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Subject: Petrol price monitoring update [SEC=OFFICIAL]

OFFICIAL

Good afternoon all

Please find below a short update on what we are seeing in retail fuel prices following the reintroduction of the full excise. We will publish an update on our website later this afternoon.

Prices in the first week

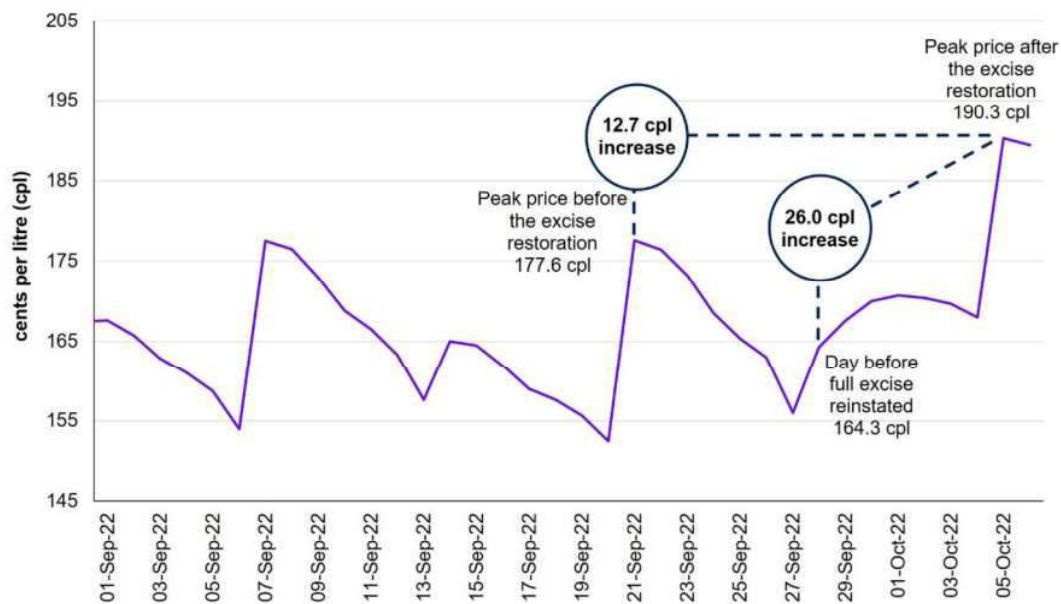
- In the week to 5 October 2022, only one monitored location – Perth – had an increase in daily average retail petrol prices by more than the full impact of the restored excise rate (25.3 cpl).
- This reflects the regular price cycle in Perth, where average retail petrol prices often increase by 25-30 cpl during the increasing phase of the price cycle.
- Between 28 September and 5 October 2022, daily average **regular unleaded petrol prices:**
 - decreased in Sydney, Melbourne, Brisbane and Adelaide (which also have regular price cycles) by between around 7 cpl and 2 cpl.
 - prices in these cities peaked in the days prior to, or just after, the restoration of the full rate of fuel excise
 - increased in Canberra and Hobart by around 11 cpl and in Darwin by around 1 cpl
 - the smaller capital cities do not have price cycles
 - increased by around 7 cpl on average in regional locations
 - there were price increases in 167 monitored regional locations, and prices increased by more than 15 cpl in 13 regional locations
 - there were no regional locations where prices increased by 25.3 cpl.
- Between 28 September and 5 October 2022, daily average **diesel prices:**
 - increased in the five largest cities by between around 10 cpl and 4 cpl
 - increased in Canberra by around 5 cpl, in Darwin by around 3 cpl and in Hobart only marginally (less than 1 cpl)
 - increased by around 7 cpl on average in all regional locations
 - there were price increases in 184 monitored regional locations, and prices increased by more than 15 cpl in 7 regional locations
 - there were no locations where daily average diesel prices increased by 25.3 cpl.

Petrol price cycles following the restoration of fuel excise

- Petrol prices move up and down in regular cyclical patterns in the five largest capital cities.
- The existence of petrol price cycles in the 5 largest cities means that the impact of the restoration of excise on retail petrol prices may not be clear to motorists.

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- In the days leading up to the restoration of the full rate of fuel excise, the price cycles in Sydney, Melbourne and Brisbane had already reached a peak. In Adelaide, the price cycle peaked on 29 September.
- Perth price cycles have been fortnightly since October 2021, increasing to a peak price on Wednesdays. In recent weeks some retailers have been increasing prices after a week, leading to a smaller jump in average prices. Perth prices started to increase on Wednesday 28 September then decreased marginally. The fortnightly price increase occurred on Wednesday 5 October.
- The chart below shows daily average regular unleaded petrol prices in Perth from 1 September to 6 October 2022.



Source: FUELtrac

- Prices in Perth peaked on 5 October at 190.3 cpl. This was an increase of 22.6 cpl from the previous day. The increase two weeks ago was 25.1 cpl.
- The chart shows that after the excise restoration, the peak price in Perth on 5 October was 12.7 cpl higher than the fortnightly peak price before the restoration (177.6 cpl on 21 September). This compares like with like across stages of the Perth price cycle.
- On 28 September, the day before the excise restoration, the Perth price cycle was at a lower point. Between then and 5 October, the increase in average prices was 26.0 cpl. Prices started decreasing on 6 October.

Thank you

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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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