – November 2022*.

Late November 2022 to March 2023

Reuters, *Oil drops by over $2 per barrel, dogged by recession fears*, 16 December 2022.

Reuters, *Oil slumps nearly 5% to lowest in more than a year as banking fears mount*, 16 March 2023.

Late March 2023 to mid-April 2023

Reuters, *Oil steady, notches 3rd weekly gain after shock OPEC+ cuts*, 7 April 2023.

Reuters, *Oil rises, logs weekly gains after IEA predicts record demand*, 15 April 2023.

Mid-April to June 2023

Reuters, *Oil prices ease on weaker Chinese demand picture*, 21 June 2023.

Reuters, *Oil prices drop over 2% on interest rate hike worries*, 28 June 2023.

July to September 2023

Reuters, *Saudi Arabia, Russia deepen oil cuts, sending prices higher*, 4 July 2023.

International Energy Agency, *Oil Market Report – August 2023*.

58 All sources were accessed on 15 November 2023.

7. Retail diesel price movements in the 5 largest cities

7.1 Increases in international benchmark prices drove higher retail diesel prices

Quarterly average retail diesel prices in the 5 largest cities were 201.7 cpl in the September quarter 2023, an increase of 15.1 cpl from the June quarter 2023 (186.6 cpl). This represented the first quarterly increase since the December quarter 2022.

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. Both petrol and diesel are refined from crude oil and their prices generally tend to follow similar movements over the long term. However, as noted in section 7.3, movements in diesel and petrol benchmark prices can diverge at times.

Chart 7.1 shows that 7-day rolling average retail diesel prices in the 5 largest cities broadly tracked Gasoil 10 ppm prices between 1 October 2021 and 30 September 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 October 2021 to 30 September 2023 – cents per litre (cpl)

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

Notes: The shaded area in the chart represents the September quarter 2023.
The 2 vertical 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 upward during the September quarter 2023. Prices were 180.2 cpl at the beginning of the quarter, and increased to 221.9 cpl at the end of the quarter. Seven-day rolling average Gasoil 10 ppm prices in Australian cents per litre terms also increased. Prices were 85.7 cpl at the beginning of the quarter and increased to 124.0 cpl at the end of the quarter.

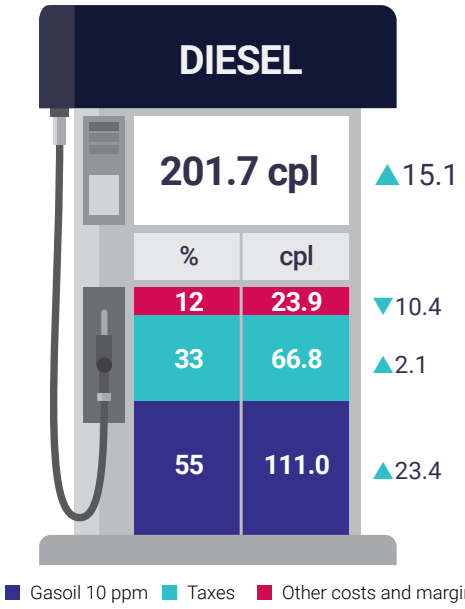
Quarterly average Gasoil 10 ppm prices in the September quarter 2023 in Australian cents per litre were 111.0 cpl, an increase of 23.4 cpl from the June quarter 2023 (87.6 cpl).

Retail diesel prices in the 5 largest cities, unlike petrol prices, do not move in cycles. Diesel prices may not have price cycles because a large proportion of sales are to commercial users who purchase diesel on a contractual basis. According to the Australian Institute of Petroleum, only around 25% of the diesel used in Australia is sold through retail outlets, and much of that is sold to account customers with very little sold to private customers.[59]

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 September quarter 2023.

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



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Argus Media, the Reserve Bank of Australia, and the Australian Taxation Office.
▼▲cpl change from the previous quarter.

