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Subject: ACCC June 2022 petrol monitoring report [SEC=OFFICIAL]
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OFFICIAL

Good afternoon

Under embargo please find attached the ACCC's June quarter report on the Australian petroleum market and accompanying media release (embargoed until Monday).

In accordance with 95ZE of the *Competition and Consumer Act*, the ACCC must make copies of the report available for public inspection as soon as practicable after it gives the Minister the report. The ACCC will release the report on Monday 5 September.

We thank the Treasurer for his letter dated 18 August 2022. In response, please find below the ACCC's approach to monitoring the reintroduction of the full rate of fuel excise. This is also contained in the report and media release. I've also attached the recent Executive Minute provided on 18 August 2022 which sets out the ACCC's approach.

In the lead up to and following the reintroduction of the full rate of excise, the ACCC will:

- Closely monitor wholesale and retail prices of fuel and fuel retailer margins;
- Write to fuel wholesalers and retailers to say that we do not expect to see uncharacteristic or abnormal wholesale and retail price increases in the days leading up to, and on the day of, or after, the reintroduction of the full rate of fuel excise;
- Update the ACCC website to inform motorists regarding information about the monitoring of petrol prices and current petrol price cycles; and
- Not hesitate to take action if retailers make misleading statements on price movements or if there is evidence of anti-competitive behaviour (such as price collusion).

Key points from the report:

- In the June 2022 quarter, real retail petrol prices reached 14 year highs. This was due to international factors and despite the six-month cut in fuel excise substantially reducing retail petrol prices.
- In the June 2022 quarter, average retail petrol prices in the five largest capital cities were 188.0 cents per litre (cpl), up by 6.1 cpl from the March quarter.
- Retail prices fell by about 35 cpl in July as international crude oil and refined petrol prices declined due to an increase in supply from oil stockpiles, lockdowns in parts of China and a worsening global economic outlook.

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- ACCC monitoring of petrol prices in over 190 locations across the country has found that the March 2022 excise cut was passed on in most locations within the first six weeks, and much earlier in the major cities.

Background:

- On 16 December 2019, the then Treasurer issued a new Direction to the ACCC to monitor the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia and produce a report every quarter.
- This is the eleventh quarterly petrol monitoring report under the new Direction. This report looks at the June quarter 2022.
- The ACCC does not have a role in setting the price of petrol.

Kind regards

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Report on the Australian petroleum market

June quarter 2022

September 2022

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Australian Competition and Consumer Commission
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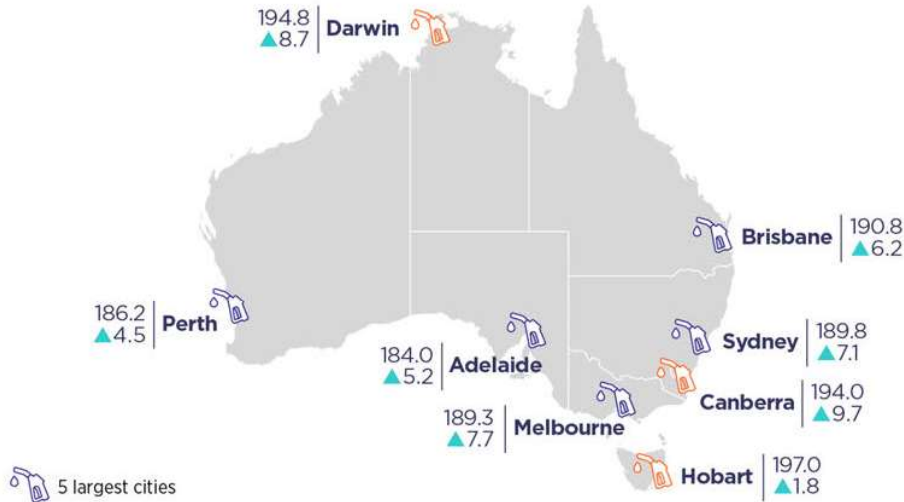
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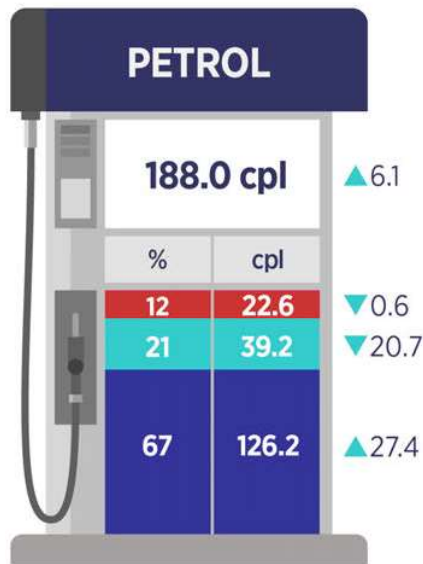
Petrol snapshot - June quarter 2022

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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

GROSS INDICATIVE RETAIL DIFFERENCES

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



DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

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



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

The tax component in the chart reflects the reduction in excise from 30 March 2022. The change in taxation in the June quarter (20.7 cpl) is different from the cut in excise (24.3 cpl) for 2 reasons: there were different rates of excise in the March quarter 2022 (meaning that the change in excise in the June quarter was less than the cut in excise at the end of the March quarter); and GST was higher in the June quarter due to the increase in retail prices.

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Scope of this report

The Australian Competition and Consumer Commission (ACCC) monitors retail prices of unleaded petrol, diesel, and automotive LPG in all capital cities and in more than 190 regional locations across Australia.¹ This report focuses on prices in the June quarter 2022 and in the 2021–22 financial year.

Key messages in the June quarter 2022

ACCC monitoring of the pass through of fuel excise cuts

On 30 March 2022, the Australian Government halved the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months. The cuts reduced excise from 44.2 cents per litre (cpl) to 22.1 cpl. Taking into consideration the reduction in the GST associated with the halving of the excise rate, the impact on petrol and diesel prices was a reduction in total taxation of 24.3 cpl.²

The excise cut was passed on in most locations

Since the excise cut on 30 March 2022, the ACCC has undertaken a range of activities to monitor the pass through of the excise reduction. These include: engaging with wholesalers and retailers to ensure they understand their obligations, increasing data collection processes and data analysis, public communication via the media and by updating the ACCC website on a regular basis.

The ACCC's monitoring focussed on the capital cities and regional locations included in the ACCC's monitoring program. We examined movements in daily average petrol and diesel prices in those locations since 29 March 2022.³

Wholesale prices significantly influence retail prices, and the excise cut quickly applied to wholesale prices. The flow through to retail prices can take time. This is largely because it is often only when fuel stocks are replenished at a retail site that the lower wholesale price is reflected in retail prices.

Following the Australian Government's announcement about the cut in excise, the ACCC upgraded its fuel price data collection to receive daily average prices for all capital cities and all regional locations each working day. The ACCC assessed this data on a regular basis to consider the extent to which retail prices had decreased in line with the decrease in excise.

Our analysis noted significant falls in retail fuel prices in most locations in the first 6 weeks after the cuts, indicating that the excise cuts had clearly been passed on to a large extent.⁴

There were a relatively small number of locations in regional areas where the decreases in petrol and diesel prices were smaller than the cut in excise. After analysing retail site specific price data, the ACCC sought details about the pass through of the excise reduction from specific retailers. Reasons provided were:

- These sites are in regional areas that often sell low volumes of fuel, meaning that it took them time to sell their existing fuel stocks (which had been purchased at the pre-excise price), and by the time they came to replenish their fuel stocks, wholesale prices had increased.

1 In this report, 'petrol' means regular unleaded petrol (RULP) unless otherwise specified. Appendix C lists the monitored locations.

2 Excise on automotive LPG decreased from 14.4 cpl to 7.2 cpl. Taking into consideration the reduction in GST, the impact on automotive LPG prices was a reduction of 7.9 cpl.

3 As the prices of all petrol grades (RULP, premium unleaded petrol (PULP) 95 and PULP 98) generally move in a similar manner, the monitoring concentrated on changes in RULP prices, as well as diesel prices. In 2021, petrol and diesel vehicles represented over 98% of the national fleet.

4 Further detail about the decreases in prices are provided in the ACCC's [Report on the Australian petroleum market – March quarter 2022](#).

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- A major factor determining the level of their retail prices was the prices set by their competitors and movements in wholesale prices were not as significant a factor.
- They had been discounting retail prices prior to the excise cut and were unable to maintain the level of discount after the excise cut.

We are assessing these responses to determine if any further action is required.

Analysis of gross indicative retail margins

With the excise cut flowing through to retail prices in most locations within the first 6 weeks after its implementation (that is, by 10 May 2022), the ACCC focussed its ongoing monitoring on how retailers maintained the price cuts.

We analysed data in monitored locations to assess how retail prices tracked against wholesale prices (as indicated by published terminal gate prices (TGPs)). We looked at gross indicative retail differences (GIRDs) in each location and assessed how they compared with historical benchmark GIRDs.⁵ If GIRDs in a location were significantly higher than historical GIRDs, it might indicate that retailers had not passed the excise cut on in full.

We allowed for some variability in GIRDs, as they can vary on a short-term basis. The average monthly change in petrol GIRDs across the 5 largest capital cities during the period 2017 to 2019 was 2.9 cpl. This provides an indicator of monthly fluctuations in GIRDs over the longer term.

Our analysis of GIRDs to the end of July 2022 showed that, of the 180 locations monitored (that is, 8 capital cities and 172 regional locations) for which comparable data is available:

- 113 locations (around 63%) had cumulative May–July GIRDs lower than their historical benchmark GIRDs.
- 67 locations had cumulative May–July GIRDs higher than their historical benchmark GIRDs and, of these, 23 locations had cumulative May–July GIRDs more than 2.9 cpl above their historical benchmark.

GIRDs can fluctuate on a short-term basis, as they can be influenced by the movement of underlying international prices and TGPs. This is particularly so when TGPs change significantly in a short period of time, as has occurred in the past 3 months. When TGPs and therefore GIRDs are fluctuating considerably, it is important to take a medium-term view rather than focussing solely on GIRDs at a particular point in time.

The ACCC will continue to assess the levels of GIRDs in all monitored locations in coming months to assess how they have changed relative to historical averages, and whether further information is required regarding substantial differences.

Scheduled reintroduction of excise

The nominal level of excise and excise-equivalent customs duty for all fuels except aviation fuels is increased twice a year based on movements in the Consumer Price Index (CPI). This generally occurs on 1 February and 1 August each year. On 1 August 2022, the rate of excise for petrol and diesel increased by 0.9 cpl to 23.0 cpl.

When the temporary excise cut ends, scheduled from 29 September 2022, excise will increase to 46.0 cpl. Taking into consideration the associated increase in the GST, the impact on petrol and diesel prices will be an additional 25.3 cpl (instead of 24.3 cpl prior to the bi-annual CPI adjustment).

⁵ GIRDs are a broad indicator of gross retail margins. The ACCC calculates GIRDs by subtracting average wholesale prices (as indicated by published TGPs) from average retail petrol prices. TGPs 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 TGPs, they are indicative wholesale prices. TGPs vary across brands and cities. TGPs reflect the wholesale price of petrol only and exclude other retail operating costs (such as freight, the cost to use a particular brand, rent, labour, and utility costs). As GIRDs include these costs, they should not be confused with actual retail profits.

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Prior to the reintroduction of the full fuel excise, the ACCC intends to undertake a range of activities, including:

- engaging with industry to explain our role and responsibilities in this area, seek information, and outline our expectations in relation to both passing on the excise increase and not misleading Australian consumers about the rationale for any price rises following the reintroduction of the full rate of the excise
- undertaking public communication via the media describing our roles and responsibilities in this exercise and our expectations of the behaviour of wholesalers and retailers
- updating the ACCC webpage to provide information about the upcoming reinstatement of full excise and clearly set out the ACCC's role in monitoring fuel markets
- proactively communicating with consumers on social media, with a focus on communicating to consumers about the best times to buy in their location based on petrol price cycle information, and information available from fuel websites and apps.

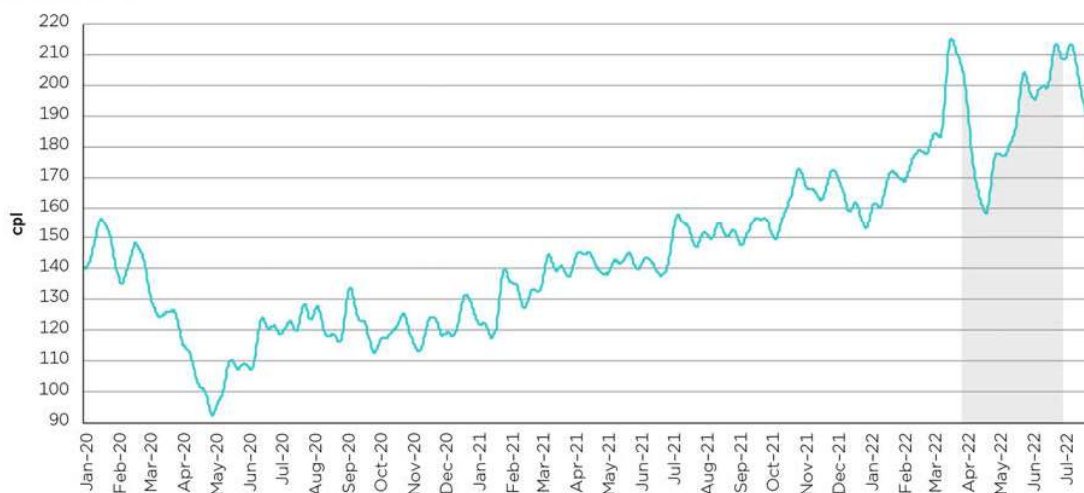
Just as we increased our fuel price data collection and analysis when excise was cut in late March, we will continue with this when the full rate of fuel excise is reintroduced in late September. The ACCC will closely analyse, and regularly report on, price movements.

Retail prices decreased after the excise cut but remained high due to international factors

In the June quarter 2022, average retail petrol prices in the 5 largest cities were 188.0 cpl.⁶ This was an increase of 6.1 cpl from the March quarter 2022 (181.9 cpl), and the sixth consecutive quarter in which prices increased. In **real** terms, prices in the June quarter 2022 were the highest since the September quarter 2008 (when average prices were 206.9 cpl).

The following chart shows movements in retail petrol prices from January 2020 to July 2022.

Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 January 2020 to 31 July 2022⁷



Source: ACCC calculations based on data from FUELtrac.

Notes: The shaded area in the chart represents the June quarter 2022.

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

- 6 All prices in this report are nominal prices unless otherwise specified. **Real** prices are prices adjusted for inflation using the CPI.
- 7 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 has 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.

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At the start of the quarter average retail petrol prices decreased sharply, largely due to the fuel excise cut in late March 2022. Prices generally increased for the rest of the quarter and reached a high of 213.3 cpl on 24 June 2022. This was 1.6 cpl lower than the high of 214.9 cpl on 18 March 2022.

In July 2022 retail prices fell sharply, decreasing by around 35 cpl over the month. This was due to falling international crude oil and refined petrol prices, influenced by a worsening international economic outlook and concerns about possible recession.

International benchmark prices in June 2022 were the highest on record in real terms

International refined petrol prices (which are influenced by international crude oil prices) and the AUD-USD exchange rate, largely determine 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 the wholesale price of petrol in Australia.

In June 2022, monthly average Mogas 95 prices (in Australian cents per litre) increased to 138.7 cpl, which was the highest on record in both nominal and **real** terms.

Quarterly average Mogas 95 prices in the June quarter 2022 were also the highest on record in both nominal and **real** terms. Average Mogas 95 prices were 126.2 cpl (an increase of 27.4 cpl from the March quarter 2022).

The following chart shows that movements in Mogas 95 prices in Australian cents per litre have driven changes in retail petrol prices in the 5 largest cities over the past 20 years.

Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in real terms: June 2002 to June 2022



Source: ACCC calculations based on data from Informed Sources, FUELtrac, Platts, OPIS, Argus Media, the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS), [6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes](#), accessed on 19 August 2022.

Note: **Real** prices are shown in June 2022 dollars.

In June 2022, monthly average retail petrol prices in the 5 largest cities were 204.7 cpl. These were the highest in **real** terms since July 2008 (215.9 cpl). The cut to fuel excise in March 2022 meant that consumers avoided record high real retail prices in June 2022.

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Higher crude oil prices were influenced by the OPEC cartel's production cuts, recovering global demand and the war in Ukraine

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) to limit supply, the impact on demand of the COVID-19 pandemic and more recently geo-political events including the Russian invasion of Ukraine. Key influences on crude oil prices since January 2020 are shown in the chart below.



1 January 2020

World Health Organisation declared COVID-19 a Public Health Emergency of International Concern. Demand for crude oil and refined petrol products decreased significantly due to travel restrictions and reduction in economic activity.



2 March 2020

Crude oil prices fell as OPEC and other crude oil producing countries (OPEC+) failed to agree on production cuts. Saudi Arabia (the world's largest oil exporter) produced at full capacity and announced discounts in key markets, leading to a more than 30% drop in crude oil prices.



3 April 2020

Crude oil prices increased following agreement by OPEC+ to cut crude oil output in May and June 2020. Prices stabilised between June and October 2020.



4 November 2020 to October 2021

Crude oil prices steadily increased influenced by:

- recovering demand as economic activity increased
- on-going production cuts by OPEC+
- increased demand associated with cold weather
- the energy crisis associated with shortages of gas, coal and electricity in some countries in Europe and Asia, which increased demand for crude oil as an alternative source of energy.



5 November 2021

Crude oil prices decreased due to increased supply, and reduced demand as cases of the Omicron coronavirus variant in Europe and the US increased.

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6 March 2022

Crude oil prices increased sharply due to:

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



7 Late March 2022

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



8 May to mid-June 2022

Crude oil prices increased in May as reduction in Libya's crude oil output (due to escalating political unrest) tightened global supply (after buyers avoided Russian oil).

Crude oil prices increased further after the European Union imposed a ban on seaborne deliveries of Russian crude oil, phased in over 6 months.



9 Late June 2022

Crude oil prices fell in late June after the US Federal Reserve lifted interest rates raising concerns that this could lead to a recession (and lessen demand for petrol).

The following chart shows the steady increase in international crude oil and Mogas 95 prices from November 2020, and the sharp increase from January 2022.

Weekly average Brent crude oil and Mogas 95 prices in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from Argus Media.

Note: The area to the right of the dotted vertical line in this and subsequent charts represents the June quarter 2022.

Refiner margins increased significantly

As shown in the chart above, refiner margins (that is, the difference between the price of refined petrol and the price of crude oil) increased significantly in the June quarter 2022. In the quarter, the average refiner margin was USD 27.4 per barrel (around 24.1 cpl in Australian dollars), an increase of USD 18.4 per barrel (AUD 16.3 cpl) from the previous quarter (USD 9.0 per barrel or AUD 7.8 cpl). This represented an increase of over 200% on the previous quarter.

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Factors contributing to the high refiner margins in the quarter included: strong global demand for refined products (especially diesel), tightening supply because of refinery closures and low stock inventories, the impact of sanctions on the purchase of Russian crude oil, and reduced exports of refined products from China.

The 2 refineries in Australia – Ampol’s Lytton refinery in Brisbane and Viva Energy’s refinery in Geelong – both recorded very high refiner margins in the quarter. In July 2022:

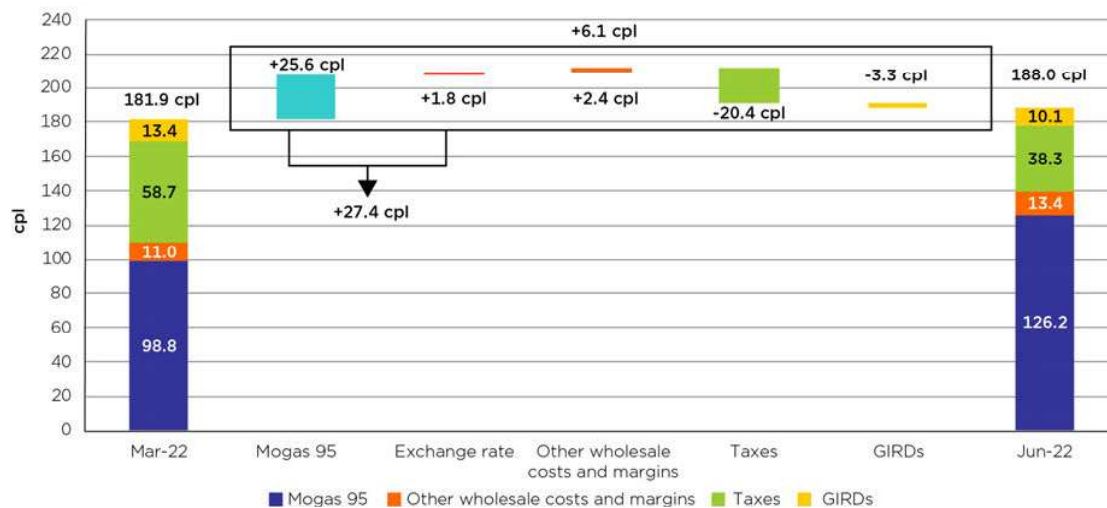
- Ampol announced that the refiner margin at its Lytton refinery in the second quarter of 2022 reached the ‘unprecedented level’ of US\$32.96 per barrel
- Viva Energy announced that the refiner margin at Geelong in the second quarter of 2022 was US\$30.8 per barrel, a significant increase on the refiner margin of US\$8.3 per barrel reported in the first quarter of 2022.

Higher Mogas 95 prices were the predominant contributor to higher retail petrol prices

The 3 broad components of the retail price of petrol are: the international price of refined petrol (Mogas 95), taxes (excise and GST) and other costs and margins at the wholesale and retail levels. The 2 largest components of the average retail price – Mogas 95 and taxes – accounted for 88% of the average price of petrol in the June quarter 2022.