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

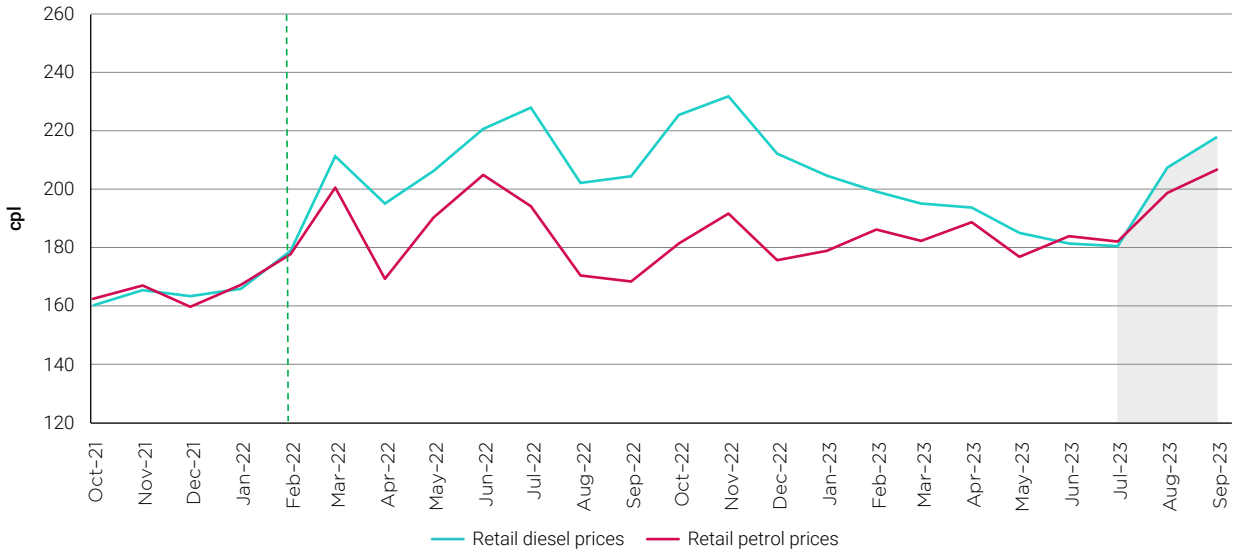
59 Australian Institute of Petroleum, *Facts about diesel prices & the Australian fuel market*, 9 October 2023, p 3, accessed on 15 November 2023.

7.3 Average retail diesel prices were higher than average petrol prices

Quarterly average retail diesel prices in the September quarter 2023, were 6.1 cpl higher than average retail petrol prices. This was 2.4 cpl higher than the difference in the June quarter 2023 (3.7 cpl) and 11.4 cpl lower than the difference in the March quarter (17.5 cpl).

As indicated in chart 7.3 (which shows monthly average retail diesel and petrol prices in the 5 largest cities between October 2021 and September 2023), average retail diesel prices were above average petrol prices during the September quarter, after being marginally below average petrol prices in June and July 2023.

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



Source: ACCC calculations based on data from FUELtrac and Informed Sources.
Notes: The shaded area in the chart represents the September quarter 2023.
The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).

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

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

Chart 7.4: Monthly average Gasoil 10 ppm and Mogas 95 prices in nominal terms: October 2021 to September 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 September quarter 2023.
The green dotted line indicates when the Russian invasion of Ukraine began (24 February 2022).
Gasoil 10 ppm is the international diesel benchmark and Mogas 95 is the international petrol benchmark.

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

Lower Gasoil 10 ppm prices in the June quarter 2023 were influenced by continuing exports of diesel from Russia despite the sanctions, a decline in diesel consumption across North America and Europe, and an unexpected build-up in diesel inventories.

Table 7.1 shows that the difference between average Gasoil 10 ppm and Mogas 95 prices peaked in the December quarter 2022 when Gasoil 10 ppm prices were 30.9 cpl higher than Mogas 95 prices. In the first half of 2023 average Gasoil 10 ppm prices reduced and were 0.8 cpl lower than Mogas 95 prices in the June quarter 2023.

In the September quarter 2023, average Gasoil 10 ppm prices were 111.0 cpl, an increase of 23.4 cpl from the previous quarter. Average Gasoil 10 ppm prices were 9.8 cpl higher than average Mogas 95 prices.

Table 7.1: Quarterly average Gasoil 10 ppm and Mogas 95 prices in nominal terms – Australian cents per litre (cpl)

Quarter	Average Gasoil 10 ppm price (cpl)	Average Mogas 95 price (cpl)	Difference (cpl)
Dec–21 (prior to the Russian invasion)	78.5	80.9	-2.4
Dec–22	121.2	90.3	30.9
Mar–23	99.6	91.0	8.6
Jun–23	87.6	88.4	-0.8
Sep–23	111.0	101.2	9.8

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

The increase in Gasoil 10 ppm prices in the September quarter 2023 was influenced by:

- higher world oil demand, boosted by strong summer air travel, increased oil use in power generation and stronger than expected demand from China
- a global shortage of diesel stocks, driven by both crude production cuts announced by the OPEC cartel and shortages of refining capacity around the world.[60]

60 Reuters, *Global diesel shortage boosts prices*, 14 September 2023, accessed on 15 November 2023.

Appendix A: Petrol price data for monitored locations

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. Table A.1 shows quarterly average retail petrol prices in the June quarter 2023 and the September quarter 2023, and the change between the 2 quarters, in these locations.[61] 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 September quarter 2023, and in the year to 30 September 2023.[62]

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

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Sydney	183.1	198.8	15.7				
Melbourne	185.0	197.5	12.5				
Brisbane	188.1	199.1	11.0				
Adelaide	180.2	191.2	11.0				
Perth	178.3	191.5	13.2				
5 largest cities	**182.9**	**195.6**	**12.7**				
Canberra	187.2	197.4	10.2	1.8		2.4	
Hobart	186.7	198.5	11.8	2.9		4.0	
Darwin	182.4	192.6	10.2	-3.0		-1.0	
New South Wales							
Albury	183.5	193.3	9.8	-2.3	-5.5	1.3	-0.7
Armidale	187.3	196.8	9.5	1.2	-2.0	2.5	0.5
Ballina	190.4	197.3	6.9	1.7	-1.5	5.9	3.9
Batemans Bay	197.9	196.7	-1.2	1.1	-2.1	13.8	11.8
Bathurst	176.1	186.1	10.0	-9.5	-12.7	-4.3	-6.3
Bega	191.4	198.3	6.9	2.7	-0.5	7.2	5.2

61 The source for all prices in this appendix is ACCC calculations based on data from FUELtrac and Informed Sources. For prices to be included in the table, there had to be price observations on at least 75% of days in the quarter/year.
Two locations did not have sufficient data for the September quarter 2023 – Corryong and Orbost.
E10 prices instead of regular unleaded petrol prices are reported in Coonabarabran, Cowra, Gilgandra, Merimbula, Wellington, West Wyalong and Yass.

62 In the year to September 2023, average regular unleaded petrol prices across the 5 largest cities were 185.9 cpl. Average prices in each capital city were: Sydney – 187.9 cpl, Melbourne – 188.0 cpl, Brisbane – 189.7 cpl, Adelaide – 182.3 cpl, Perth – 181.6 cpl, Canberra – 188.3 cpl, Hobart – 189.9 cpl and Darwin – 184.9 cpl.
For locations in New South Wales where E10 prices are reported, the differential with prices in Sydney uses E10 prices. In the June quarter 2023 average E10 prices in Sydney were 181.4 cpl, in the September quarter 2023 they were 197.4 cpl, and in the year to 30 September 2023 they were 186.4 cpl.