The following chart shows the change in the components of petrol across the 5 largest cities between the March 2022 and the June quarter 2022. The chart separates the other costs and margins component into 2 elements: other wholesale costs and margins (which includes international shipping costs and other import costs, and wholesale costs and margins), and retail costs and margins (represented by GIRDs).

Changes in the components of average retail petrol prices in the 5 largest cities: March quarter 2022 to June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA, and the Australian Taxation Office (ATO).

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in Petrol snapshot – June quarter 2022.

The 22.1 cpl cut in excise was in effect for only 2 days in the March quarter 2022, and for all the June quarter 2022.

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The chart shows that the increase in average retail petrol prices in the 5 largest cities in the June quarter 2022 (6.1 cpl) was predominantly due to the increase in the price of Mogas 95, which more than offset the decrease in taxes following the excise cut from 30 March 2022.

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 0.9 cents in the quarter), Mogas 95 prices would have increased by 25.6 cpl in the quarter. The lower AUD-USD exchange rate however compounded the increase in Mogas 95 prices and resulted in Mogas 95 prices increasing by an additional 1.8 cpl in AUD terms. The net effect of movements in Mogas 95 prices and the AUD-USD exchange rate was that Mogas 95 prices in Australian cents per litre increased by 27.4 cpl.

Demand for petrol was broadly unchanged in the quarter

Petrol sales volumes across Australia in the June quarter 2022 were 2,222 million litres (ML), broadly unchanged from the previous quarter (2,207 ML).

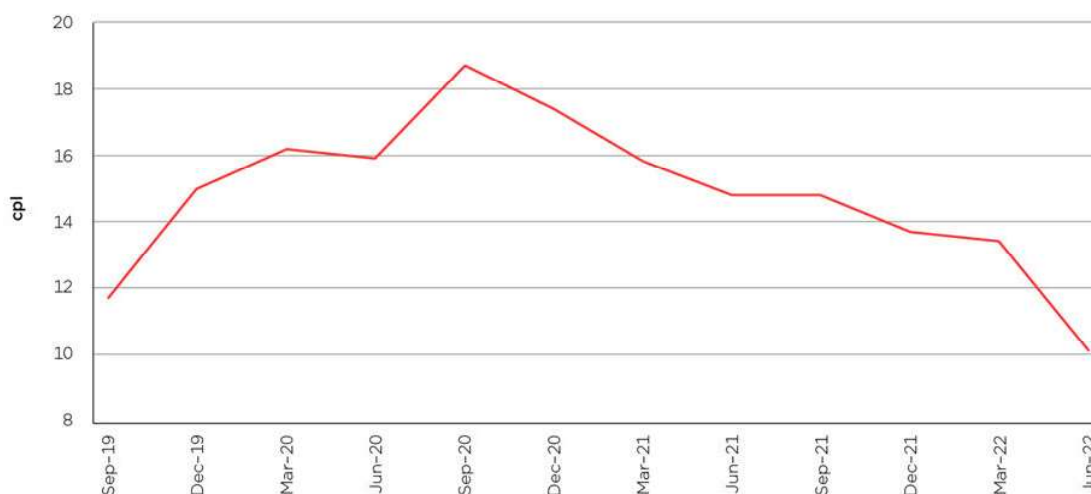
Quarterly average sales in the first half of 2022 (2,214 ML) were around 2% higher than in 2021 (2,175 ML), around 6% higher than in 2020 (2,094 ML) and around 9% lower than in 2019 (2,430 ML).

Average GIRDs decreased over the past 7 quarters

In the June quarter 2022, average GIRDs in the 5 largest cities were 10.1 cpl, a decrease of 3.3 cpl from the previous quarter.

The following chart shows that quarterly average GIRDs in the 5 largest cities in nominal terms trended downwards over the 7 quarters following record high GIRDs in the September quarter 2020 (18.7 cpl). Average GIRDs decreased by 8.6 cpl over the 7 quarters, to levels lower than before the COVID-19 pandemic.

Quarterly average GIRDs in the 5 largest cities in nominal terms: September quarter 2019 to June quarter 2022



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

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GIRDs 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 be achieving these gross margins. Some will be achieving higher gross margins, others lower. The ACCC's petrol market studies published between 2015 and 2017 found that profits per retail petrol site could vary considerably between retailers, with some retail sites making substantial profits and others making very little.

A broad influence contributing to reduced GIRDs over the past 7 quarters was the increase in international crude oil, refined petrol, and wholesale petrol prices from November 2020. When TGPs increase by large amounts in a short period, lags between changes in TGPs and changes in retail prices often have the effect of reducing GIRDs.

Petrol sales volumes also had an impact on GIRDs. As sales volumes were significantly affected by COVID-19 restrictions in the June and September quarters in 2020, retailers experiencing lower sales may have been keeping retail prices higher to cover their fixed costs, leading to higher GIRDs. From the March quarter 2021, sales volumes recovered with more petrol being purchased. This likely affected GIRDs, as some retailers may not have found it as necessary to keep retail prices higher to cover their fixed costs.

The South Australian Government extended its fuel price transparency scheme and the New South Wales FuelCheck scheme reached 2 million downloads

On 10 June 2022, the South Australian Government announced that the fuel price transparency scheme introduced on a trial basis in March 2021 would be extended for a further 4 years. Under the scheme, retailers must report their prices to a monitoring database within 30 minutes of changing the price at the pump. Drivers can then access real-time information via several free apps to help them shop around for the cheapest fuel.

On the same day, the Royal Automobile Association of South Australia (RAA) commented that South Australian motorists using fuel price transparency apps were saving a total of around \$26 million a year. In May 2022, the RAA noted that use of its fuel price app had increased by around 30% since it was introduced in 2021, and that around 250,000 users in total had made more than 4 million fuel price checks on the myRAA app.

On 10 June 2022, the New South Wales Government said that the FuelCheck app (which provides comprehensive information to consumers on fuel prices in New South Wales) had been downloaded more than 2 million times. This was an increase of around 240,000 downloads over 3 months. It noted that using the FuelCheck app regularly could save a motorist more than \$800 a year.

Prices in the smaller capital cities and regional locations on average were higher than prices in the 5 largest cities

In the June quarter 2022, average retail prices increased in all the smaller capital cities: Hobart by 1.8 cpl, Darwin by 8.7 cpl and Canberra by 9.7 cpl. Average retail prices in each of these cities were above the average price across the 5 largest cities (188.0 cpl).

This was the third quarter in a row, but only the fourth time in the past 13 quarters, when retail prices in Darwin were above those in the 5 largest cities. A longstanding feature of retail petrol prices in Darwin is that they are less responsive to movements in wholesale prices, both when TGPs are increasing and when they are decreasing.

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. In the June quarter 2022, average prices in regional locations in aggregate were 193.1 cpl, which was 5.1 cpl higher than average prices in the 5 largest cities. Average prices in regional locations were higher than average prices in the 5 largest cities in 3 out of 4 quarters in 2021-22.

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Diesel prices increased significantly while LPG prices were broadly unchanged

In the June quarter 2022, diesel and LPG prices in the 5 largest cities both increased:⁸

- average retail diesel prices were 207.3 cpl in the quarter, an increase of 21.9 cpl (or around 12%) from the March quarter 2022 (185.4 cpl)
- average retail LPG prices were 110.5 cpl in the quarter, an increase of 0.2 cpl (less than 1%) from the March quarter 2022 (110.3 cpl).⁹

Quarterly average diesel prices were 19.3 cpl higher than average petrol prices (188.0 cpl) in the June quarter. This was due to the international benchmark prices for refined diesel (Gasoil 10 ppm) being higher than Mogas 95 prices. These higher prices were influenced by higher demand due to the post-COVID-19 economic recovery and fewer supplies from Russia influenced by the conflict in Ukraine. Unlike petrol, diesel has broader use in industrial activity and electricity generation.

8 References to LPG in this report refer to automotive LPG.

9 For petrol the percentage change in the June quarter 2022 was an increase of around 3%. When comparing percentage changes, it is important to bear in mind that, as noted in chapter 8, different international benchmark prices drive petrol, diesel and LPG prices in Australia and taxes are lower on LPG compared with diesel and petrol.

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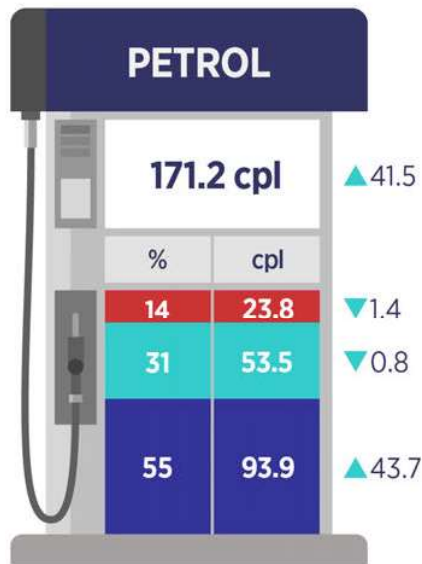
Petrol snapshot - Financial year 2021-22

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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

GROSS INDICATIVE RETAIL DIFFERENCES

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



DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

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



Prices are shown in cents per litre (cpl). ▲ ▼ cpl change from previous year. 'Petrol' means regular unleaded petrol (RULP) in all capital cities except Sydney, where E10 prices (RULP with up to 10% ethanol) are used in 2020-21.

The tax component in the chart reflects the reduction in excise from 30 March 2022. In 2020-21, average prices in the 5 largest cities were higher than those in regional locations.

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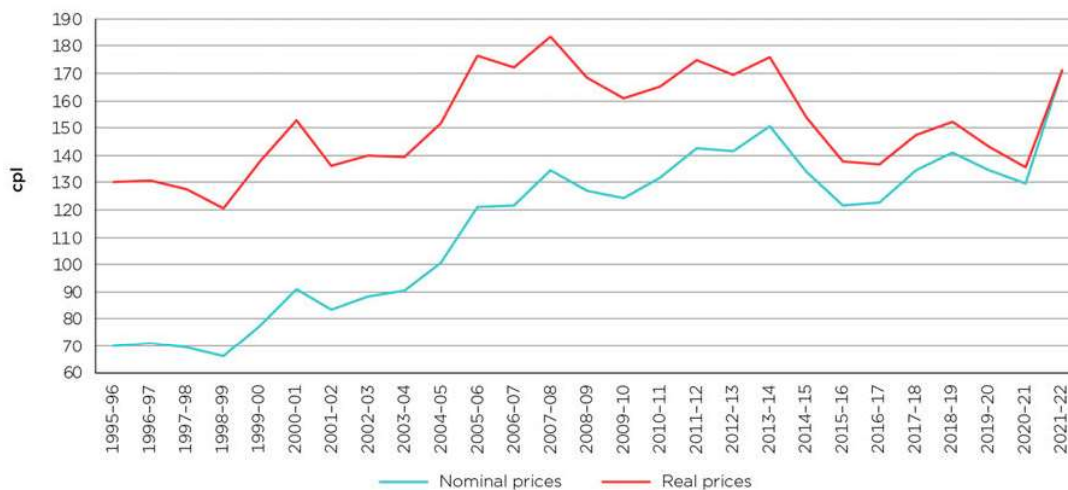
Key messages in financial year 2021-22

Annual average prices were the highest on record in nominal terms, and the highest in 8 years in real terms

In 2021-22, annual average retail prices in the 5 largest cities were 171.2 cpl, an increase of 41.5 cpl from 2020-21 (129.7 cpl), or around 32%.

The following chart shows that annual average prices in the 5 largest cities in 2021-22 in nominal terms were the highest on record. Annual average prices in 2021-22 in **real** terms were the highest in 8 years (since 2013-14 when **real** annual average prices were 175.9 cpl).

Annual average retail petrol prices in the 5 largest cities in nominal and real terms: 1995-96 to 2021-22



Source: ACCC calculations based on data from FUELtrac and Informed Sources, and ABS, [6401.0 Consumer Price Index, Australia, June 2022](#), Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, accessed on 19 August 2022.

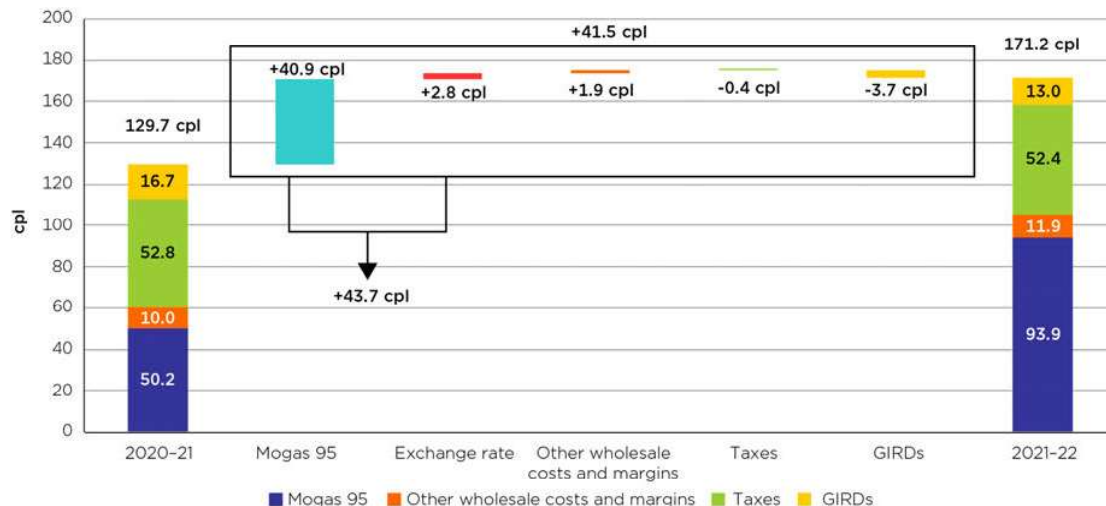
Note: **Real** prices are shown in 2021-22 dollars.

International prices were by far the largest component of, and largest contributor to, higher retail prices

The following chart shows the change in the components of average retail petrol prices in the 5 largest cities between 2020-21 and 2021-22.

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Changes in the components of average retail petrol prices in the 5 largest cities: 2020-21 to 2021-22



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA and ATO.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in the Petrol snapshot - 2021-22.

The 22.1 cpl cut in excise was in effect from 30 March 2022.

The chart shows that the increase in annual average retail petrol prices in the 5 largest cities in 2021-22 (by 41.5 cpl) was overwhelmingly due to the increase in the price of Mogas 95.

Excluding the effect of changes in the AUD-USD exchange rate (which decreased by US 2 cents in 2021-22), average Mogas 95 prices would have increased by 40.9 cpl in 2021-22. The lower AUD-USD exchange rate however compounded the increase in Mogas 95 prices and resulted in Mogas 95 prices increasing by an additional 2.8 cpl in AUD terms. The net effect of movements in Mogas 95 prices and the AUD-USD exchange rate was that Mogas 95 prices in Australian cents per litre increased by 43.7 cpl in 2021-22.

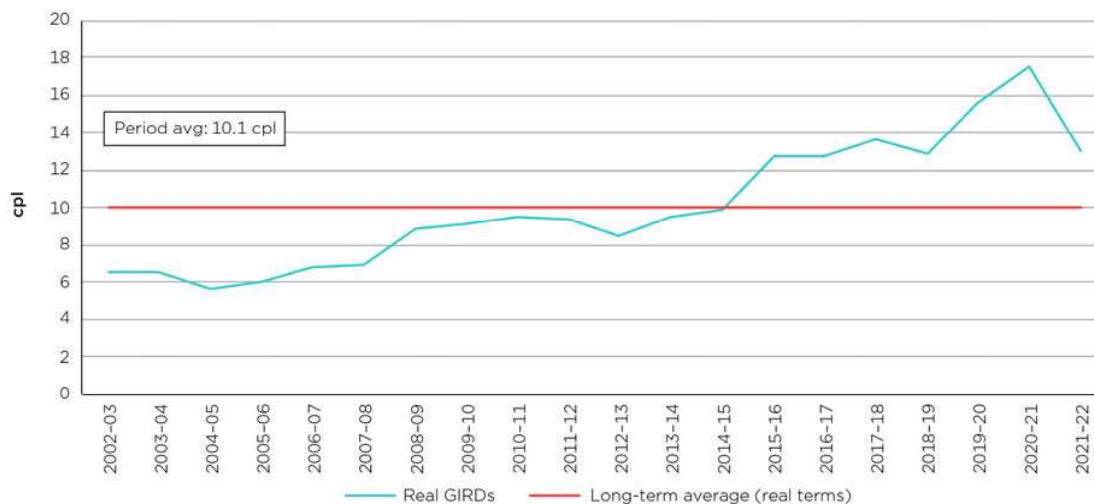
Although other wholesale costs and margins increased by 1.9 cpl in 2021-22, this was more than fully offset by a decrease in GIRDs (by 3.7 cpl) and a marginal decrease in taxes (by 0.4 cpl, noting that the excise cut was only effective from 30 March 2022).

GIRDs decreased after record highs the previous year

In 2021-22 average GIRDs in the 5 largest cities were 13.0 cpl, which was 3.7 cpl lower than in 2020-21 (16.7 cpl). The following chart shows that in **real** terms, annual average GIRDs in 2021-22 in the 5 largest cities decreased by 4.5 cpl from record highs the previous year (17.5 cpl). However, they remained above the **real** average over the period 2002-03 to 2021-22 (10.1 cpl).

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Annual average GIRDs in the 5 largest cities in real terms: 2002-03 to 2021-22



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, and ABS, *6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes*, accessed on 19 August 2022.

Note: **Real** values are shown in 2021-22 dollars.

Diesel and LPG prices were significantly higher

In 2021-22 diesel prices and LPG prices in the 5 largest cities were significantly higher:

- annual average retail diesel prices were 175.6 cpl, an increase of 49.3 cpl (or around 39%) from 2020-21 (126.3 cpl)
- annual average retail LPG prices were 104.9 cpl, an increase of 22.4 cpl (or around 27%) from 2020-21 (82.5 cpl).¹⁰

Annual average diesel prices were 4.4 cpl higher than average petrol prices (171.2 cpl) in 2021-22.

¹⁰ For petrol the percentage change in 2020-21 was an increase of around 32%.

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1. ACCC monitoring of the cut in fuel excise and its subsequent reintroduction

1.1 Background

On 29 March 2022, the Australian Government announced a temporary halving of the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months from 30 March 2022.¹¹ The measure commenced from 12.01 am on 30 March 2022 and is scheduled to end at 11.59 pm on 28 September 2022.

The Australian Government also announced that the ACCC would monitor the price behaviour of retailers to ensure that the lower excise rate was fully passed on.

The rate of excise and excise-equivalent customs duty applying to petrol and diesel on 29 March 2022 was 44.2 cpl. The budget measure halved the rate to 22.1 cpl. Taking into consideration the reduction in the GST associated with the halving of the excise rate, the impact on petrol and diesel prices would be a reduction of 24.3 cpl.

Excise is imposed on producers (that is, refiners) and importers of petrol and diesel, which then pass them on to buyers of refined products. Excise is a significant part of the wholesale price, which then flows into retail prices.

Changes in wholesale prices significantly influence retail prices, but the changes can take time to flow through to retail prices. This is largely because it is generally only when fuel is replenished at a retail site that the lower wholesale price is reflected in retail prices. This lag in the adjustment of wholesale prices is shorter in larger cities and retail sites with faster turnover, and often longer in regional locations that sell comparatively lower volumes of petrol and replenish stocks less frequently. The lag in the larger cities is generally between 1 and 2 weeks and a few weeks more in some regional locations.

1.2 The ACCC promptly increased its monitoring activities following the excise cut

The ACCC undertook a range of activities and promptly put in place additional processes following the Australian Government's announcement. We:

- provided public communication via the media on 29 March 2022, which outlined the ACCC's role and its expectations¹²
- wrote to the larger fuel wholesalers and retailers in Australia on 31 March 2022 (the day after the excise cut) setting out expectations that the cut in excise would flow into wholesale and retail prices as soon as possible¹³
- increased the frequency of fuel price data collection and monitoring
- provided public communication via the media on 6 April 2022, which noted that there had been significant falls in retail prices in the major capital cities a week after the cut in fuel excise came into effect¹⁴

11 The excise and excise-equivalent customs duty rates for all other fuel and petroleum-based products, except aviation fuels, were also halved for 6 months. Excise on automotive LPG decreased from 14.4 cpl to 7.2 cpl. Taking into consideration the reduction in GST, the impact on automotive LPG prices would be a reduction of 7.9 cpl. See: Australian Government, [2022-23 Budget Paper number 2](#), p 15, accessed on 19 August 2022.

12 ACCC, [ACCC to monitor petrol prices following cut in fuel excise](#), media release, 29 March 2022.

13 A [copy of the letter](#) is available on the ACCC website.

14 ACCC, [Petrol retailers starting to pass through fuel excise cut](#), media release, 6 April 2022.

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- began publishing weekly updates on the results of our monitoring of the excise cut on the petrol pages of the ACCC website from 6 April 2022¹⁵
- liaised with industry stakeholders about the excise cut, among other issues, at the meeting of the ACCC's Fuel Consultative Committee (FCC) on 17 May 2022
- included a summary of our monitoring activities in the *Report on the Australian petroleum market – March quarter 2022*, released on 15 June 2022¹⁶
- responded to an increase in public and private consumer enquiries and comments on social media relating to petrol and diesel prices.

1.3 The monitoring found significant falls in retail fuel prices in all capital cities and most regional locations

The enhanced monitoring focussed on the capital cities and regional locations included in the ACCC's monitoring program. It examined movements in average daily prices in those locations since the announcement of the excise cut on 29 March 2022.

As the prices of all petrol grades (RULP, PULP 95 and PULP 98) generally move in a similar manner, the monitoring concentrated on changes in RULP prices, as well as diesel prices.

Following the Australian Government's announcement about the cut in excise, the ACCC upgraded its fuel price data collection to receive daily average prices for all capital cities and all regional locations each working day. The ACCC assessed this data on a regular basis to consider the extent to which retail prices had decreased in line with the decrease in excise.

After 6 weeks (that is, by 10 May 2022), the influence of the lags noted in section 1.1 had been incorporated into retail price movements. The monitoring found significant falls in retail fuel prices in all capital cities and most regional locations, showing the cuts had clearly been passed on to a large extent.

There were other factors that also contributed to lower retail prices following the excise cut, including a decrease in international benchmark refined fuel prices in early April 2022.

The ACCC's analysis found that, in the capital cities, between 29 March and 10 May 2022:

- the decrease in daily average petrol prices was more than 39 cpl in each of the 5 largest cities, and between around 25 and 48 cpl in Canberra, Hobart, and Darwin
- the decrease in daily average diesel prices was more than 30 cpl in each of the 5 largest cities and between around 29 and 32 cpl in Canberra, Hobart, and Darwin.

Petrol and diesel prices in most regional centres were also significantly lower. The average decrease across all regional locations that the ACCC monitors was over 32.0 cpl for petrol and over 29.0 cpl for diesel.

1.4 Follow up with retailers in locations where the decrease in retail prices was smaller than the cut in excise

There were a relatively small number of locations in regional areas where the decrease in petrol and diesel prices was smaller than the cut in excise. The ACCC analysed retail site specific price data in these locations to determine further action.

The analysis identified 21 retail sites in 4 regional locations where the decrease in average petrol or diesel prices was less than 20.0 cpl.

¹⁵ See: [ACCC website](#).

¹⁶ See: [Report on the Australian Petroleum Market – March quarter 2022](#).

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For petrol, there were 19 retail sites:

- 9 retail sites in Deniliquin in New South Wales where average prices decreased by around 14 cpl
- 6 retail sites in Moranbah in Queensland where average prices decreased by around 14 cpl
- 2 retail sites in Blackall in Queensland where average prices decreased by around 12 cpl
- 2 retail sites in Cloncurry in Queensland where average prices decreased by around 7 cpl.

For diesel, there were 4 retail sites in Cloncurry in Queensland, where average prices decreased by around 11 cpl. Two of these sites were the same as the petrol sites.

The ACCC wrote to the operators that set retail prices at these sites seeking details about the pass through of the excise reduction. Reasons given as to why retail prices did not decrease by the full excise reduction were:

- These sites are in regional areas that often sell low volumes of fuel, meaning that it took them time to sell their existing fuel stocks (which had been purchased at the pre-excise price), and by the time they came to replenish their fuel stocks, wholesale prices had increased (due to rising international crude oil and refined petrol prices).
- A major factor determining the level of retail prices was the prices set by their competitors and movements in wholesale prices were not as significant a factor. They also noted that prices in regional areas do not change frequently.
- They had been discounting retail prices prior to the excise cut and were unable to maintain the level of discount after the excise cut.

We are assessing these responses to determine if any further action is required.

1.5 Analysis of GIRDs

With the excise cut flowing through to retail prices in most locations within the first 6 weeks after its implementation, the ACCC focussed its ongoing monitoring on how the pass through of the reduced excise is maintained.

1.5.1 Methodology

We analysed data across monitored locations to assess how retail prices have continued to track against wholesale prices (indicated by TGPs). We looked at GIRDs, that is, the difference between retail prices and TGPs, and assessed how recent GIRDs compared with historical benchmark GIRDs. If GIRDs in a location were significantly higher than historical GIRDs, it might indicate that the fuel excise cut had not been passed on in full.

For each location, we calculated:

- monthly average petrol GIRDs for the 3 months May, June and July 2022 and took an average of these to create a cumulative May–July GIRD
- a historical benchmark petrol GIRD, based on average GIRDs for the 3-year period from 2017 to 2019.¹⁷

We then calculated the differential between the cumulative May–July GIRD and the benchmark GIRD for each location.

We allowed for some variability in GIRDs, as they can vary on a short-term basis. The average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 was 2.9 cpl. This provides an indicator of monthly fluctuations in GIRDs over the longer term.

¹⁷ This was a period when average GIRDs in the 5 largest cities were relatively stable, and before the influence of COVID-19. For ease of analysis, we used the TGPs for the relevant state and territory capital to calculate GIRDs in regional locations. In some regional locations, TGPs are significantly higher than those in the capitals due to factors such as location, market size, the number of suppliers and the degree of competition. Therefore, in some regional locations the calculated GIRDs used in this analysis will be higher than the actual GIRDs.

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1.5.2 Caveats

This analysis should be treated with a degree of caution. GIRDs can fluctuate on a short-term basis, as they can be influenced by the movement of underlying international prices and TGPs. This is particularly so when TGPs change significantly in a short period of time, as occurred in the past 3 months:

- the significant increase in TGPs in May and June 2022 (around 35 cpl) is a likely reason for average GIRDs in many locations being significantly below their benchmark GIRDs in those months
- similarly, the significant decrease in TGPs in July 2022 (around 43 cpl) is a likely reason for average GIRDs in July being significantly above their benchmark GIRDs in many locations.

When TGPs and therefore GIRDs are fluctuating considerably, it is important to take a medium-term view and not focus solely on GIRDs at a particular point in time. This is particularly so for some remote regional locations where retail prices are often relatively 'sticky' and are less responsive to movements in TGPs, both when they are increasing and when they are decreasing.

1.5.3 Petrol GIRDs

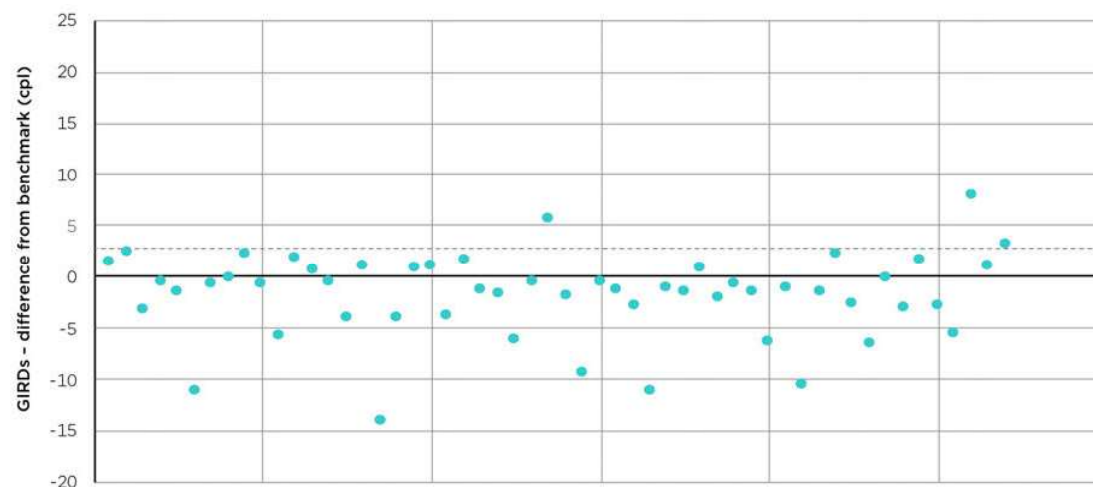
The data showed that, of the 180 monitored capital cities and regional locations for which comparable data is available:

- 113 locations (around 63%) had a cumulative May–July GIRD lower than their historical benchmark GIRD.
- 67 locations had a cumulative May–July GIRD higher than their historical benchmark GIRD and, of these, 23 locations had a cumulative May–July GIRD higher than the average absolute monthly change in GIRDs in the historical benchmark period (2.9 cpl).

Appendix A provides the calculated GIRDs for all capital cities and monitored regional locations.

Charts 1.1 to 1.7 show scatter plots that visually illustrate the differentials between the cumulative May–July GIRD and the benchmark GIRD across all locations in each state and the Northern Territory.¹⁸

Chart 1.1 Differential between the cumulative May–July GIRD and the benchmark GIRD for each location in New South Wales



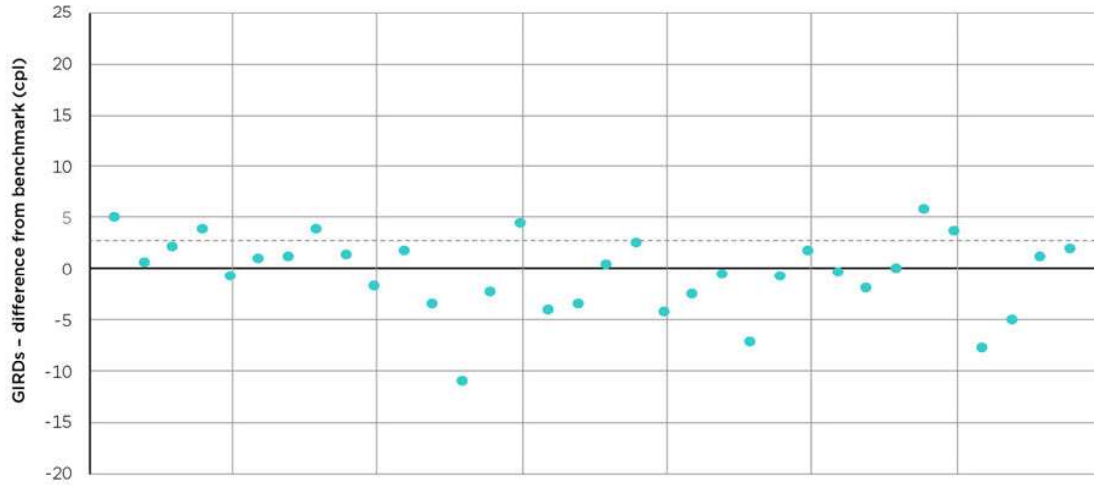
Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

¹⁸ There are no prices available for locations in the Australian Capital Territory other than Canberra.

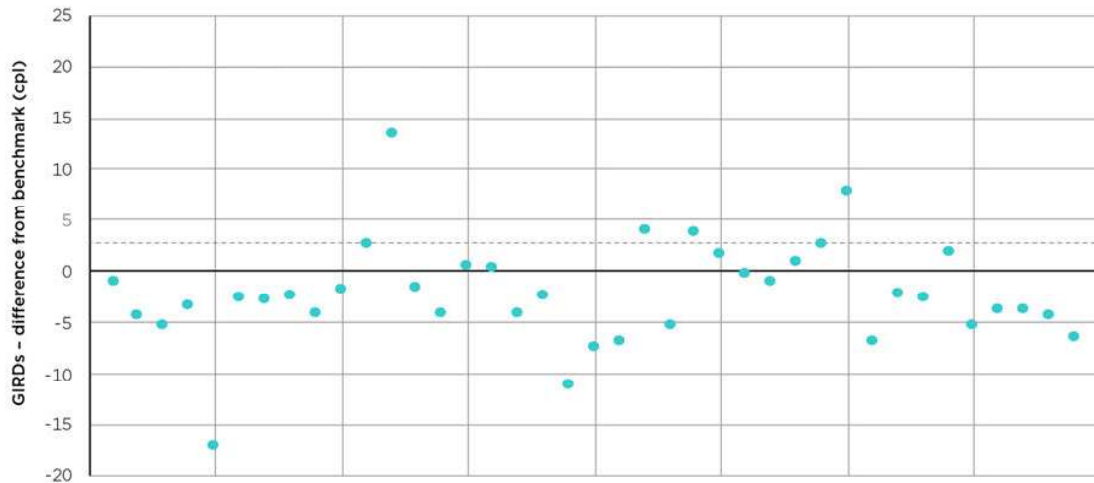
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Chart 1.2 Differential between the cumulative May-July GIRD and the benchmark GIRD for each location in Victoria



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

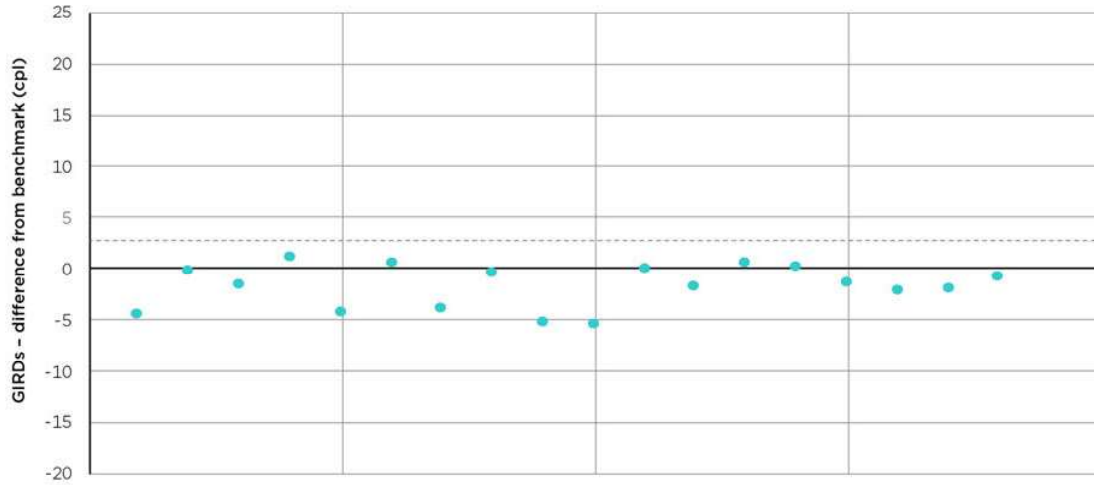
Chart 1.3 Differential between the cumulative May-July GIRD and the benchmark GIRD for each location in Queensland



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

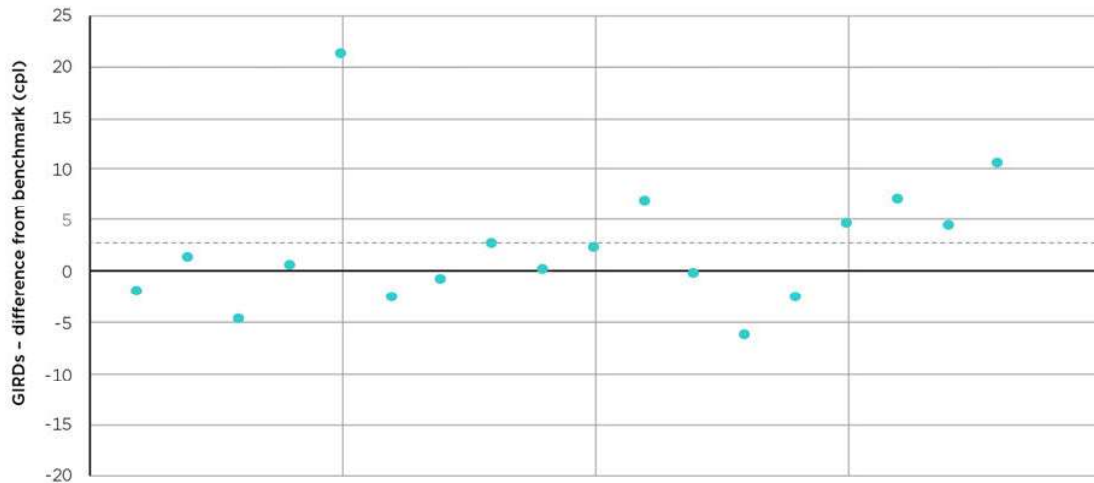
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Chart 1.4 Differential between the cumulative May-July GIRD and the benchmark GIRD for each location in South Australia



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

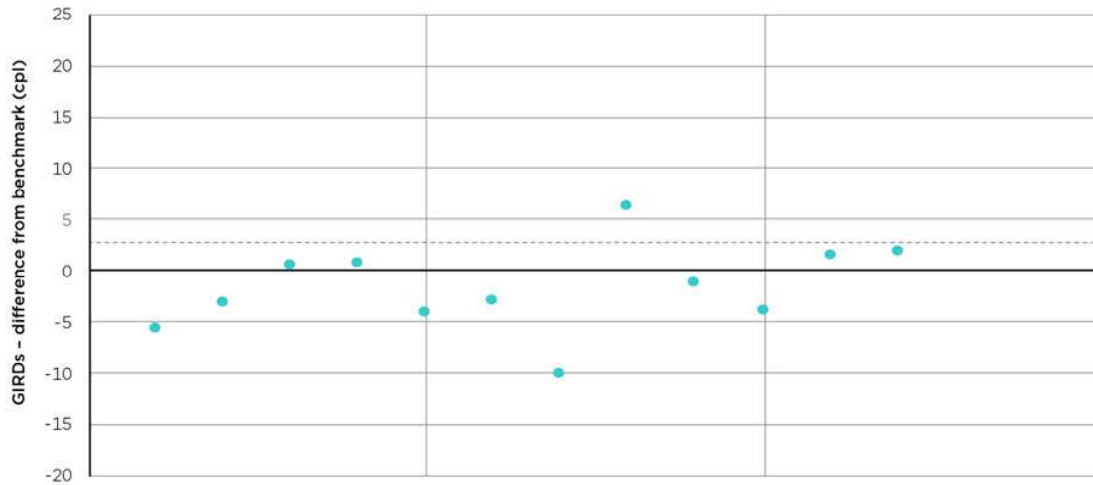
Chart 1.5 Differential between the cumulative May-July GIRD and the benchmark GIRD for each location in Western Australia



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

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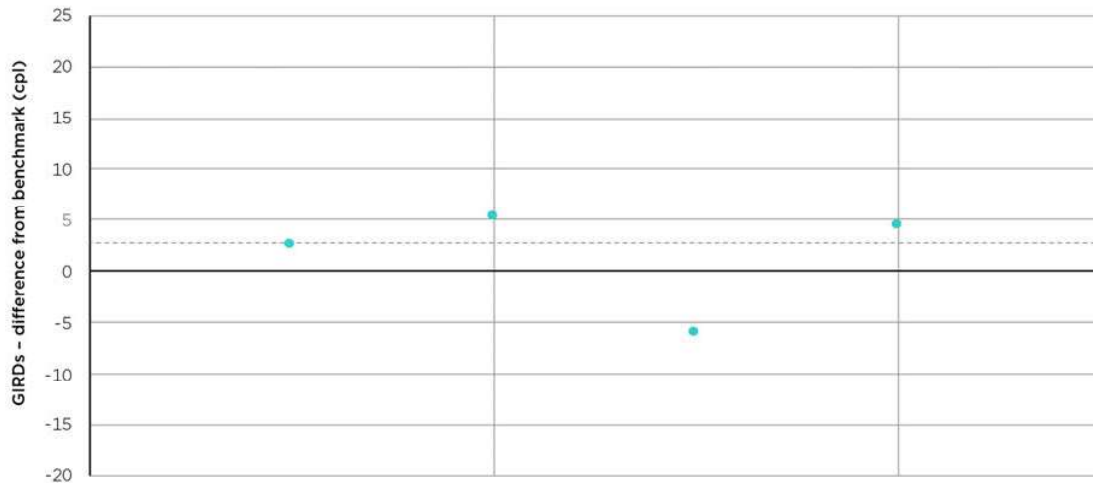
Chart 1.6 Differential between the cumulative May–July GIRD and the benchmark GIRD for each location in Tasmania



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

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

Chart 1.7 Differential between the cumulative May–July GIRD and the benchmark GIRD for each location in the Northern Territory



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

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.9 cpl).

1.5.4 Diesel GIRDs

Similar analysis was undertaken for diesel GIRDs. The data showed that, of the 197 locations for which comparable data is available:

- 59 locations (around 30%) had a cumulative May–July GIRD lower than or equal to their historic benchmark GIRD
- 138 locations had a cumulative May–July GIRD higher than their historical benchmark GIRD, and, of these, 78 locations had a cumulative May–July GIRD higher than the average absolute monthly change in GIRDs in the historical benchmark period (2.1 cpl).

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Scatter charts and calculated diesel GIRDs for all capital cities and monitored regional locations are provided in Appendix B.

The ACCC will continue to assess the levels of GIRDs in all monitored locations in coming months to assess how they have changed relative to historical averages, and whether further information is required regarding substantial differences. The ACCC will not hesitate to take further steps it deems necessary, including requesting information from retailers.

1.6 Reintroduction of full fuel excise

As noted in section 1.1, the temporary cut in fuel excise is scheduled to end at 11.59 pm on 28 September 2022.

The nominal level of excise and excise-equivalent customs duty for all fuels except aviation fuels is increased twice a year based on movements in the CPI to keep the real level constant. This generally occurs on 1 February and 1 August each year. On 1 August 2022, the nominal rate of excise for petrol and diesel increased by 0.9 cpl to 23.0 cpl.¹⁹

When the excise cut is reversed on 29 September, excise will increase to 46.0 cpl. Taking into consideration an associated increase in the GST, the impact on petrol and diesel prices would be an additional 25.3 cpl (instead of 24.3 cpl prior to the bi-annual CPI adjustment).

We expect the reintroduction of the full excise to occur in a broadly similar (but opposite) way to when the excise was cut.

- We expect a reinstatement of fuel excise to apply almost immediately to wholesale prices (that is, in the following day). This will likely be evident through the published petrol and diesel TGP's of wholesalers increasing by the additional excise amount.
- Similar to the way lags between changes in wholesale prices and retail prices affected the timing of the cuts to excise flowing through to retail prices, a reintroduction of excise should also take time to flow through to retail prices.
- In some locations, retail prices decreased in advance of fuel stocks being depleted, as companies sought a competitive advantage. When excise is reintroduced, some retailers may similarly choose to increase their prices more slowly.

However, there is a difference between when the cut to excise occurred in March 2022 and when the reintroduction of the full excise is scheduled to occur in late September 2022. Unlike the excise cut, consumers and industry know well in-advance that the reintroduction is coming and can alter their behaviour accordingly. Therefore, it is likely that demand for fuel will increase in the days before 29 September, as motorists seek to buy fuel before the full excise reintroduction. This may have some flow on effects for retailers' fuel stocks, and the period of the lag may differ from the lag experienced when the excise cut was introduced.