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Broken Hill	191.5	199.1	7.6	3.5	0.3	4.8	2.8
Bulahdelah	186.3	193.9	7.6	-1.7	-4.9	6.2	4.2
Casino	184.9	192.8	7.9	-2.8	-6.0	-0.2	-2.2
Central Coast	186.7	202.1	15.4	6.5	3.3	5.3	3.3
Coffs Harbour	179.6	189.2	9.6	-6.4	-9.6	-2.9	-4.9
Cooma	189.7	198.9	9.2	3.3	0.1	6.0	4.0
Coonabarabran	182.6	192.1	9.5	-3.5	-5.3	-1.0	-1.5
Cootamundra	183.6	192.0	8.4	-3.6	-6.8	-0.7	-2.7
Cowra	190.4	197.8	7.4	2.2	0.4	8.2	7.7
Deniliquin	185.8	193.4	7.6	-2.2	-5.4	2.6	0.6
Dubbo	184.4	194.3	9.9	-1.3	-4.5	1.8	-0.2
Forbes	197.1	203.6	6.5	8.0	4.8	14.2	12.2
Forster	178.0	189.2	11.2	-6.4	-9.6	-4.1	-6.1
Gilgandra	186.9	194.1	7.2	-1.5	-3.3	1.6	1.1
Glen Innes	181.8	196.8	15.0	1.2	-2.0	-2.1	-4.1
Goulburn	184.9	195.1	10.2	-0.5	-3.7	3.6	1.6
Grafton	186.5	194.4	7.9	-1.2	-4.4	3.0	1.0
Griffith	182.0	188.3	6.3	-7.3	-10.5	-2.7	-4.7
Gundagai	183.8	194.7	10.9	-0.9	-4.1	1.7	-0.3
Gunnedah	181.1	189.2	8.1	-6.4	-9.6	-3.2	-5.2
Hay	186.6	193.9	7.3	-1.7	-4.9	2.7	0.7
Inverell	183.2	194.2	11.0	-1.4	-4.6	0.3	-1.7
Jerilderie	186.3	192.8	6.5	-2.8	-6.0	2.5	0.5
Kempsey	179.5	190.7	11.2	-4.9	-8.1	-4.2	-6.2
Leeton	181.8	192.6	10.8	-3.0	-6.2	-1.1	-3.1
Lismore	190.1	198.4	8.3	2.8	-0.4	5.0	3.0
Lithgow	183.0	188.7	5.7	-6.9	-10.1	3.3	1.3
Merimbula	182.8	190.6	7.8	-5.0	-6.8	-1.9	-2.4
Mittagong	185.3	193.0	7.7	-2.6	-5.8	0.5	-1.5
Moama	181.6	191.7	10.1	-3.9	-7.1	-1.6	-3.6
Moree	189.0	196.5	7.5	0.9	-2.3	2.8	0.8
Moruya	182.5	192.5	10.0	-3.1	-6.3	-1.5	-3.5
Moss Vale	185.3	192.3	7.0	-3.3	-6.5	0.1	-1.9
Mudgee	191.2	199.2	8.0	3.6	0.4	9.6	7.6
Murwillumbah	195.0	201.2	6.2	5.6	2.4	9.6	7.6

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Muswellbrook	179.8	186.1	6.3	-9.5	-12.7	-3.7	-5.7
Narrabri	196.4	200.2	3.8	4.6	1.4	9.0	7.0
Newcastle	186.0	196.6	10.6	1.0	-2.2	2.9	0.9
Nowra	178.8	190.8	12.0	-4.8	-8.0	0.4	-1.6
Nyngan	183.3	193.5	10.2	-2.1	-5.3	1.2	-0.8
Orange	182.9	193.6	10.7	-2.0	-5.2	1.4	-0.6
Parkes	193.8	201.8	8.0	6.2	3.0	10.3	8.3
Port Macquarie	181.9	188.9	7.0	-6.7	-9.9	-3.2	-5.2
Queanbeyan	184.9	194.7	9.8	-0.9	-4.1	0.9	-1.1
Singleton	191.1	204.0	12.9	8.4	5.2	3.1	1.1
Tamworth	184.1	192.7	8.6	-2.9	-6.1	-0.5	-2.5
Taree	185.4	194.0	8.6	-1.6	-4.8	0.7	-1.3
Temora	184.7	192.9	8.2	-2.7	-5.9	0.3	-1.7
Tumut	181.6	192.8	11.2	-2.8	-6.0	-1.1	-3.1
Tweed Heads South	191.9	208.1	16.2	12.5	9.3	8.3	6.3
Ulladulla	190.8	198.5	7.7	2.9	-0.3	7.3	5.3
Wagga Wagga	180.0	188.2	8.2	-7.4	-10.6	-3.5	-5.5
Wauchope	187.3	190.5	3.2	-5.1	-8.3	1.9	-0.1
Wellington	183.8	196.2	12.4	0.6	-1.2	2.0	1.5
West Wyalong	185.3	193.6	8.3	-2.0	-3.8	1.6	1.1
Wollongong	186.7	206.0	19.3	10.4	7.2	5.8	3.8
Woolgoolga	189.3	197.7	8.4	2.1	-1.1	6.8	4.8
Yass	189.9	198.5	8.6	2.9	1.1	4.8	4.3
Northern Territory							
Alice Springs	194.4	209.5	15.1	13.9	16.9	13.3	14.3
Katherine	197.0	194.5	-2.5	-1.1	1.9	9.3	10.3
Tennant Creek	201.4	216.3	14.9	20.7	23.7	19.1	20.1
Queensland							
Atherton	184.7	194.7	10.0	-0.9	-4.4	0.1	-3.7
Ayr	178.8	192.7	13.9	-2.9	-6.4	-5.0	-8.8
Biloela	182.9	191.9	9.0	-3.7	-7.2	-1.0	-4.8
Blackwater	197.2	195.8	-1.4	0.2	-3.3	10.8	7.0
Bowen	180.4	190.2	9.8	-5.4	-8.9	-5.1	-8.9
Bundaberg	176.1	186.0	9.9	-9.6	-13.1	-7.9	-11.7
Caboolture	187.8	200.8	13.0	5.2	1.7	4.0	0.2