As is always the case, underlying movements in international benchmark and wholesale prices will influence retail price movements, as will the state of the petrol price cycle in the 5 largest cities. These factors will also have an influence on motorists' decisions on when to buy fuel. The ACCC will continue to inform consumers of changes in these factors.

¹⁹ ATO, [Excise duty rates for fuel and petroleum products](#), updated 27 July 2022, accessed on 19 August 2022. Excise on automotive LPG increased by 0.3 cpl to 7.5 cpl.

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1.7 ACCC activities in coming months

Prior to the scheduled reintroduction of full fuel excise on 29 September, the ACCC will:

- engage with the industry to explain our role and responsibilities in this area, seek information, and outline our expectations in relation to both passing on increases and not misleading Australian consumers about the rationale for any price rises following the reintroduction of the full rate of the excise
- undertake public communication via the media describing our roles and responsibilities in this exercise and our expectations of the behaviour of wholesalers and retailers
- update the ACCC webpage to provide information about the upcoming reinstatement of full excise and clearly set out the ACCC's role in monitoring fuel markets
- proactively communicate with consumers on social media, with a focus on communicating to consumers about the best times to buy in their location based on petrol price cycle information.

Following the reintroduction, the ACCC will:

- closely monitor daily average fuel prices to assess the increases in wholesale and retail prices
- closely scrutinise statements by retailers about the increases in prices
- provide weekly reports on its analysis on the ACCC website
- take action where appropriate against any breaches of the *Competition and Consumer Act 2010* (CCA).

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2. Developments in the petroleum industry

2.1 Fuel prices continued to be a significant contributor to the increase in inflation

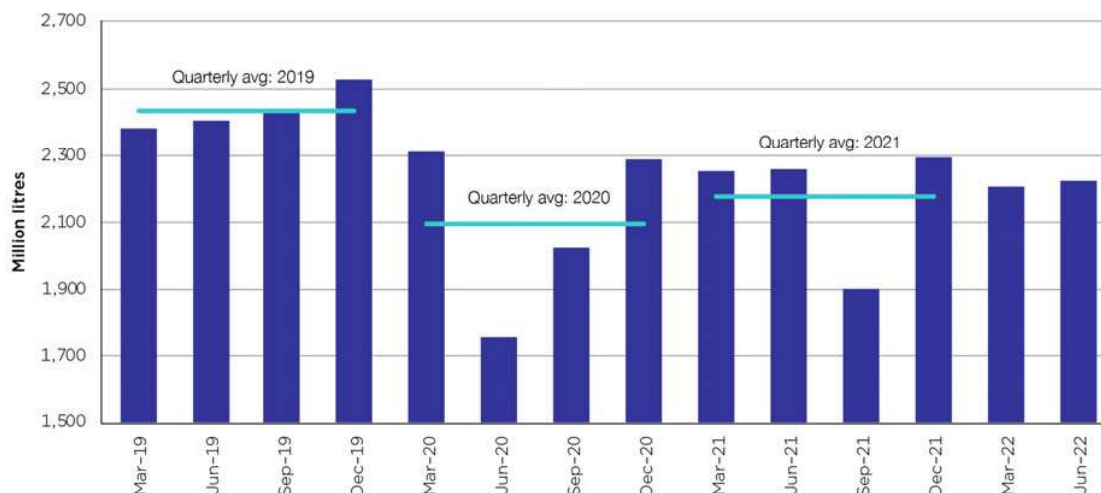
In the June quarter 2022, the CPI, a measure of inflation in the Australian economy, increased by 1.8%, with a significant contributor being the price increase in automotive fuel (4.2%).²⁰ Automotive fuel prices increased for the eighth consecutive quarter.

In 2021–22, the CPI increased by 6.1%, with automotive fuel increasing by 32.1%.

2.2 Demand for petrol was broadly unchanged in the quarter

Petrol sales volumes across Australia in the June quarter 2022 were 2,222 million litres (ML), broadly unchanged from the previous quarter (2,207 ML).

Chart 2.1: Quarterly sales volumes of regular unleaded petrol in Australia: March quarter 2019 to June quarter 2022



Source: Department of Climate Change, Energy, the Environment and Water (DCCEEW), [Australian Petroleum Statistics – Data Extract June 2022](#), accessed on 19 August 2022.

Chart 2.1 shows that initial 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.

²⁰ Australian Bureau of Statistics (ABS), [Consumer Price Index, Australia, June 2022](#), 27 July 2022, accessed on 19 August 2022.

The CPI measures the price change of a 'basket' of goods and services purchased by Australian households. According to the 2015–16 Household Expenditure Survey, on average, Australians spend approximately \$2,300 on automotive fuel each year. This is reflected in the measurement of the CPI with a weight of 3.3% of the CPI basket. See: ABS, [Automotive fuel in the CPI](#), released 23 March 2021 and updated 25 January 2022, accessed on 19 August 2022.

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Quarterly average sales in the first half of 2022 (2,214 ML) were around 2% higher than in 2021 (2,175 ML), around 6% higher than in 2020 (2,094 ML) and around 9% lower than in 2019 (2,430 ML).

2.3 Refiner margins for local refineries were very high in the quarter

The 2 remaining refineries in Australia – Ampol's Lytton refinery in Brisbane and Viva Energy's refinery in Geelong – both recorded very high refiner margins in the June quarter 2022. The refiner margin is the difference between the price of refined product and the price of crude oil. In July 2022:

- Ampol announced that the refiner margin at Lytton in the second quarter of 2022 reached the 'unprecedented level' of US\$32.96 per barrel, materially higher than the refiner margin of US\$10.59 per barrel realised in the first quarter of 2022²¹
- Viva Energy announced that the refiner margin at Geelong in the second quarter of 2022 was US\$30.8 per barrel, a significant increase on the refiner margin of US\$8.3 per barrel reported in the first quarter of 2022.²² Viva Energy noted that the Geelong refinery had been producing at near full capacity in the first half of 2022.

Factors contributing to the high refiner margins in the quarter were:

- strong global demand for refined products, especially diesel
- tightening global supply because of refinery closures and low stock inventories
- the impact of sanctions on the purchase of Russian crude oil
- reduced exports of refined products from China.

2.4 No fuel security payments were made to refineries in the third and fourth quarters of 2021-22

Fuel security services payments to domestic refiners began on 1 July 2021, as part of the Fuel Security Package 2021-22.²³ They aim to secure Australia's long-term refining capabilities by paying refiners a production payment during loss-making periods. Payments are made to the participating refineries (Geelong and Lytton) between the following ranges: 0 cpl when the margin marker is at or above \$10.20 per barrel and a maximum of 1.8 cpl when the marker drops to \$7.30 per barrel. The margin marker is calculated separately for each refinery.

In the third and fourth quarters of 2021-22, there were no fuel security services payments made.²⁴

2.5 The New South Wales FuelCheck app has been downloaded over 2 million times

On 10 June 2022, the New South Wales Minister for Customer Service and Digital Government, Mr Victor Dominello, said that the FuelCheck app (which provides comprehensive information on fuel

21 Ampol, *2Q 2022 Lytton refinery performance and trading update*, ASX/NZX release, 19 July 2022, accessed on 19 August 2022.

22 Viva Energy Australia, *2Q2022 operational update and 1H2022 unaudited financial result*, ASX release, 12 July 2022, accessed on 19 August 2022.

23 See ACCC, *Report on the Australian petroleum market – June quarter 2021*, p 15.

24 Department of Climate Change, Energy, the Environment and Water, *Fuel security services payment*, accessed on 19 August 2022.

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prices in New South Wales to consumers) had been downloaded more than 2 million times.²⁵ This was an increase of around 240,000 downloads over 3 months.²⁶

Minister Dominello noted that using the FuelCheck app regularly could save a motorist more than \$800 a year. This was based on a 25.0 cpl difference in price between service stations and filling up a 65-litre vehicle once a week at the cheaper station.

2.6 The South Australian Government fuel price transparency scheme was extended

On 10 June 2022, the South Australian Government announced that the fuel price transparency scheme introduced on a trial basis in March 2021 would be extended for a further 4 years.²⁷ Under the scheme, retailers must report their prices to a monitoring database within 30 minutes of changing the price at the pump. Drivers can then access real-time information via several free apps to help them shop around for the cheapest fuel.

On the same day, the Royal Automobile Association of South Australia (RAA) commented that its surveys showed that:

- motorists had saved an average of \$28.50 per month by using the MyRAA app since the launch of the fuel price transparency scheme
- a majority of motorists (54%) now use fuel apps.

Based on these figures, the RAA estimated that South Australian motorists using fuel price transparency apps were saving a total of around \$26 million a year.²⁸

2.7 Use of the RAA of South Australia's fuel price app increased as retail prices increased

On 26 May 2022, the RAA of South Australia noted that use of its fuel price app had increased since it was introduced in 2021.²⁹

In its first full month of operation in April 2021, more than 53,000 users accessed fuel prices on the myRAA app. By April 2022, almost 69,000 users had accessed fuel prices, an increase of 30%. In total, around 250,000 users had made more than 4 million fuel price checks on the myRAA app.

The RAA said 2 key factors were driving motorists demand for real-time pricing:

- the increasing awareness of motorists that real-time fuel pricing is available on apps
- the increase in fuel prices in April and May 2022.

25 New South Wales Minister for Customer Service and Digital Government, Minister for Fair Trading, Minister for Small Business, [Two million reasons to download FuelCheck](#), media release, 10 June 2022, accessed on 19 August 2022.

26 On 15 March 2022, Mr Dominello said that the FuelCheck app had been downloaded more than 1.76 million times. See: New South Wales Minister for Customer Service and Digital Government, Mr Victor Dominello, [Checking FuelCheck the easiest way to save when filling up](#), media release, 15 March 2022, accessed on 19 August 2022.

27 Premier of South Australia, [Fuel price scheme a win for consumers ahead of long weekend](#), News, 10 June 2022, accessed on 19 August 2022.

28 RAA South Australia, [Real-time fuel prices officially here to stay](#), RAA Daily, Advocacy, 10 June 2022, accessed on 19 August 2022.

29 RAA South Australia, [Motorists' appy with the chance to save money at the bowser](#), RAA Daily, Advocacy, 26 May 2022, accessed on 19 August 2022.

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2.8 FuelWatch was added to the Western Australian Government's ServiceWA app

On 7 June 2022, the Western Australian Government announced that it had updated its ServiceWA app to include FuelWatch, providing an interactive map allowing consumers to find the best fuel prices across Western Australia.³⁰

The ServiceWA app was launched in January 2022 to provide a convenient and secure mobile application to help Western Australia through its Safe Transition phase from COVID-19. It allowed people to show proof of vaccination, check in at businesses and venues, and access their G2G Pass for interstate travel. With nearly all previous COVID-19 restrictions eased, the app will transform and be expanded with new government services offered on the app.

The government commented that the FuelWatch website has more than 1.5 million views each month, and encouraged all Western Australians to utilise FuelWatch on the ServiceWA app.

2.9 Viva Energy announced it was upgrading its processing capacity at the Geelong refinery

On 13 April 2022, Viva Energy announced that its Board has approved funding to upgrade processing capability at its Geelong refinery to produce ultra-low sulphur gasoline.³¹ Viva Energy said that this would improve the quality of petrol produced at the refinery, help reduce vehicle emissions and improve the refinery's crude processing flexibility.

The total cost of the project is expected to be approximately \$300 million, with Viva Energy receiving \$125 million from the Australian Government under the Refinery Upgrades Program. The project will be completed over the next 3 years.

2.10 Ampol resolved its legal dispute with EG Group

On 1 April 2022, Ampol announced that it and EG Group (EG) had resolved the dispute relating to the fuel supply agreement that was novated from Woolworths to EG in 2019.³² Ampol noted that, in reaching agreement between the parties:

- Ampol would be the exclusive supplier to all stores within the EG Australian network under the fuel supply agreement, with no material impact to Ampol's earnings
- EG would discontinue its Federal Court proceedings against Ampol and Ampol would discontinue its crossclaims against EG
- EG would provide Ampol access to their network to allow works to convert their sites to the Ampol brand to commence and complete by the end of the year.

30 Hon Stephen Dawson MLC, Minister for Innovation and ICT and Hon Roger Cook, Deputy Premier, Minister for Commerce, [ServiceWA app upgrade to keep WA drivers informed of petrol prices](#), media release, 7 June 2022, accessed on 19 August 2022.

31 Viva Energy Australia, [Key developments for Viva Energy's Geelong Energy Hub](#), media release, 13 April 2022, accessed on 19 August 2022.

32 Ampol, [Resolution of legal dispute between Ampol and EG, enabling Ampol brand rollout at EG sites to commence](#), ASX Release, 1 April 2022, accessed on 19 August 2022. Background to this issue is available in the ACCC's [Report on the Australian petroleum market - December quarter 2020](#), p 17.

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3. ACCC Activities

3.1 ACCC and the petrol 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 CCA, regulate national infrastructure and undertake market studies.

In addition to those primary responsibilities, in the petrol industry the ACCC monitors prices, costs and profits relating to the supply of petroleum products in Australia under a direction from the Treasurer.³³ It is also responsible for administration of the Oil Code.³⁴

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 CCA (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.

3.2 Activities in the quarter

3.2.1 Monitoring of the cut in fuel excise

On 29 March 2022, the Australian Government announced in the 2022-23 Budget its intention to reduce the burden of higher fuel prices by temporary halving the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months. The Australian Government also announced that the ACCC would monitor the price behaviour of retailers to ensure that the lower excise rate was fully passed on. The ACCC continued its monitoring in the June quarter. ACCC activities to undertake this monitoring were outlined in chapter 1.

3.2.2 Application for authorisation by BP Australia

On 29 June 2022, BP Australia Pty Ltd (BP) applied for authorisation on behalf of itself and resellers of fuel under the BP brand (BP Resellers).³⁵

The application seeks to expand the existing BP Rewards Program by introducing fuel and non-fuel offers at BP sites and participating BP Reseller sites for all or certain groups of consumers who are members of the existing BP Rewards Program. In particular, BP proposes to make the offer to BP Rewards Program members who are also employees, contractors, members, customers, or persons otherwise associated with existing or future BP customers/corporate partners with whom BP negotiates a fuel and/or non-fuel offer.

The ACCC commenced a public consultation process on 18 July 2022. The closing date for submissions from interested parties was 8 August 2022 and the ACCC expects to release its draft determination in September 2022.

³³ See the [Competition and Consumer \(Price Monitoring – Petroleum Fuels\) Direction 2019](#).

³⁴ 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.

³⁵ See ACCC, [bp Australia Pty Ltd & Ors](#).

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3.2.3 Fuel Consultative Committee

In May 2022, the ACCC hosted a meeting of the FCC, which comprises representatives from major fuel retailers, refiner-wholesalers, peak industry associations and motoring organisations. The FCC generally meets twice a year. The information and views shared at the meeting increase the ACCC's understanding of fuel industry issues and assist it in undertaking its roles related to competition and consumer protection in the fuel industry.

Topics discussed at the FCC meeting included: industry implementation of the Australian Government's decision to reduce fuel excise, ACCC fuel related activities and monitoring, the Australian Government's fuel security package, recent influences on metropolitan and regional fuel prices, and developments in fuel price transparency arrangements.

The next meeting of the FCC is scheduled for early November 2022. The reintroduction of the fuel excise in late September 2022 will be a key item on the agenda.

3.2.4 Other stakeholder engagement and communications activity

In the June quarter 2022, the ACCC responded to fuel-related media enquiries and correspondence on a range of issues including retail fuel prices, petrol price cycles, regional fuel prices, fuel price information and competition.

In the June quarter 2022, the fuel-related pages on the ACCC website received 230,818 page views, an increase of 22,670 (around 11%) from the previous quarter. Of this total, the petrol price cycles web page received 200,591 page views, an increase of 16,319 (around 9%) from the previous quarter.

During 2021-22, the fuel-related pages on the ACCC website received 736,904 page views, an increase of 212,994 (around 41%) from the previous year. Of this total, the petrol price cycles web page received 668,118 page views, an increase of 197,014 (around 42%) from 2020-21.

In both the June quarter 2022 and 2021-22, the petrol pages were among the most viewed on the ACCC website.

The ACCC receives enquiries and complaints about fuel-related issues through the year, via the ACCC Infocentre, from members of the public, and referrals from other stakeholders. In 2021-22, the ACCC Infocentre received 780 fuel-related enquiries and complaints, around 47% more than in 2020-21 (530). This increase stemmed from more enquiries between late-March and June 2022 regarding retailers' pass-through of the fuel excise reduction.

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4. 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 6 analyses petrol prices in the smaller capital cities (Canberra, Hobart, and Darwin) and regional locations across Australia.

4.1 Retail prices in the 5 largest cities decreased after the excise cut but remained high in the quarter

In the June quarter 2022, average retail petrol prices in the 5 largest cities were 188.0 cpl. This was an increase of 6.1 cpl from the March quarter 2022 (181.9 cpl), and the sixth consecutive quarter in which prices increased. Between the December quarter 2020 and the June quarter 2022, average retail petrol prices increased by 66.6 cpl (around 55%). In **real** terms, prices in the June quarter 2022 were the highest since the September quarter 2008 (when average prices were 206.9 cpl).

Table 4.1 shows quarterly average retail prices in the June quarter 2022, the March quarter 2022 and the change in each of the 5 largest cities.

Table 4.1: Quarterly average retail petrol prices in each of the 5 largest cities: March quarter 2022 and June quarter 2022 – cpl

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
Mar-22	182.7	181.6	184.6	178.8	181.7	181.9
Jun-22	189.8	189.3	190.8	184.0	186.2	188.0
Change	7.1	7.7	6.2	5.2	4.5	6.1

Source: ACCC calculations based on data from FUELtrac.

Table 4.1 shows that prices increased in all cities in the June quarter 2022, and that:

- Brisbane's average retail prices were the highest (190.8 cpl).
- Adelaide's average retail prices were the lowest (184.0 cpl). This was the fifth consecutive quarter in which Adelaide had the lowest prices.
- Prices increased the most in Melbourne (by 7.7 cpl) and the least in Perth (by 4.5 cpl).

Chart 4.1 shows that 7-day rolling average retail petrol prices in the 5 largest cities were at a record low on 29 April 2020 (92.4 cpl).³⁶ In **real** terms, they were the lowest recorded since the Prices Surveillance Authority began collecting comprehensive retail prices in all 5 cities in May 1991. Prices increased in May and June 2020 and were relatively stable between July and December 2020. Prices began trending upwards from November 2020, and over the next 17 months, increasing by 101.6 cpl, from a low of 113.3 cpl in November 2020 to a high of 214.9 cpl in March 2022.

³⁶ Charts in chapter 6 show 7-day rolling average retail petrol prices in each of the 5 largest cities from 1 January 2020 to 30 June 2022.

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Chart 4.1: Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac.

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

At the beginning of the June quarter 2022, 7-day rolling average retail petrol prices were 195.2 cpl. They decreased sharply to a low of 158.2 on 19 April 2022, largely due to the fuel excise cut in late March. Prices generally increased for the rest of the quarter and reached a high of 213.3 cpl on 24 June 2022.

Chart 4.2 places the relatively high prices in the first 6 months of 2022 in historical context. It shows that daily average retail petrol prices on a 7-day rolling average basis in **real** terms in March and June 2022 were at some of their highest levels in the past 20 years and the highest since July 2008. In **real** terms the 7-day rolling average price on 18 March 2022 (218.9 cpl) was the highest since 20 July 2008 (219.4 cpl).

Chart 4.2: Seven-day rolling average retail petrol prices in the 5 largest cities in real terms: 1 June 2002 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac, Informed Sources, and ABS, [6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2](#). CPI: All Groups, Index Numbers and Percentage Changes, accessed on 19 August 2022.

Notes: **Real** prices are adjusted for June quarter 2022 dollars.

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

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4.2 Annual average prices in 2021-22 were the highest on record in nominal terms, and the highest in 8 years in real terms

In 2021-22, annual average retail prices in the 5 largest cities were 171.2 cpl, an increase of 41.5 cpl from 2020-21 (129.7 cpl), or 32%. Table 4.2 shows annual average retail prices in 2020-21 and 2021-22, and the change, in each of the 5 largest cities.

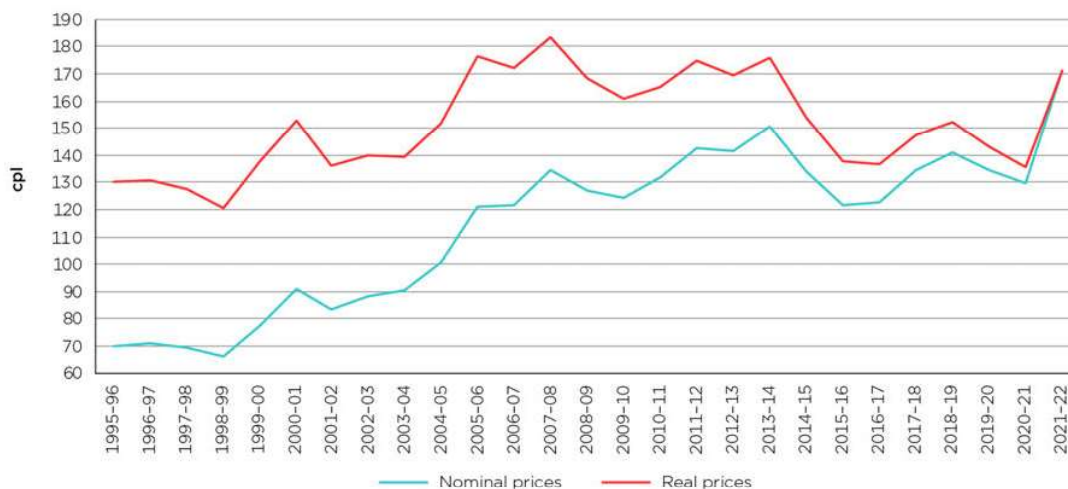
Table 4.2: Annual average retail petrol prices in each of the 5 largest cities: 2020-21 and 2021-22 - cpl

Year	Sydney	Melbourne	Brisbane	Adelaide	Perth	5 largest cities
2020-21	129.4	133.1	133.6	125.6	126.7	129.7
2021-22	173.6	172.0	174.0	166.4	170.1	171.2
Change	44.2	38.9	40.4	40.8	43.4	41.5

Source: ACCC calculations based on data from FUELtrac.

Chart 4.3 shows that, annual average prices in the 5 largest cities in 2021-22 in nominal terms were the highest on record. After accounting for inflation, annual average prices in 2021-22 in **real** terms were the highest in 8 years (since 2013-14 when **real** annual average prices were 175.9 cpl).

Chart 4.3: Annual average retail petrol prices in the 5 largest cities in nominal and real terms: 1995-96 to 2021-22



Source: ACCC calculations based on data from FUELtrac, Informed Sources, and ABS, [6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes](#), accessed on 19 August 2022.

Note: **Real** prices are shown in 2021-22 dollars.

4.3 Price cycles in each of the 5 capital cities vary

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

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The ACCC released a report on petrol price cycles in Australia in December 2018.³⁷ 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.

Table 4.3 shows that in 2021–22 the number of price cycles varied in the 5 largest cities.

Table 4.3: Number of price cycles per quarter in the 5 largest cities: September quarter 2021 to June quarter 2022

Quarter	Sydney	Melbourne	Brisbane	Adelaide	Perth
Sep-21	2	3	3	6	13
Dec-21	2	2	2	5	7
Mar-22	3	3	3	5	6
Jun-22	3	3	3	5	7
2021-22	10	11	11	21	33

Source: ACCC calculations based on data from FUELtrac.

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

In the June quarter 2022, Sydney, Melbourne, and Brisbane each had 3 price cycles, the same as the previous quarter. Adelaide had 5 price cycles, also the same as the previous quarter.

In 2021–22, the average duration of price cycles in Sydney was around 6 weeks, and in Melbourne and Brisbane it was around 5 weeks. Over the year the average duration of price cycles in Adelaide was just over 2 weeks.

In October 2021 price cycles in Perth changed from weekly to fortnightly. There were 7 price cycles in Perth in the June quarter 2022, one more than the previous quarter.

Petrol price cycles in the 5 largest cities are not static and change over time.³⁸ This is evident from charts 4.4 to 4.8, which show daily average retail petrol prices, TGPs and gross indicative retail differences (GIRDs) in each of the 5 largest cities in the year to 30 June 2022.³⁹

The charts show:

- the decrease in TGPs following the cut in excise from 30 March 2022 and the subsequent decrease in retail prices
- a change in the shape of price cycles immediately after the fuel excise cut
 - subsequently, price cycles appeared to largely revert to similar patterns as before the excise cut
- lower GIRDs over the cycle in May and June 2022, compared with earlier periods
- the change from weekly to fortnightly price cycles in Perth from October 2021.

³⁷ ACCC, *Petrol price cycles in Australia*, 6 December 2018.

³⁸ The ACCC's 2018 petrol price cycles report analysed changes in price cycles between 2007 and 2017.

³⁹ GIRDs are a broad indicator of gross retail margins. The ACCC calculates GIRDs by subtracting average TGPs from average retail petrol prices. TGPs 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 TGPs, they are indicative wholesale prices. TGPs, which vary across brands and cities, reflect the wholesale price of petrol only, and exclude other retail operating costs (such as freight, the cost of using a particular brand and other costs of doing business including rent, wages, and utility costs). As GIRDs are a broad indicator of gross retail margins, they should not be confused with actual retail profits, which are more closely related to net margins. Chapter 5 discusses GIRDs in the 5 largest cities in more detail.

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Chart 4.4: Daily average retail petrol prices, TGPs and GIRDs in Perth in nominal terms: 1 July 2021 to 30 June 2022



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

Chart 4.5: Daily average retail petrol prices, TGPs and GIRDs in Melbourne in nominal terms: 1 July 2021 to 30 June 2022



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

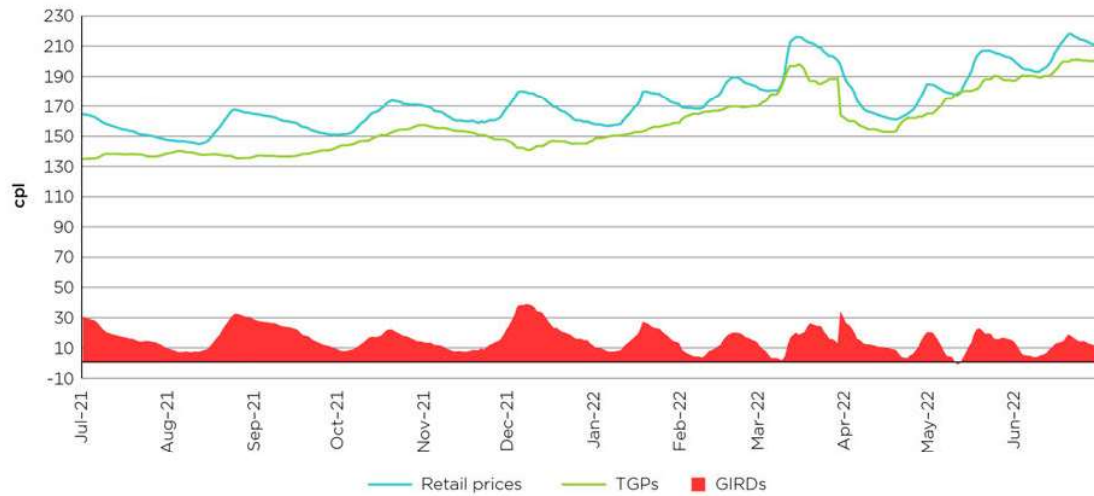
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Chart 4.6: Daily average retail petrol prices, TGP's and GIRD's in Brisbane in nominal terms: 1 July 2021 to 30 June 2022



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

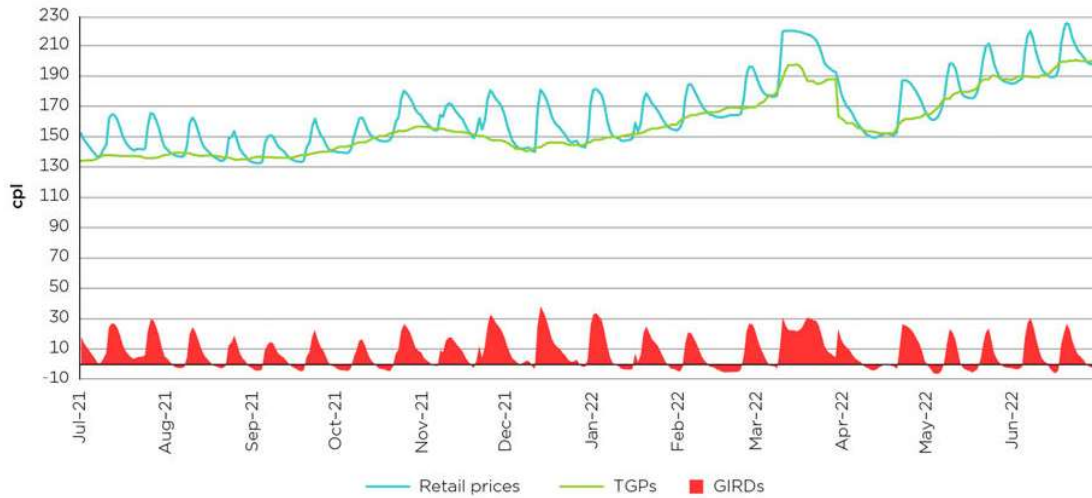
Chart 4.7: Daily average retail petrol prices, TGP's and GIRD's in Sydney in nominal terms: 1 July 2021 to 30 June 2022



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

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Chart 4.8: Daily average retail petrol prices, TGPs and GIRDs in Adelaide in nominal terms: 1 July 2021 to 30 June 2022



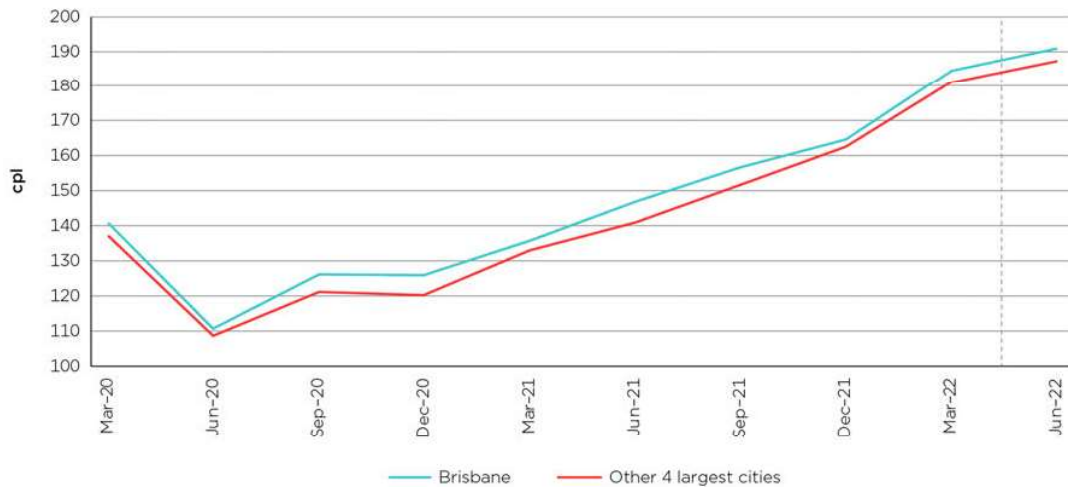
Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.

4.4 Retail prices in Brisbane were higher than the other 4 largest cities in aggregate

In the June quarter 2022, Brisbane again had the highest retail prices among the 5 largest cities (190.8 cpl).

Chart 4.9 shows quarterly average retail prices in Brisbane and average prices in the other 4 largest cities (Sydney, Melbourne, Adelaide, and Perth) from the March quarter 2020 to the June quarter 2022. Over this period, Brisbane retail prices were on average 4.2 cpl higher than the average in the other 4 largest cities, ranging from a low of 2.0 cpl in the June quarter 2020 to a high of 6.0 cpl in the June quarter 2021.

Chart 4.9: Quarterly average retail prices in Brisbane and the other 4 largest cities in aggregate in nominal terms: March quarter 2020 to June quarter 2022



Source: ACCC calculations based on data from FUELtrac.

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In the June quarter 2022, average retail prices in Brisbane were 3.5 cpl higher than the other 4 largest cities in aggregate (187.3 cpl). This was 0.1 cpl higher than the differential in the March quarter 2022 (3.4 cpl).

In 2021–22, Brisbane retail prices were on average 3.5 cpl higher than the average across the other 4 largest cities. This was 1.4 cpl lower than the average differential in 2020–21 (4.9 cpl).

The ACCC released its report on the Brisbane petrol market in October 2017.⁴⁰ It noted that petrol prices in Brisbane had been significantly higher than those in the other 4 largest cities in the period 2009–10 to 2016–17. Over those 8 years, Brisbane motorists paid on average 3.3 cpl more for petrol than motorists in the other 4 largest cities.

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 that were effective and vigorous price competitors. Brisbane had only 4 retailers in this category (7-Eleven, Woolworths/EG Group, Puma Energy and United), while Sydney had 7 (Speedway, Metro, Budget, Westside, United, 7-Eleven and Woolworths/EG Group).

The ACCC's 2021 report on petrol prices by major retailer in 2019 and 2020 identified that motorists in Brisbane could make savings by shopping around. The report concluded that in 2020 if a motorist in Brisbane who bought petrol at the highest priced retailer (that is, Coles Express) had instead bought it at the lowest priced retailer (that is, United), they could have saved themselves on average 6.7 cpl each time they filled up, or \$174 over a year.⁴¹

4.5 Retail petrol prices in Australia were lower than in most OECD countries due to lower taxes

Compared with other developed countries, Australia's retail petrol prices are relatively low. Chart 4.10 shows average retail premium unleaded petrol 95 (PULP 95) prices – both including and excluding taxes – among 33 countries in the Organisation for Economic Co-operation and Development (OECD) in the March quarter 2022 (the latest data available).⁴²

A degree of caution needs to be exercised when comparing international petrol prices, because fuel quality standards and taxation rates differ among countries, as does the availability and use of fuel types.

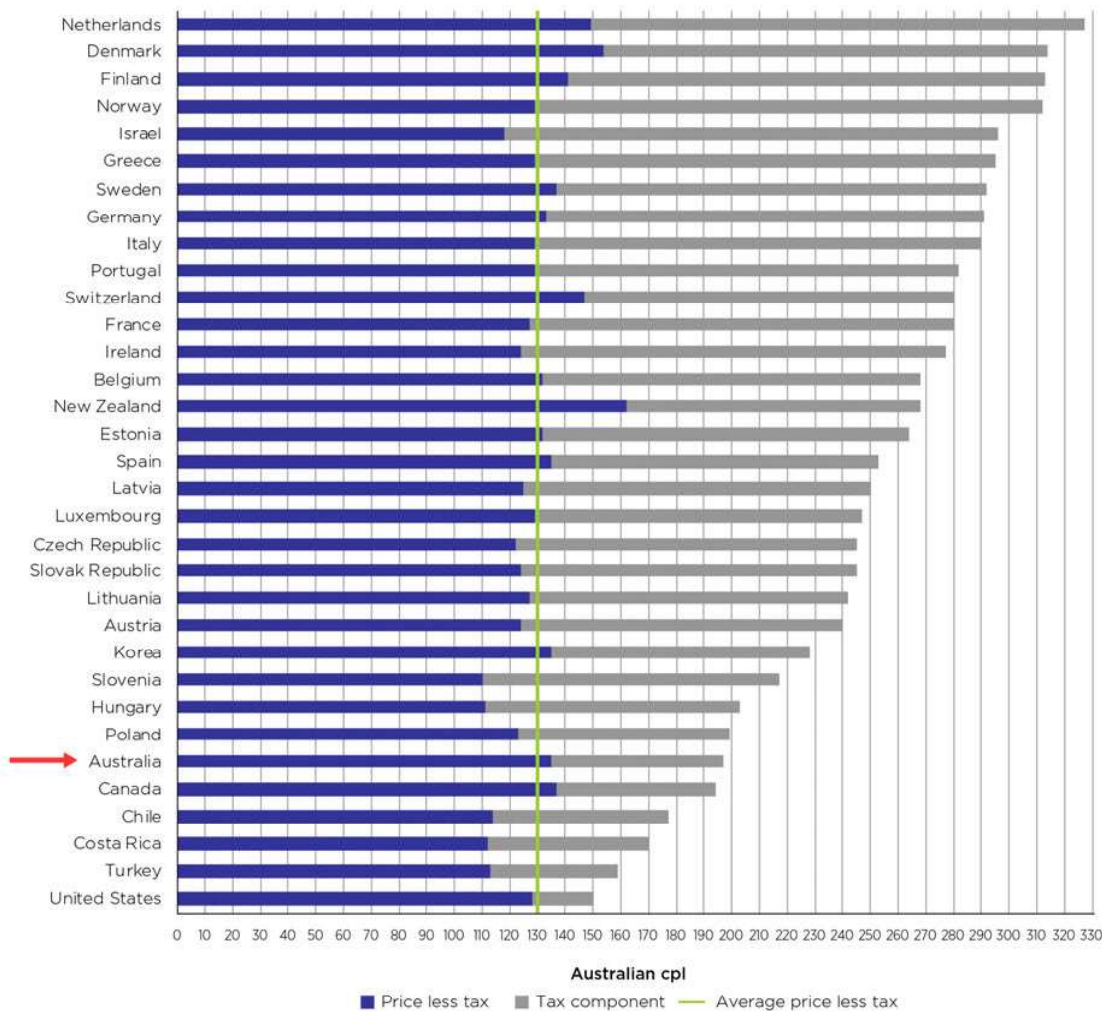
40 ACCC, [Report on the Brisbane petrol market](#), 9 October 2017.

41 ACCC, [Independent chains generally have the lowest prices – report on petrol prices by major retailer in 2019 and 2020](#), p 5.

42 The reduction in excise from 30 March 2022 had minimal effect on average retail petrol prices in Australia in the March quarter 2022.

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Chart 4.10: Average retail PULP 95 prices and taxes in OECD countries: Australian cpl, March quarter 2022



Source: DCCEEW, [Australian Petroleum Statistics - Data Extract June 2022](#), accessed on 19 August 2022.

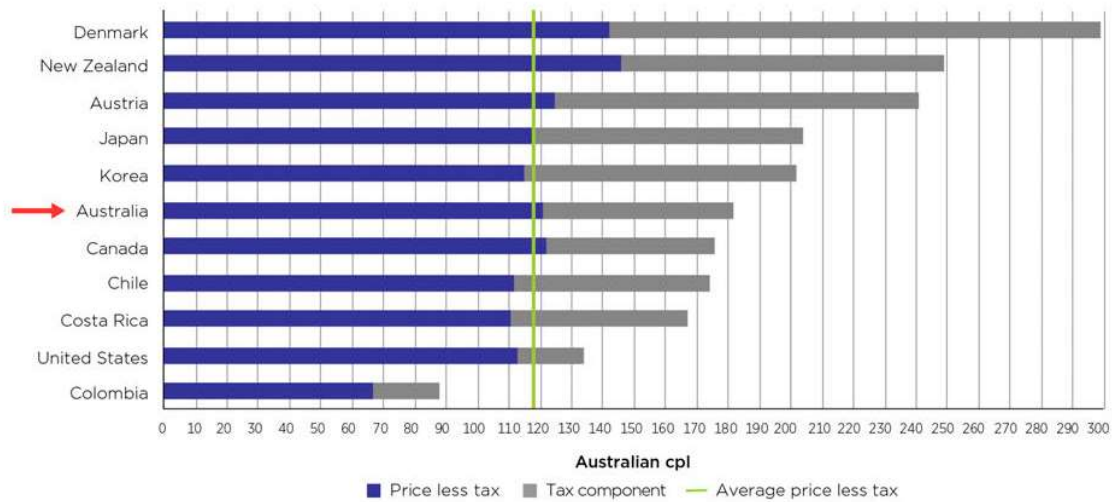
Note: All international prices shown are for PULP 95 RON, except for New Zealand (96 RON).

The chart shows that Australia had the sixth-lowest retail PULP 95 prices among OECD countries. However, the main reason for the lower retail petrol prices in Australia is the relatively low rate of taxation on fuel. In the March quarter 2022, taxes made up around 31% of the retail PULP 95 price in Australia. This was much lower than in many other OECD countries - the average tax component on PULP 95 prices in the OECD was around 48% in the March quarter 2022. Excluding taxes, PULP 95 prices in Australia were the eighth-highest among OECD countries.

Chart 4.11 shows average retail regular unleaded petrol (RULP) prices - both including and excluding taxes - among 11 OECD countries in the March quarter 2022. In most OECD countries, RULP is not sold in significant quantities. The chart shows that Australia had the sixth-lowest retail RULP prices among these countries. Excluding taxes, RULP prices in Australia were the fifth highest among OECD countries.

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Chart 4.11: Average retail RULP prices and taxes in OECD countries: Australian cpl, March quarter 2022

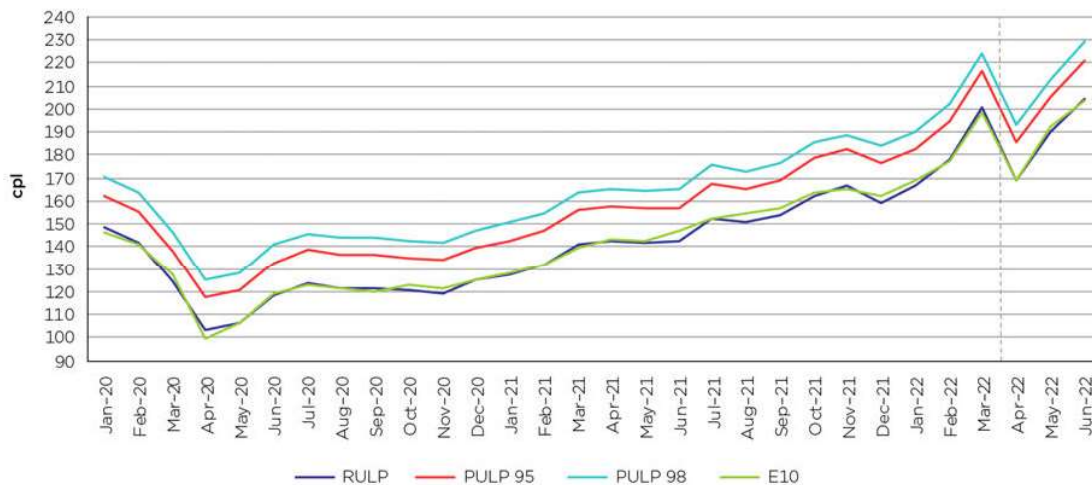


Source: DCCEEW, *Australian Petroleum Statistics - Data Extract June 2022*, accessed on 19 August 2022.

4.6 The price differential between PULP and RULP increased

Chart 4.12 shows that retail prices of the main grades of unleaded petrol – RULP, PULP 95, PULP 98, and E10 – all moved in a similar manner over the period from January 2020 to June 2022.⁴³

Chart 4.12: Monthly average retail prices of RULP, PULP 95, PULP 98 and E10 in the 5 largest cities in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from FUELtrac.

⁴³ E10 prices are for Sydney and Brisbane only.

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In the June quarter 2022, the average differential in the 5 largest cities between:

- RULP and PULP 95 prices was 16.0 cpl (an increase of 0.1 cpl from the previous quarter)
- RULP and PULP 98 prices was 24.0 cpl (an increase of 0.3 cpl)
- RULP and E10 was 0.2 cpl (an increase of 0.3 cpl).⁴⁴

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).