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Cairns	177.9	188.9	11.0	-6.7	-10.2	-5.9	-9.7
Charleville	198.7	206.8	8.1	11.2	7.7	10.8	7.0
Charters Towers	187.8	194.5	6.7	-1.1	-4.6	2.1	-1.7
Childers	183.8	196.2	12.4	0.6	-2.9	-0.5	-4.3
Cloncurry	n/a	211.4	n/a	15.8	12.3	26.8	23.0
Dalby	173.6	187.0	13.4	-8.6	-12.1	-8.4	-12.2
Emerald	192.5	204.8	12.3	9.2	5.7	8.1	4.3
Gladstone	177.5	191.6	14.1	-4.0	-7.5	-4.6	-8.4
Gold Coast	187.4	196.2	8.8	0.6	-2.9	1.6	-2.2
Goondiwindi	176.3	186.4	10.1	-9.2	-12.7	-7.8	-11.6
Gympie	182.5	189.7	7.2	-5.9	-9.4	-3.5	-7.3
Hervey Bay	180.0	189.5	9.5	-6.1	-9.6	-6.1	-9.9
Ingham	182.0	193.7	11.7	-1.9	-5.4	-1.4	-5.2
Innisfail	179.9	191.2	11.3	-4.4	-7.9	-2.9	-6.7
Ipswich	183.5	198.3	14.8	2.7	-0.8	4.7	0.9
Kingaroy	178.4	186.4	8.0	-9.2	-12.7	-7.4	-11.2
Longreach	206.7	211.4	4.7	15.8	12.3	26.1	22.3
Mackay	182.8	187.9	5.1	-7.7	-11.2	-2.3	-6.1
Mareeba	186.6	193.6	7.0	-2.0	-5.5	1.2	-2.6
Maryborough	178.2	187.9	9.7	-7.7	-11.2	-6.1	-9.9
Miles	178.2	192.1	13.9	-3.5	-7.0	-6.5	-10.3
Moranbah	180.6	191.3	10.7	-4.3	-7.8	-3.2	-7.0
Mt Isa	194.4	204.3	9.9	8.7	5.2	n/a	n/a
Rockhampton	180.0	193.1	13.1	-2.5	-6.0	-3.5	-7.3
Roma	182.0	189.9	7.9	-5.7	-9.2	-3.4	-7.2
Sunshine Coast	182.2	194.9	12.7	-0.7	-4.2	-0.8	-4.6
Toowoomba	186.3	195.0	8.7	-0.6	-4.1	-1.3	-5.1
Townsville	175.2	185.7	10.5	-9.9	-13.4	-8.9	-12.7
Tully	184.7	193.8	9.1	-1.8	-5.3	n/a	n/a
Warwick	179.0	191.7	12.7	-3.9	-7.4	-5.6	-9.4
Whitsunday	174.3	185.1	10.8	-10.5	-14.0	-10.1	-13.9
Yeppoon	180.2	191.5	11.3	-4.1	-7.6	-3.9	-7.7
South Australia							
Bordertown	183.0	188.0	5.0	-7.6	-3.2	-2.5	1.1
Ceduna	184.7	196.6	11.9	1.0	5.4	1.3	4.9