The ACCC noted in its 2020 industry report on the financial performance of the downstream petroleum industry that PULP 95 and PULP 98 had become more expensive relative to the retail price of RULP over time, and that PULP was significantly more profitable than other petrol products.⁴⁵

Between 2009–10 and 2021–22, the annual average price differential in **real** terms between RULP and PULP 95 increased from 11.9 cpl to 15.7 cpl, an increase of 3.8 cpl. The annual average price differential between RULP and PULP 98 increased from 18.1 cpl to 23.3 cpl, an increase of 5.2 cpl.

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

44 Historically, E10 prices have generally been lower than RULP prices. In the March quarter 2022, average E10 prices were 0.1 cpl lower than average RULP prices.

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

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5. Components of petrol prices in the 5 largest cities

There are 3 broad components of average retail petrol prices:

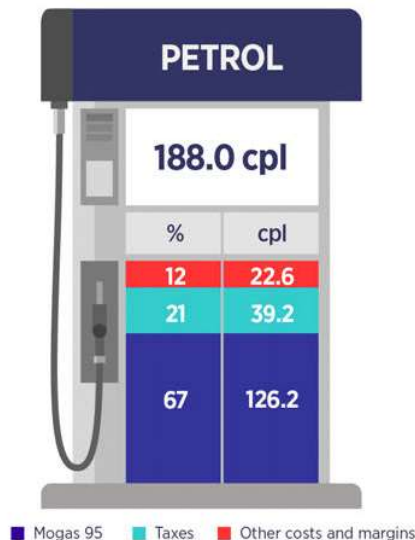
- the international price of refined petrol (Mogas 95)
- taxes (excise and GST)
- other costs and margins, at the wholesale and retail levels.

This chapter analyses these components in the June quarter 2022 and in 2021-22, and how they have changed over time.

5.1 Mogas 95 was the largest component of average retail petrol prices in the quarter and in 2021-22

Chart 5.1 shows the components of average retail petrol prices in the 5 largest cities in the June quarter 2022.⁴⁶

Chart 5.1: Components of average retail petrol prices in the 5 largest cities in the June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

The chart shows that the price of Mogas 95 was the largest component of average petrol prices in the June quarter 2022 (67%). The 2 largest components – Mogas 95 and taxes – accounted for 88% of average petrol prices. These components are largely outside the control of the local petrol retailers.

In the June quarter 2022, as a proportion of average retail petrol prices:

- Mogas 95 increased by 13 percentage points from the March quarter 2022
- taxes decreased by 12 percentage points
- other costs and margins decreased by 1 percentage point.

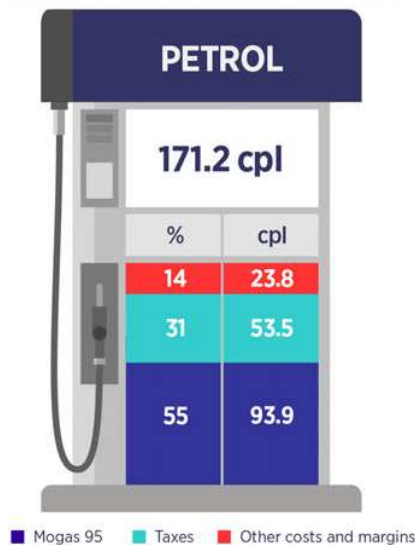
The large changes in the components in the June 2022 quarter reflect the 50% reduction in excise from 30 March 2022 and the significant increase in Mogas 95 prices.

⁴⁶ Taxes include fuel excise, and both the wholesale and retail components of GST.

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Chart 5.2 shows the components of average retail petrol prices in the 5 largest cities in 2021–22.

Chart 5.2: Components of average retail petrol prices in the 5 largest cities in 2021–22



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

The chart shows that the price of Mogas 95 was the largest component of average petrol prices in 2021–22 (55%). The 2 largest components – Mogas 95 and taxes – accounted for 86% of average petrol prices.

In 2021–22, as a proportion of average retail petrol prices:

- Mogas 95 increased by 16 percentage points from 2020–21
- taxes decreased by 11 percentage points
- other costs and margins decreased by 5 percentage points.

5.2 Record high Mogas 95 prices continued to drive retail prices

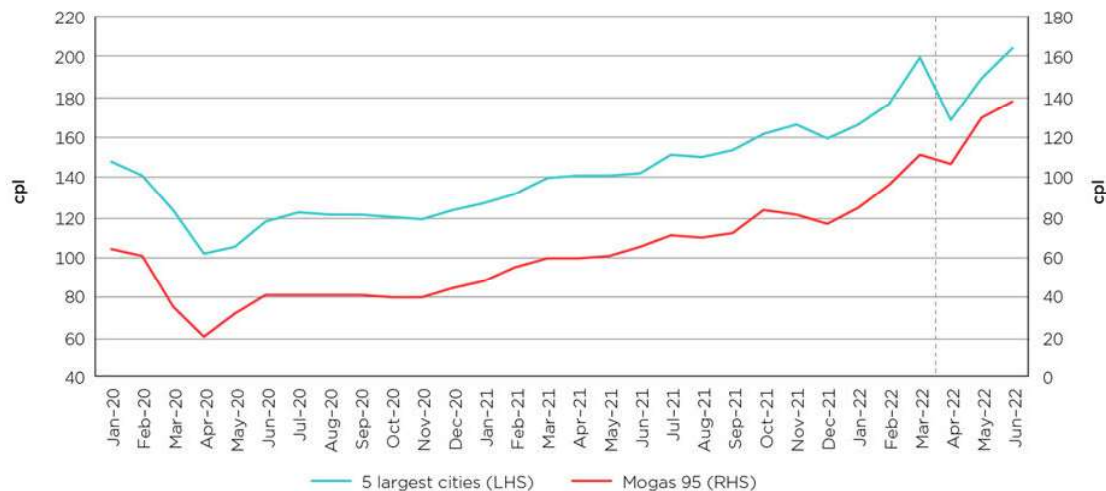
As Australia's local refining capacity cannot produce all Australia's fuel needs, refined petrol is imported to Australia from international markets. The price of refined petrol in the Asia-Pacific region is the relevant international benchmark price for the wholesale price of petrol in Australia. For RULP, 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 7 provides more details on movements in international crude oil and Mogas 95 prices.

Chart 5.3 shows monthly average Mogas 95 prices in Australian cents per litre, and monthly average retail petrol prices in the 5 largest cities, from January 2020 to June 2022. It shows that Mogas 95 prices and retail petrol prices in the 5 largest cities moved in a similar pattern over this period. This indicates that changes in the international price of refined petrol generally drive changes in domestic retail prices.

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Chart 5.3: Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media and RBA.

From January 2020 to June 2022:

- monthly average Mogas 95 prices varied by 118.2 cpl (from a low of 20.5 cpl in April 2020 to a high of 138.7 cpl in June 2022)
- monthly average retail petrol prices in the 5 largest cities varied by 102.1 cpl (from a low of 102.6 cpl in April 2020 to a high of 204.7 cpl in June 2022).

In the June quarter 2022:

- monthly average Mogas 95 prices increased from 111.9 cpl in March 2022 to 138.7 cpl in June 2022 (an increase of 26.8 cpl or around 24%). The June 2022 average Mogas 95 price was the highest on record in both nominal and **real** terms⁴⁷
- monthly average retail petrol prices in the 5 largest cities increased from 200.5 cpl in March 2022, to 204.7 cpl in June 2022 (an increase of 4.2 cpl or around 2%)⁴⁸
- quarterly average Mogas 95 prices were 126.2 cpl (an increase of 27.4 cpl from the March quarter 2022). Mogas 95 prices in the June quarter 2022 were the highest on record in both nominal and **real** terms.⁴⁹

Quarterly average retail petrol prices in the 5 largest cities were 188.0 cpl (an increase of 6.1 cpl).⁵⁰ In 2021-22:

- monthly average Mogas 95 varied by 68.8 cpl (from a low of 69.9 cpl in August 2021 to a high of 138.7 cpl in June 2022)
- monthly average retail prices in the 5 largest cities varied by 53.5 cpl (from a low of 151.2 cpl in August 2021 to a high of 204.7 cpl in June 2022).

Chart 5.4 shows Mogas 95 and retail prices over a much longer period. It shows that monthly average Mogas 95 prices were at record highs in June 2022 and that retail petrol prices in the 5 largest cities were at their highest levels in **real** terms since July 2008.

⁴⁷ The previous high in **real** terms was in June 2008 (127.8 cpl).

⁴⁸ This was the highest in **real** terms since July 2008 (215.9 cpl).

⁴⁹ The previous high in **real** terms was in the June quarter 2008 (118.8 cpl).

⁵⁰ This was the highest in **real** terms since the September quarter 2008 (206.9 cpl).

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Chart 5.4: Monthly average retail petrol prices in the 5 largest cities and Mogas 95 prices in real terms: June 2002 to June 2022



Source: ACCC calculations based on data from Informed Sources, FUELtrac, Platts, OPIS, Argus Media, RBA and ABS. [6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes](#), accessed on 19 August 2022.

Note: **Real** prices are shown in June 2022 dollars.

Chart 5.4 also highlights the significant volatility in Mogas 95 prices, both over a long period and in recent times. Monthly average Mogas 95 prices in **real** terms ranged from the June 2022 high of 138.7 cpl to a low of 22.7 cpl in April 2020 (following the decrease in demand due to the COVID-19 pandemic).

The chart also shows that recent monthly average Mogas 95 prices and retail prices began increasing steadily from November 2020. Retail prices decreased in April 2022 following the cut in excise before increasing sharply in May and June 2022.

5.3 The AUD-USD exchange rate was marginally lower

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 5.5 shows that the daily AUD-USD exchange rate varied significantly in 2020 and in the first half of 2021. It ranged from a low of US 56 cents in late March 2020 to a high of US 80 cents in late February 2021. The exchange rate was less volatile in 2021-22.

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Chart 5.5: Daily AUD-USD exchange rates in nominal terms: 2 January 2020 to 30 June 2022



Source: RBA.

Note: Exchange rates are the daily [RBA](#) 4.00 pm closing rates.

In the June quarter 2022, the AUD-USD exchange rate largely ranged within a US 7 cent band between US 76 cents and US 69 cents. The quarterly average AUD-USD exchange rate was US 71.5 cents, a reduction of US 0.9 cents from the March quarter 2022.

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 80 cents in late February 2021, average retail petrol prices in Australia in the June quarter 2022 would have been around 14.4 cpl lower (everything else being equal).

Conversely, if the AUD-USD exchange rate had been at the period low of US 56 cents in late March 2020, average retail petrol prices in Australia in the June quarter 2022 would have been around 39.1 cpl higher (everything else being equal).

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

The annual average AUD-USD exchange rate in 2021-22 was US 73 cents, which was around US 2 cents lower than in 2020-21 (US 75 cents).

5.4 Average GIRDs in the 5 largest cities were lower in the quarter

Average GIRDs in the 5 largest cities (in aggregate) were 10.1 cpl in the June quarter 2022. This was 3.3 cpl lower than the previous quarter (13.4 cpl).

GIRDs were defined in section 4.3. The GIRDs 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 be achieving these gross margins. Some will be achieving higher gross margins, others lower. The ACCC petrol market studies found that profits per retail petrol site could vary considerably between retailers, with some retail sites making substantial profits and others making very little.

Table 5.1 shows quarterly average GIRDs in each of the 5 largest cities in 2021-22.

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Table 5.1: Quarterly average retail petrol prices, TGPs and GIRDs in the 5 largest cities: September quarter 2021 to June quarter 2022 – cpl

Location	Quarter	Retail prices cpl	TGPs cpl	GIRDs cpl
5 largest cities	Sep-21	152.5	137.7	14.8
	Dec-21	162.8	149.1	13.7
	Mar-22	181.9	168.5	13.4
	Jun-22	188.0	177.9	10.1
	2021-22	171.2	158.2	13.0
Sydney	Sep-21	156.0	138.0	18.0
	Dec-21	166.2	149.4	16.8
	Mar-22	182.7	168.8	13.9
	Jun-22	189.8	178.3	11.5
	2021-22	173.6	158.5	15.1
Melbourne	Sep-21	155.2	137.4	17.8
	Dec-21	162.2	149.1	13.1
	Mar-22	181.6	168.4	13.2
	Jun-22	189.3	178.1	11.2
	2021-22	172.0	158.2	13.8
Brisbane	Sep-21	156.6	137.4	19.2
	Dec-21	164.5	148.9	15.6
	Mar-22	184.6	168.1	16.5
	Jun-22	190.8	177.7	13.1
	2021-22	174.0	157.9	16.1
Adelaide	Sep-21	145.3	137.7	7.6
	Dec-21	157.9	149.2	8.7
	Mar-22	178.8	168.5	10.3
	Jun-22	184.0	178.1	5.9
	2021-22	166.4	158.2	8.2
Perth	Sep-21	149.6	137.8	11.8
	Dec-21	163.3	148.8	14.5
	Mar-22	181.7	168.8	12.9
	Jun-22	186.2	177.3	8.9
	2021-22	170.1	158.1	12.0

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

The table shows that quarterly average GIRDs:

- varied significantly over time and across cities, ranging from a high of 19.2 cpl (in Brisbane in the September quarter 2021) to a low of 5.9 cpl (in Adelaide in the June quarter 2022)
- were lowest in all cities in the June quarter 2022
- were highest in Adelaide in the March quarter 2022, Perth in the December quarter 2021, and Sydney, Melbourne, and Brisbane in the September quarter 2021.

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The table also shows that in 2021-22, GIRDs in Adelaide were consistently lower than average GIRDs across the 5 largest cities and GIRDs in Brisbane were consistently higher:

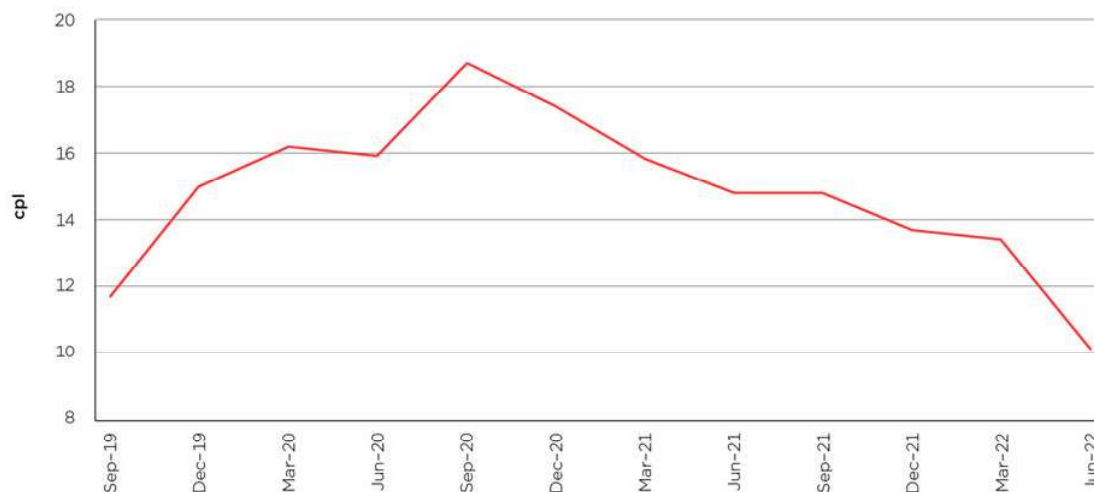
- in the June quarter 2022, GIRDs were 5.9 cpl in Adelaide and 13.1 cpl in Brisbane, compared with average GIRDs across the 5 largest cities of 10.1 cpl
- in 2021-22, GIRDs were 8.2 cpl in Adelaide and 16.1 cpl in Brisbane, compared with average GIRDs across the 5 largest cities of 13.0 cpl.

The comparatively lower GIRDs 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.

5.5 Average GIRDs in the 5 largest cities decreased over the past 7 quarters

Chart 5.6 shows quarterly average GIRDs in the 5 largest cities (in aggregate) over the past 3 years from the September quarter 2019 to the June quarter 2022.

Chart 5.6: Quarterly average GIRDs in the 5 largest cities in nominal terms: September quarter 2019 to June quarter 2022



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

The chart shows that quarterly average GIRDs in the 5 largest cities trended down in the 7 quarters following the record high GIRDs in the September quarter 2020 (18.7 cpl). Average GIRDs decreased by 8.6 cpl over the 7 quarters, to 10.1 cpl in the June quarter 2022, which is lower than levels before the COVID-19 pandemic.

The chart also shows that GIRDs can be volatile on a quarterly basis. When TGPs increase by large amounts in a short period, lags between changes in TGPs and changes in retail prices often have the effect of reducing GIRDs in the short term.⁵¹ Conversely, when TGPs decrease by large amounts in a short period, these lags often have the effect of increasing GIRDs.

⁵¹ This was noted by Ampol in [Record first half earnings on strong regional refiner margins](#), ASX/NZX Release, 22 August 2022, when it stated: 'Average margins came under pressure, particularly in May and June, due to the rapid rise in the cost of petrol and diesel and the lag in passing these higher costs through to retail prices.'

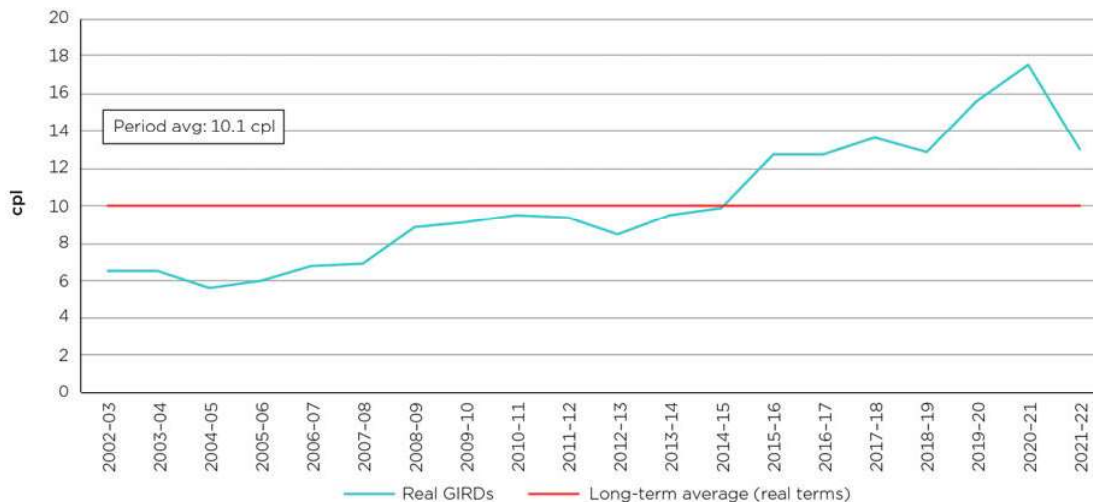
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5.6 Annual average GIRDs decreased in 2021-22

Annual average GIRDs in the 5 largest cities in 2021-22 were 13.0 cpl, which was 3.7 cpl lower than the average GIRDs in 2020-21 (16.7 cpl).

In **real** terms, annual average GIRDs in the 5 largest cities decreased by 4.5 cpl in 2021-22 from record high levels the previous year, as shown in chart 5.7. However, they remained above the **real** average over the period 2002-03 to 2021-22 (10.1 cpl).

Chart 5.7: Annual average GIRDs in the 5 largest cities in real terms: 2002-03 to 2021-22



Source: ACCC calculations based on data from FUELtrac, Informed Sources, Ampol, bp, Mobil, Viva Energy and WA FuelWatch, and ABS, [6401.0 Consumer Price Index, Australia, June 2022, Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes](#), accessed on 19 August 2022.

Note: **Real** values are shown in 2021-22 dollars.

In 2021-22, annual average GIRDs in all capital cities decreased. The largest decrease was in Melbourne and the smallest was in Sydney:

- in Melbourne, **real** annual average GIRDs decreased from 21.3 cpl in 2020-21 to 13.8 cpl in 2021-22 (a decrease of 7.5 cpl)
- in Sydney, **real** annual average GIRDs decreased from 16.2 cpl in 2020-21 to 15.1 cpl in 2021-22 (a decrease of 1.1 cpl).

The ACCC analysed financial data provided by petrol companies on retail gross profits (that is, retail operating costs and net profits) from 2005-06 to 2017-18 to further understand the reasons for the higher GIRDs over time.⁵² The analysis found that both retail operating costs and net profits on RULP increased during the period, and particularly between 2013-14 and 2016-17, suggesting that higher GIRDs had been influenced by increases in both operating costs and profits.⁵³

⁵² ACCC, [Financial performance of the Australian downstream petroleum industry 2002 to 2018](#), 22 April 2020, pp 34-36.

⁵³ The analysis compared GIRDs (which are based on price data) with retail gross profit financial results on RULP (which are based on financial data). Both measures, although not directly comparable, showed a broadly similar upward trend over the longer term.

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5.7 Decreases in GIRDs in the 5 largest cities likely reflect 2 main factors

There were 2 main factors that influenced the recent decreases in GIRDs in the 5 largest cities.

5.7.1 Petrol sales volumes have recovered from lower levels in 2020 and 2021

In 2020 and most of 2021, petrol sales volumes were significantly affected by COVID-19 restrictions, and retailers experiencing lower sales may have been keeping retail prices higher to cover their fixed costs. The effect from COVID-19 on petrol demand contributed to the high GIRDs in 2019-20 and 2020-21.

Petrol retailing is a high-volume low-margin business with many fixed costs (such as rent and the cost of using a particular brand). This means that when sales volumes decline, the cost per unit of petrol will increase. To generate revenue to partially cover their fixed costs, some retailers may have been setting retail prices higher than they otherwise would.

Since late 2021, as COVID-19 restrictions eased across Australia, sales volumes have recovered with more petrol being purchased. This likely put downward pressure on GIRDs, as some retailers may not have found it as necessary to keep retail prices higher to cover their fixed costs.

5.7.2 Increasing wholesale prices likely contributed to average GIRDs decreasing over the past 7 quarters

Increasing international crude oil, refined petrol and wholesale petrol prices from November 2020 likely contributed to lower average GIRDs in the 5 largest cities in aggregate. As noted in section 5.5, when TGPs increase by large amounts in a short period, lags between changes in TGPs and changes in retail prices often have the effect of reducing GIRDs.

For example, Viva Energy noted that in the September quarter 2021, its retail fuel margins were negatively impacted by consistently rising oil prices through the period and the normal lag associated with reflecting these increased costs in retail pump prices.⁵⁴ Viva Energy also reported in February 2022 that its financial year 2021 retail earnings were impacted by rising oil prices and lower retail fuel margins.⁵⁵

5.8 The increase in Mogas 95 prices was the predominant contributor to higher retail prices in the June quarter and in 2021-22

Chart 5.8 shows the change in the components of average retail petrol prices in the 5 largest cities between the March quarter 2022 and June quarter 2022. The chart separates the other costs and margins component into:

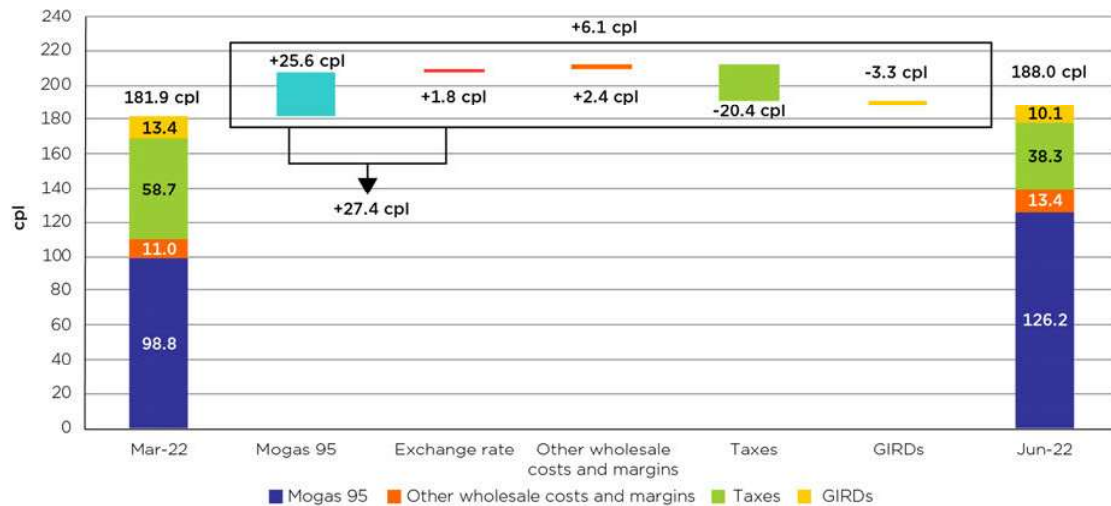
- the retail component (represented by GIRDs)
- the other wholesale costs and margins component (which includes international shipping costs and import costs).

54 Viva Energy, *Third Quarter Operational and Trading Update*, ASX release, 25 October 2021, p 1, accessed on 19 August 2022.

55 Convenience and Impulse Retailing, *Viva Energy reports 98 per cent rise in earnings*, 24 February 2022, accessed on 19 August 2022.

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Chart 5.8: Changes in the components of average retail petrol prices in the 5 largest cities: March quarter 2022 to June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA and ATO.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in chart 5.1.

The 22.1 cpl cut in excise was in effect for only 2 days in the March quarter 2022, and for all the June quarter 2022.

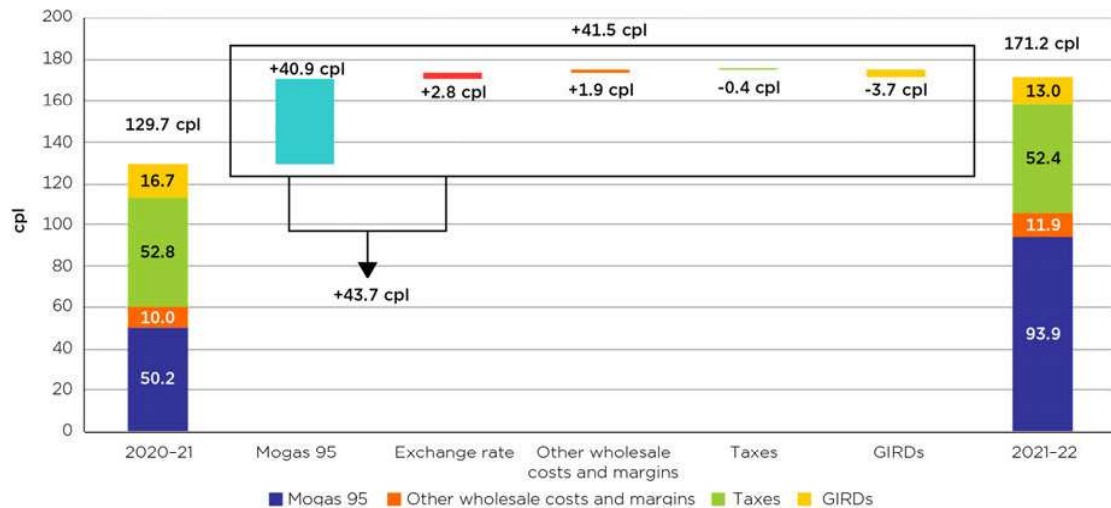
The chart shows that the increase in average retail petrol prices in the 5 largest cities in the June quarter 2022 (6.1 cpl) was predominantly due to the increase in the price of Mogas 95, which more than offset the cut in excise from 30 March 2022.

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 0.9 cents in the quarter), Mogas 95 prices would have increased by 25.6 cpl in the quarter. The lower AUD-USD exchange rate however compounded the increase in Mogas 95 prices and resulted in Mogas 95 prices increasing by an additional 1.8 cpl in AUD terms. The net effect of movements in Mogas 95 prices and the AUD-USD exchange rate was that Mogas 95 prices in Australian cents per litre increased by 27.4 cpl.

The influence of increasing Mogas 95 prices was even more pronounced in 2021-22. Chart 5.9 shows the change in the components of annual average retail petrol prices in the 5 largest cities between 2020-21 and 2021-22.

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Chart 5.9: Changes in the components of average retail petrol prices in the 5 largest cities: 2020–21 to 2021–22



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA and ATO.

Notes: All prices are in Australian cents per litre.

The taxes component includes fuel excise and wholesale GST. The small amount of retail GST is included in GIRDs rather than in taxes, to be consistent with GIRDs reported elsewhere in this report. As a result, the taxes component in this chart is not the same as the taxes component in chart 5.2.

The 22.1 cpl cut in excise was in effect for only 2 days in the March quarter 2022, but for all days in the June quarter 2022.

The chart shows that the increase in annual average retail petrol prices in the 5 largest cities in 2020–22 (by 41.5 cpl) was overwhelmingly due to the increase in the price of Mogas 95.

Excluding the effect of changes in the AUD–USD exchange rate (which decreased by around US 2 cents in 2021–22), average Mogas 95 prices would have increased by 40.9 cpl in 2021–22. The lower AUD–USD exchange rate however compounded the increase in Mogas 95 prices and resulted in Mogas 95 prices increasing by an additional 2.8 cpl in AUD terms. The net effect of movements in Mogas 95 prices and the AUD–USD exchange rate was that Mogas 95 prices in Australian cents per litre increased by 43.7 cpl in 2021–22.

Although other wholesale costs and margins increased by 1.9 cpl in 2021–22, this was more than fully offset by a decrease in GIRDs (by 3.7 cpl) and a marginal decrease in taxes (by 0.4 cpl, noting that the excise cut was only effective from 30 March 2022).

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6. 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 C lists these locations.

6.1 Retail prices in Canberra, Hobart and Darwin were higher than prices across the 5 largest cities in the quarter and in 2021-22

In the June quarter 2022, average retail prices increased in all 3 smaller capital cities: Canberra by 9.7 cpl, Darwin by 8.7 cpl and Hobart by 1.8 cpl.⁵⁶ Average retail prices in each of these cities were above the average price across the 5 largest cities.

Table 6.1 shows quarterly average retail prices in the March and June quarters 2022 in each of the 3 smaller capital cities and across the 5 largest cities. The table also shows the differential between quarterly average prices in each of the smaller capitals and the 5 largest cities. It also shows similar data for 2020-21 and 2021-22.

Table 6.1: Quarterly average retail petrol prices in each of the smaller capital cities and the 5 largest cities: March and June quarters 2022 and 2020-21 and 2021-22 - cpl

	Canberra	Hobart	Darwin	5 largest cities	Differential		
					Canberra	Hobart	Darwin
Mar-22	184.3	195.2	186.1	181.9	2.4	13.3	4.2
Jun-22	194.0	197.0	194.8	188.0	6.0	9.0	6.8
Change	9.7	1.8	8.7	6.1	3.6	-4.3	2.6
2020-21	129.7	132.1	125.1	129.7	0.0	2.4	-4.6
2021-22	174.9	180.5	174.4	171.2	3.7	9.3	3.2
Change	45.2	48.4	49.3	41.5	3.7	6.9	7.8

Source: ACCC calculations based on data from FUELtrac.

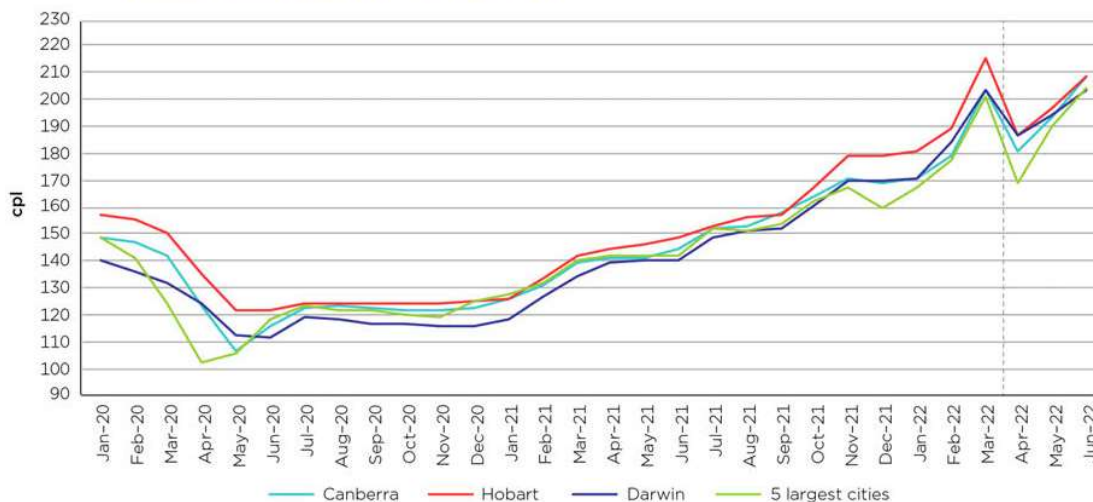
Table 6.1 shows that between 2020-21 and 2021-22 annual average prices in each of the 3 smaller capital cities increased by more than average prices in the 5 largest cities. In 2021-22, average prices in Darwin were above average prices in the 5 capital cities, which differed from the trend in the past 2 years.

Chart 6.1 shows monthly average prices in each of the smaller capital cities and the 5 largest cities from January 2020 to June 2022.

⁵⁶ Charts 6.8 to 6.10 show 7-day rolling average retail petrol prices in each of the 3 smaller capital cities from 1 January 2020 to 30 June 2022.

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Chart 6.1: Monthly average retail petrol prices in Canberra, Hobart, Darwin and the 5 largest cities in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from FUELtrac.

The chart shows that in 2021-22, monthly average retail prices were:

- higher in Darwin than in the 5 largest cities in 8 out of 12 months
- higher in Canberra than in the 5 largest cities in all months except July 2021
- higher in Hobart than in the 5 largest cities in all months.

6.2 Average regional prices were higher than prices in the 5 largest cities in the quarter and in 2021-22

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 higher than average prices in the 5 largest cities in 3 out of 4 quarters in 2021-22, the exception being the September quarter 2021.⁵⁷

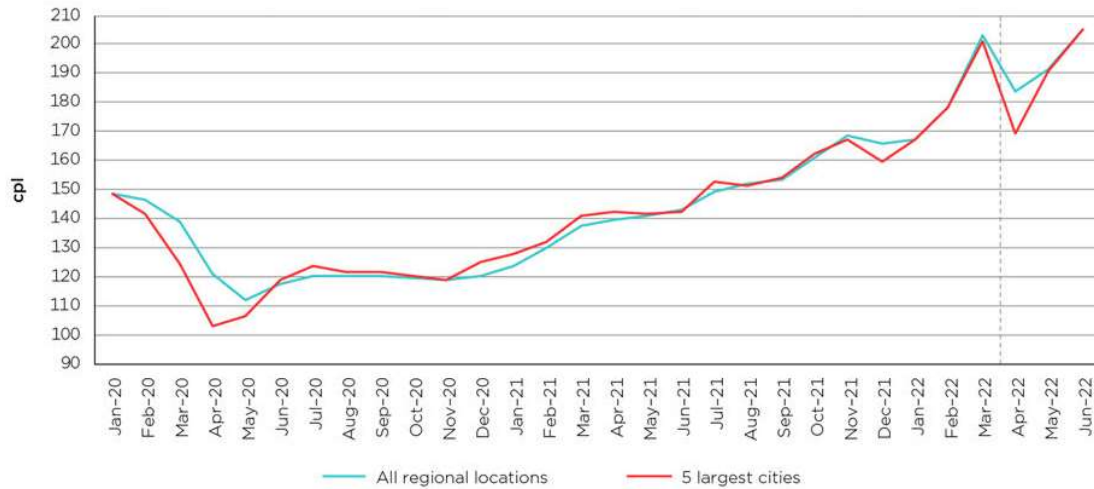
Regional prices were 5.1 cpl higher than average prices in the 5 largest cities in the June quarter 2022. Average regional prices in the quarter were 193.1 cpl, while average prices in the 5 largest cities were 188.0 cpl. In the March quarter 2022, average regional prices were 0.8 cpl higher.

Chart 6.2 shows that in 2021-22, monthly average regional prices were higher than prices in the 5 largest cities in all months except July, September, and October 2021.

⁵⁷ Average retail prices in regional locations were lower than average prices in the 5 largest cities in the 5 quarters from the September quarter 2020 to the September quarter 2021. Factors that may have contributed to this were outlined in section 6.3 of the *Report on the Australian Petroleum Market – March quarter 2022*.

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Chart 6.2: Monthly average retail petrol prices in regional locations in aggregate and the 5 largest cities in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from FUELtrac.

Monthly average regional prices fluctuated in the June quarter 2022, from a low of 183.2 cpl in April 2022 to a high of 204.9 cpl in June 2022. The increase in monthly average prices between April and June 2022 was 21.7 cpl, which was 13.9 cpl lower than the increase in the 5 largest cities (35.6 cpl).

In the June quarter 2022, average prices in 150 regional locations (around 78% of monitored locations) were higher than average prices in the 5 largest cities.

In 2021-22, annual average regional prices (172.9 cpl) were 1.7 cpl higher than average prices in the 5 largest cities (171.2 cpl).⁵⁸ In that year, average prices in 103 regional locations (around 56% of monitored locations) were higher than average prices in the 5 largest cities.

Appendix C has further information on petrol price movements in recent quarters and in 2021-22 in all locations the ACCC monitors.

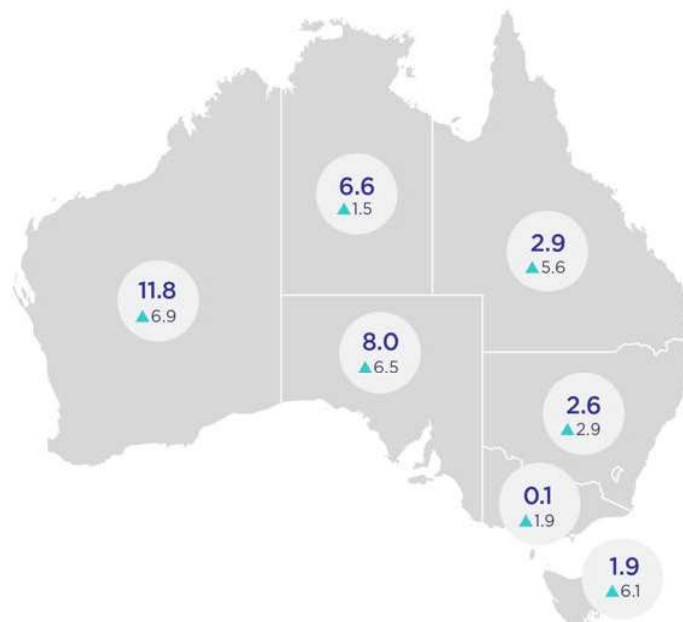
6.3 Regional prices were higher than their respective capital city prices in all jurisdictions in the quarter

Figure 6.1 shows the average differential between prices in regional locations in the states and the Northern Territory and their respective capital city in the June quarter 2022 and the change from the previous quarter.

⁵⁸ In comparison, annual average regional prices in 2020-21 were 2.1 cpl lower than average prices in the 5 largest cities.

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Figure 6.1: Quarterly average differential between prices in regional locations in the states and the Northern Territory and their respective capital city: June quarter 2022 – cpl



Source: ACCC calculations based on data from FUELtrac.

Notes: A positive number means that average regional prices were higher than average capital city prices.
There are no prices available for locations in the Australian Capital Territory other than Canberra.

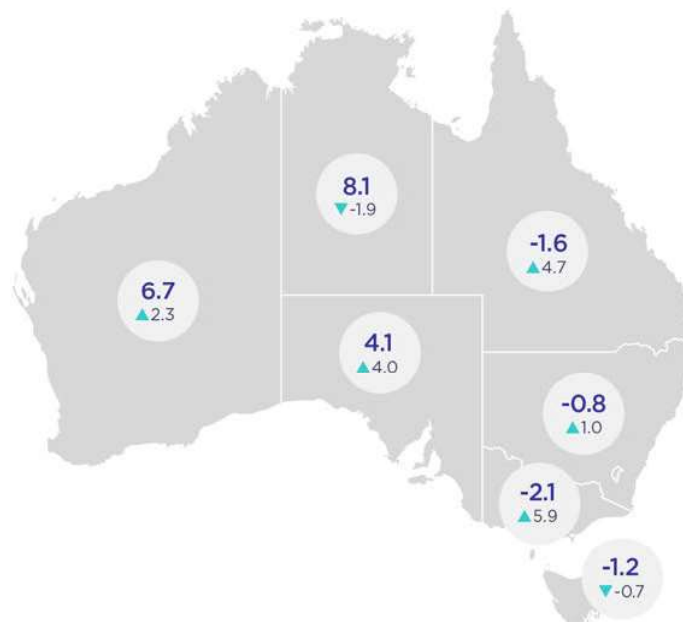
Figure 6.1 shows that in the June quarter 2022:

- average regional prices were higher than their respective capital city prices in all jurisdictions
- the differential ranged from regional prices being 0.1 cpl higher in Victoria to 11.8 cpl higher in the Western Australia.

Figure 6.2 shows the average differential between prices in regional locations in the states and the Northern Territory and their respective capital city in 2021-22 and the change from the previous year.

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Figure 6.2: Annual average differential between prices in regional locations in the states and the Northern Territory and their respective capital city: 2021-22 – cpl



Source: ACCC calculations based on data from FUELtrac.

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

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

Figure 6.2 shows that in 2021-22:

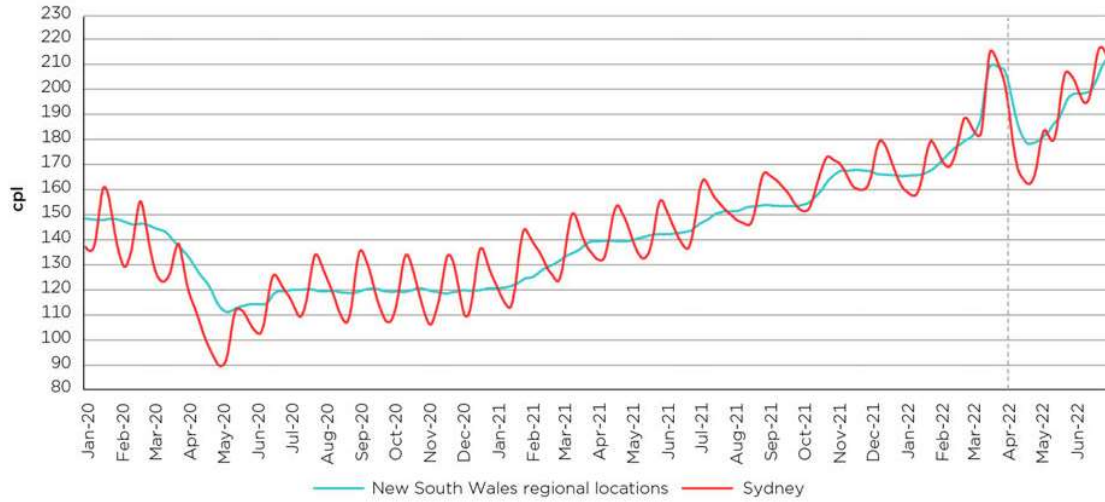
- average regional prices were lower than their respective capital city prices in New South Wales, Victoria, Queensland, and Tasmania, and higher in South Australia, Western Australia, and the Northern Territory
- the differential ranged from regional prices being 2.1 cpl lower in Victoria to being 8.1 cpl higher in the Northern Territory
- compared with 2020-21, average prices in regional locations were relatively higher compared with their respective capital city in all jurisdictions except Tasmania and the Northern Territory.

Charts 6.3 to 6.9 show 7-day rolling average retail petrol prices in regional locations in each state and the Northern Territory, along with those of the relevant capital city, from 1 January 2020 to 30 June 2022. They indicate that the pattern of price movements varies between the states and the Northern Territory.