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Clare	184.1	191.2	7.1	-4.4	0.0	-1.9	1.7
Coober Pedy	198.6	205.8	7.2	10.2	14.6	22.8	26.4
Gawler	185.8	192.0	6.2	-3.6	0.8	-1.0	2.6
Kadina	184.4	191.7	7.3	-3.9	0.5	-1.5	2.1
Keith	182.0	190.6	8.6	-5.0	-0.6	-2.5	1.1
Loxton	182.7	192.8	10.1	-2.8	1.6	-1.4	2.2
Mt Gambier	178.8	188.9	10.1	-6.7	-2.3	-5.8	-2.2
Murray Bridge	178.5	187.8	9.3	-7.8	-3.4	-6.5	-2.9
Naracoorte	186.8	193.8	7.0	-1.8	2.6	0.9	4.5
Port Augusta	183.9	196.0	12.1	0.4	4.8	0.5	4.1
Port Lincoln	182.9	192.6	9.7	-3.0	1.4	-0.8	2.8
Port Pirie	183.7	191.8	8.1	-3.8	0.6	-1.6	2.0
Renmark	185.4	193.2	7.8	-2.4	2.0	0.3	3.9
Tailem Bend	182.5	190.6	8.1	-5.0	-0.6	-2.3	1.3
Victor Harbour	178.2	188.2	10.0	-7.4	-3.0	-4.3	-0.7
Whyalla	185.6	192.8	7.2	-2.8	1.6	0.8	4.4
Tasmania							
Burnie	186.4	199.1	12.7	3.5	0.6	4.9	0.9
Campbell Town	191.4	206.0	14.6	10.4	7.5	9.0	5.0
Devonport	190.5	201.9	11.4	6.3	3.4	6.8	2.8
Huonville	186.6	202.8	16.2	7.2	4.3	4.5	0.5
Launceston	188.2	200.4	12.2	4.8	1.9	5.1	1.1
New Norfolk	189.0	202.1	13.1	6.5	3.6	5.1	1.1
Queenstown	n/a	210.0	n/a	14.4	11.5	18.6	14.6
Smithton	187.9	199.9	12.0	4.3	1.4	6.2	2.2
Sorell	186.8	198.2	11.4	2.6	-0.3	4.5	0.5
Ulverstone	190.8	203.5	12.7	7.9	5.0	8.5	4.5
Wynyard	186.1	199.6	13.5	4.0	1.1	4.6	0.6
Victoria							
Ararat	182.4	194.8	12.4	-0.8	-2.7	-0.3	-2.4
Bairnsdale	175.9	186.0	10.1	-9.6	-11.5	-6.9	-9.0
Ballarat	178.0	188.4	10.4	-7.2	-9.1	-5.1	-7.2
Benalla	179.5	188.8	9.3	-6.8	-8.7	-4.8	-6.9
Bendigo	181.6	193.3	11.7	-2.3	-4.2	-2.0	-4.1
Cobram	184.9	192.9	8.0	-2.7	-4.6	1.6	-0.5

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Colac	179.6	191.1	11.5	-4.5	-6.4	-4.9	-7.0
Corryong	194.8	n/a	n/a	n/a	n/a	9.7	7.6
Echuca	179.7	190.9	11.2	-4.7	-6.6	-2.7	-4.8
Euroa	186.7	194.8	8.1	-0.8	-2.7	1.4	-0.7
Geelong	179.2	189.6	10.4	-6.0	-7.9	-3.7	-5.8
Hamilton	175.3	186.7	11.4	-8.9	-10.8	-9.0	-11.1
Horsham	182.9	191.9	9.0	-3.7	-5.6	-2.2	-4.3
Koo Wee Rup	184.0	197.1	13.1	1.5	-0.4	3.0	0.9
Kyabram	182.2	193.1	10.9	-2.5	-4.4	-0.4	-2.5
Lakes Entrance	178.6	187.0	8.4	-8.6	-10.5	-5.6	-7.7
Leongatha	183.5	193.7	10.2	-1.9	-3.8	-0.8	-2.9
Mansfield	187.1	195.4	8.3	-0.2	-2.1	3.3	1.2
Mildura	181.3	190.4	9.1	-5.2	-7.1	-3.3	-5.4
Moe	178.8	188.7	9.9	-6.9	-8.8	-4.4	-6.5
Morwell	177.2	186.6	9.4	-9.0	-10.9	-6.9	-9.0
Portland	174.6	187.7	13.1	-7.9	-9.8	-8.6	-10.7
Sale	181.7	188.7	7.0	-6.9	-8.8	-3.4	-5.5
Seymour	181.1	190.6	9.5	-5.0	-6.9	-1.7	-3.8
Shepparton	181.6	192.5	10.9	-3.1	-5.0	-1.7	-3.8
Swan Hill	182.4	192.9	10.5	-2.7	-4.6	-0.3	-2.4
Traralgon	177.9	188.8	10.9	-6.8	-8.7	-4.9	-7.0
Wallan	184.5	191.4	6.9	-4.2	-6.1	0.8	-1.3
Wangaratta	183.4	194.1	10.7	-1.5	-3.4	2.1	0.0
Warrnambool	176.6	186.3	9.7	-9.3	-11.2	-6.4	-8.5
Wodonga	179.0	188.9	9.9	-6.7	-8.6	-4.6	-6.7
Wonthaggi	183.8	193.1	9.3	-2.5	-4.4	0.6	-1.5
Yarrawonga	182.2	193.2	11.0	-2.4	-4.3	1.1	-1.0
Western Australia							
Albany	177.0	191.5	14.5	-4.1	0.0	-4.5	-0.2
Boulder	183.3	194.9	11.6	-0.7	3.4	-1.2	3.1
Bridgetown	182.8	194.2	11.4	-1.4	2.7	-0.4	3.9
Broome	226.4	234.8	8.4	39.2	43.3	47.1	51.4
Bunbury	179.6	188.4	8.8	-7.2	-3.1	-3.7	0.6
Busselton	182.8	193.2	10.4	-2.4	1.7	-1.0	3.3
Carnarvon	190.7	199.1	8.4	3.5	7.6	9.0	13.3

Location	Jun–23	Sep–23	Change	Differential Sep–23		Differential Year to Sep–23	
			Jun–23 to Sep–23	5 largest cities	Capital city	5 largest cities	Capital city
Collie	189.7	200.7	11.0	5.1	9.2	3.6	7.9
Dongara	184.2	196.4	12.2	0.8	4.9	2.4	6.7
Esperance	195.2	202.8	7.6	7.2	11.3	9.6	13.9
Geraldton	183.7	197.4	13.7	1.8	5.9	0.8	5.1
Kalgoorlie	180.2	192.8	12.6	-2.8	1.3	-3.8	0.5
Karratha	192.4	206.1	13.7	10.5	14.6	11.9	16.2
Manjimup	182.7	194.0	11.3	-1.6	2.5	-0.5	3.8
Mount Barker	182.6	194.3	11.7	-1.3	2.8	-0.5	3.8
Port Hedland	203.9	215.4	11.5	19.8	23.9	22.7	27.0
Waroona	185.4	189.5	4.1	-6.1	-2.0	0.6	4.9

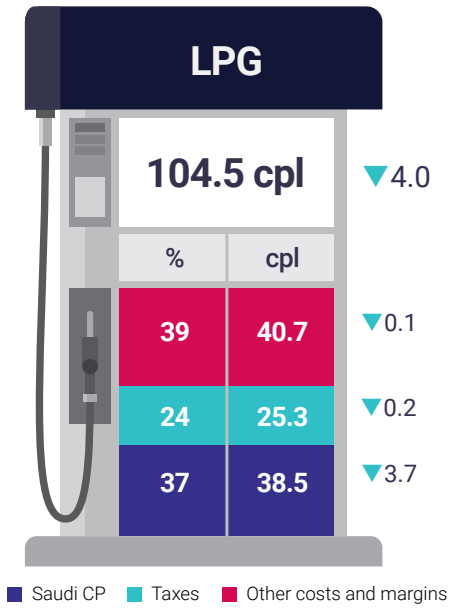
Appendix B: Components of automotive liquefied petroleum gas (LPG) prices

Quarterly average retail automotive liquefied petroleum gas (LPG) prices in the 5 largest cities in the September quarter 2023 were 104.5 cpl, a decrease of 4.0 cpl from the June quarter 2023 (108.5 cpl).

The Saudi Aramco Contract Prices for propane and butane (Saudi CP) are the appropriate international benchmarks for wholesale LPG prices. These prices change monthly 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 September quarter 2023.

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



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

Notes: ▼▲cpl change from the previous quarter.

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

Other costs and margins increased significantly in the previous quarter, which may have been influenced by lags in changes in retail prices following significant decreases in the Saudi CP international benchmarks. In the September quarter 2023, other costs and margins remained around the same levels, and may have continued to be influenced by lags in retail price changes following further reductions in the Saudi CP international benchmarks.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