Price cycles in several of the capital cities significantly influence price comparisons between capital cities and regional locations over the short term. An example is the price differential between Sydney and regional locations in New South Wales in May 2020. The change in the Perth price cycle from a weekly duration to a fortnightly duration in the December quarter 2021 is clearly apparent in chart 6.7.

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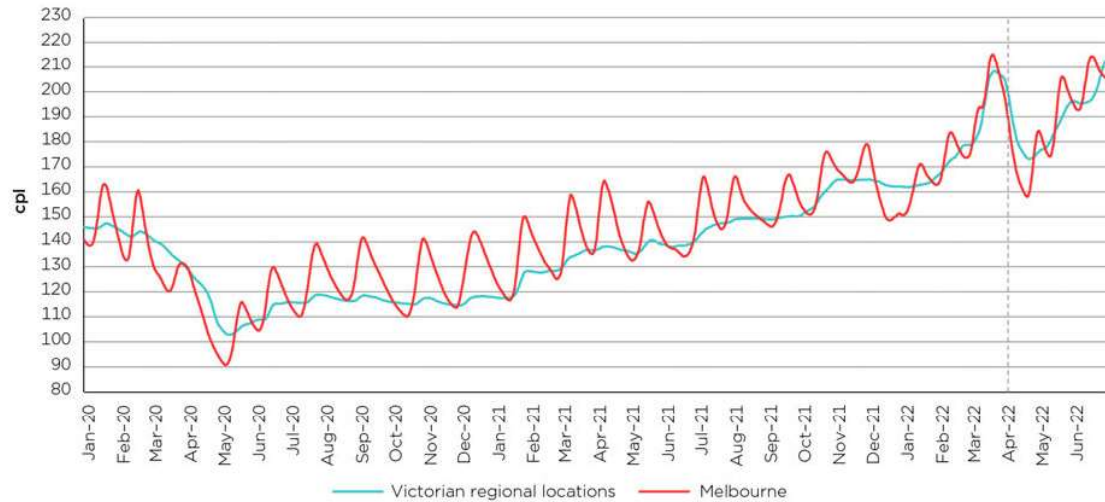
Chart 6.3: Seven-day rolling average petrol prices in New South Wales regional locations and Sydney in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac.

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

Chart 6.4: Seven-day rolling average petrol prices in Victorian regional locations and Melbourne in nominal terms: 1 January 2020 to 30 June 2022

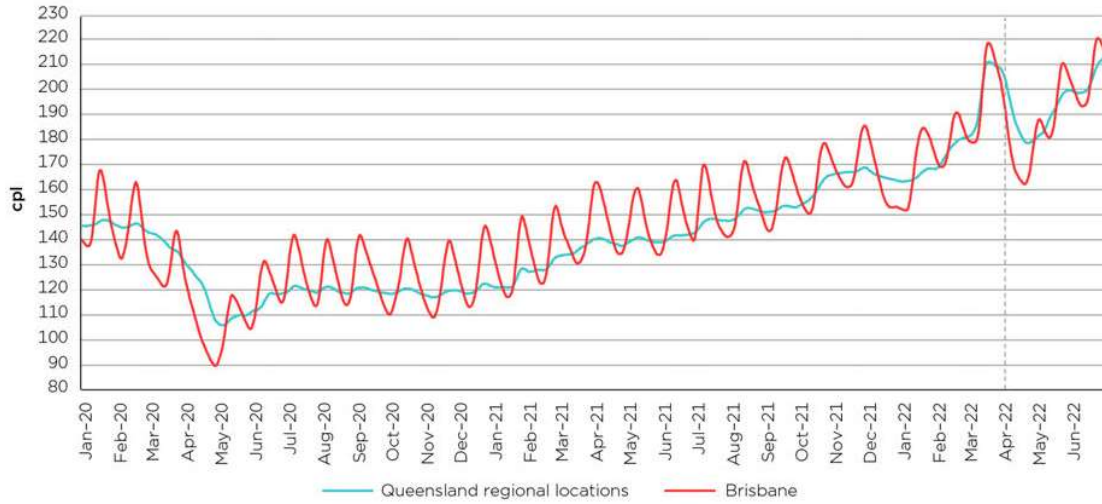


Source: ACCC calculations based on data from FUELtrac.

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

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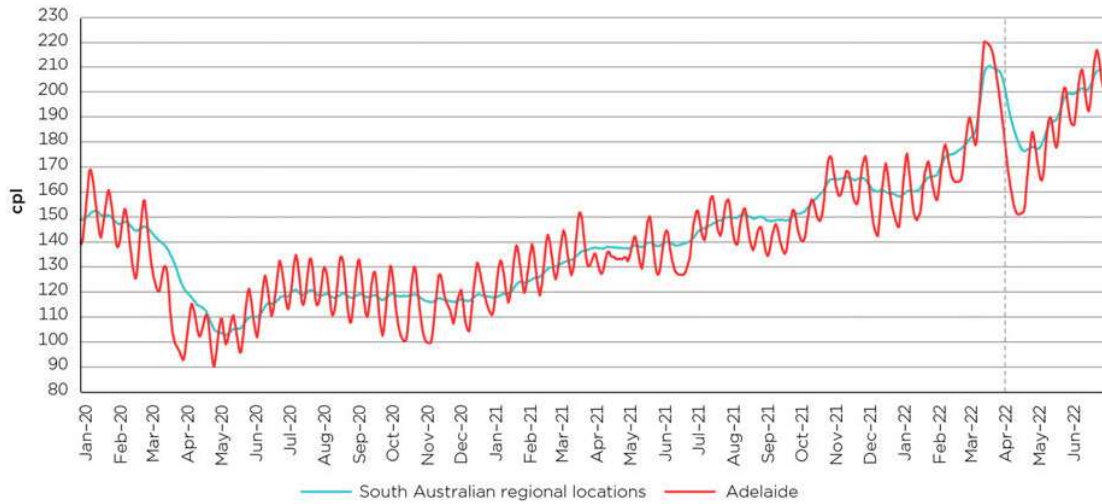
Chart 6.5: Seven-day rolling average petrol prices in Queensland regional locations and Brisbane in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac.

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

Chart 6.6: Seven-day rolling average petrol prices in South Australian regional locations and Adelaide in nominal terms: 1 January 2020 to 30 June 2022

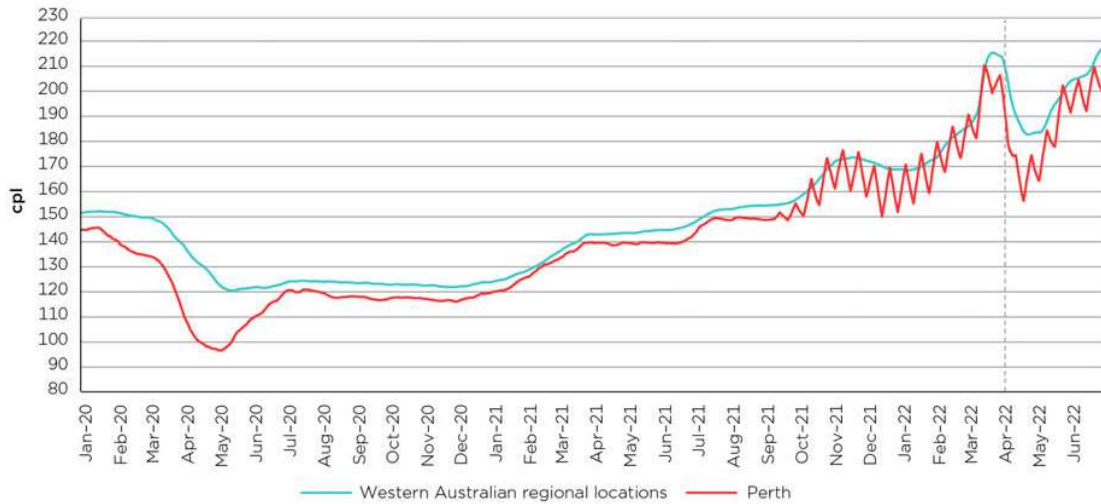


Source: ACCC calculations based on data from FUELtrac.

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

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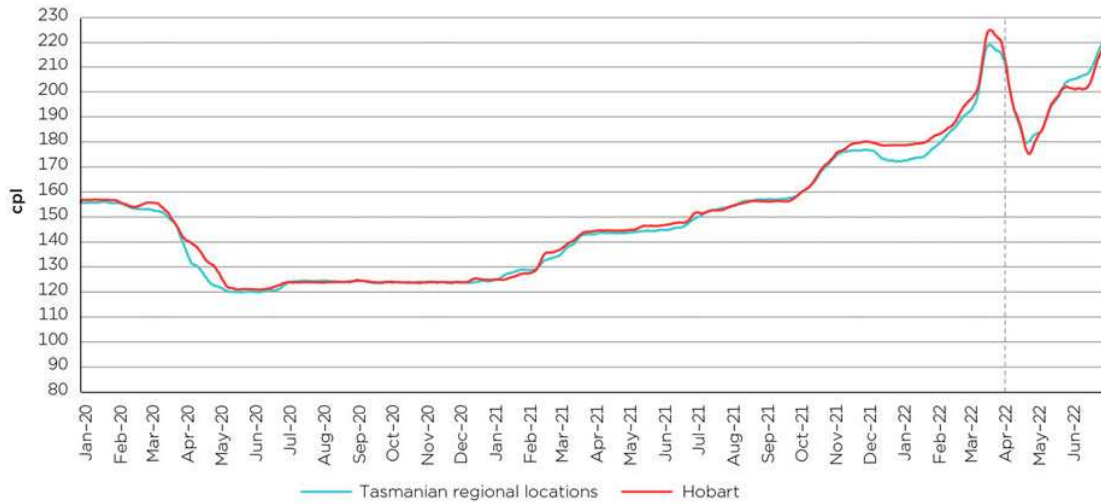
Chart 6.7: Seven-day rolling average petrol prices in Western Australian regional locations and Perth in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac.

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

Chart 6.8: Seven-day rolling average petrol prices in Tasmanian regional locations and Hobart in nominal terms: 1 January 2020 to 30 June 2022

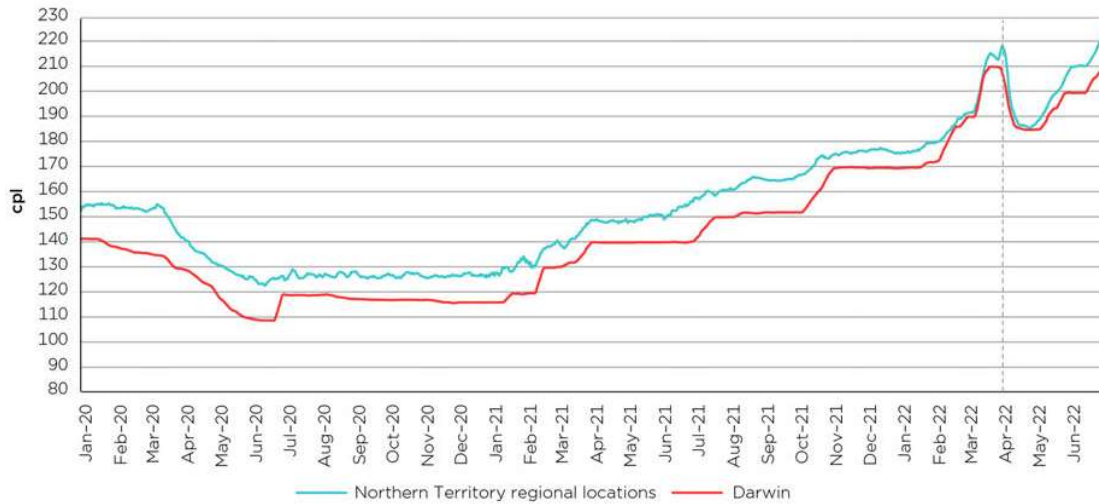


Source: ACCC calculations based on data from FUELtrac.

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

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Chart 6.9: Seven-day rolling average petrol prices in Northern Territory regional locations and Darwin in nominal terms: 1 January 2020 to 30 June 2022

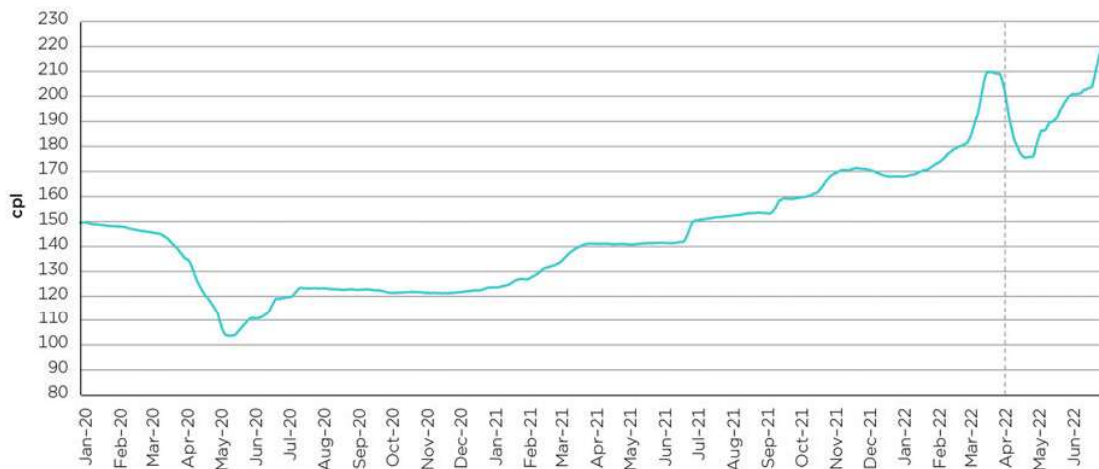


Source: ACCC calculations based on data from FUELtrac.

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

Chart 6.10 shows 7-day rolling average retail petrol prices in Canberra from 1 January 2020 to 30 June 2022. There are no prices available for locations in the Australian Capital Territory other than Canberra.

Chart 6.10: Seven-day rolling average petrol prices in Canberra in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac.

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

The ACCC undertook 4 regional petrol market studies between 2015 and 2017. These studies examined petrol markets in Darwin, Launceston, Armidale, and Cairns. The ACCC has continued to monitor and report on petrol prices and GIRDs in these locations. Appendix D shows data on average retail petrol prices and GIRDs in each location.

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7. Crude oil and refined petrol price movements

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

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

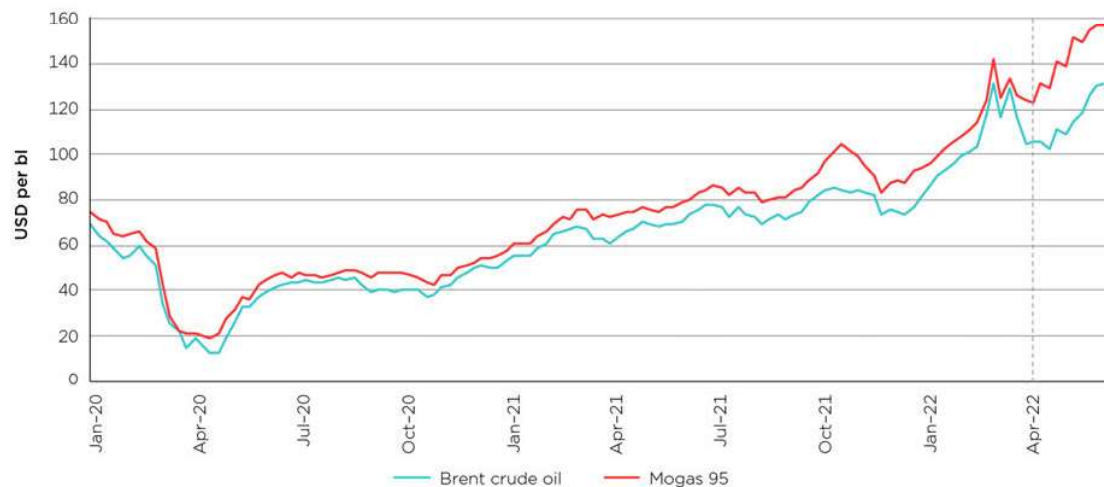
The price of Singapore Mogas 95 Unleaded (Mogas 95) is the relevant international benchmark price for determining RULP prices in Australia. This benchmark is used because of Australia's proximity to Singapore, one of the world's most important petroleum trading and refining centres.

Chapter 5 analysed movements in the AUD-USD exchange rate.

7.1 Crude oil and refined petrol prices increased significantly

Chart 7.1 shows movements in weekly average Brent crude oil and Mogas 95 prices between January 2020 and June 2022.

Chart 7.1: Weekly average Brent crude oil and Mogas 95 prices in nominal terms: January 2020 to June 2022



Source: ACCC calculations based on data from Argus Media.

Weekly average Brent crude oil prices were around USD 69 per barrel at the beginning of January 2020 and decreased sharply to around USD 12 per barrel in late April 2020.⁵⁹ They then rebounded in May and June 2020, and remained relatively stable from July to November 2020. Between November 2020 and November 2021, weekly average Brent crude oil prices doubled, and were around USD 77 per barrel at the end of December 2021. In early 2022, prices increased significantly, reaching a high of around USD 131 per barrel in the middle of March 2022.

Weekly average Brent crude oil prices fluctuated in the June quarter 2022. In April 2022, prices decreased to around USD 102 per barrel. They subsequently increased to a peak of around USD 131 per barrel in late June 2022.

⁵⁹ Weekly average Brent crude oil prices were last at this level in early March 1999 (in nominal terms).

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Weekly average Mogas 95 prices moved in a similar manner to Brent crude oil prices. Weekly average Mogas 95 prices were around USD 75 per barrel at the beginning of January 2020 and decreased sharply to around USD 19 per barrel in late April 2020.⁶⁰ They then increased sharply in May and June 2020, and remained relatively stable from July to November 2020. Between November 2020 and November 2021, weekly average Mogas 95 prices more than doubled, and were around USD 93 per barrel at the end of December 2021. They increased significantly in the March quarter 2022, reaching a peak of around USD 142 per barrel in the middle of March 2022.

Weekly average Mogas 95 prices increased significantly in the June quarter 2022, reaching a peak of around USD 157 per barrel in the middle of June 2022.

Quarterly average Brent crude oil and Mogas 95 prices were higher in the June quarter 2022 compared with the March quarter 2022:

- quarterly average Brent crude oil prices were around USD 116 per barrel (an increase of USD 11 per barrel, or around 10%)
- quarterly average Mogas 95 prices were around USD 143 per barrel (an increase of USD 29 per barrel, or around 25%).

On an annual average basis:

- Brent crude oil prices were around USD 93 per barrel in 2021-22 (an increase of USD 39 per barrel, or around 72% from 2020-21)
- Mogas 95 prices were around USD 108 per barrel in 2021-22 (an increase of USD 48 per barrel, or around 81%).

7.2 Refiner margins were significantly above the 10-year average

The refiner margin is the difference between the price of refined petrol and the price of crude oil. In the June quarter 2022, the average refiner margin was USD 27.4 per barrel (around 24.1 cpl in Australian dollars), an increase of USD 18.4 per barrel (AUD 16.3 cpl) from the previous quarter (USD 9.0 per barrel or AUD 7.8 cpl). This represented an increase of over 200% on the previous quarter. The significant increase in refiner margins was influenced by the factors noted in section 2.3.

The average refiner margin in the June quarter 2022 was significantly higher than the 10-year **real** quarterly average refiner margin (USD 13.1 per barrel, or AUD 10.1 cpl). The last time the average refiner margin was higher than the 10-year **real** average refiner margin was the December quarter 2021.

In 2021-22, the annual average refiner margin was USD 14.8 per barrel (or AUD 12.8 cpl). This was above the 10-year **real** average, and USD 9.0 per barrel (AUD 7.9 cpl) higher than the average refiner margin in 2020-21 (USD 5.8 per barrel or AUD 4.9 cpl).

7.3 The OPEC cartel, COVID-19 and the conflict in Ukraine were the main factors influencing crude oil prices

Three factors have largely influenced movements in crude oil prices since January 2020:

- agreements (and, at times, disagreements) made by the OPEC cartel, and some other crude oil producing countries (including Russia), to cut production
- the influence of the COVID-19 pandemic on demand
- geo-political events including the Russian invasion of Ukraine.

Figure 7.1 shows the key influences on crude oil prices since January 2020.

⁶⁰ Weekly average Mogas 95 prices were last at this level in mid-June 1999 (in nominal terms).

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Figure 7.1: Key influences on crude oil prices since January 2020



1 January 2020

World Health Organisation declared COVID-19 a Public Health Emergency of International Concern. Demand for crude oil and refined petrol products decreased significantly due to travel restrictions and reduction in economic activity.



2 March 2020

Crude oil prices fell as OPEC and other crude oil producing countries (OPEC+) failed to agree on production cuts. Saudi Arabia (the world's largest oil exporter) produced at full capacity and announced discounts in key markets, leading to a more than 30% drop in crude oil prices.



3 April 2020

Crude oil prices increased following agreement by OPEC+ to cut crude oil output in May and June 2020. Prices stabilised between June and October 2020.



4 November 2020 to October 2021

Crude oil prices steadily increased influenced by:

- recovering demand as economic activity increased
- on-going production cuts by OPEC+
- increased demand associated with cold weather
- the energy crisis associated with shortages of gas, coal and electricity in some countries in Europe and Asia, which increased demand for crude oil as an alternative source of energy.



5 November 2021

Crude oil prices decreased due to increased supply, and reduced demand as cases of the Omicron coronavirus variant in Europe and the US increased.



6 January to March 2022

Crude oil prices increased sharply due to:

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

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7 Late March 2022

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



8 May to mid-June 2022

Crude oil prices increased in May as reduction in Libya's crude oil output (due to escalating political unrest) tightened global supply (after buyers avoided Russian oil).

Crude oil prices increased further after the European Union imposed a ban on seaborne deliveries of Russian crude oil, phased in over 6 months.



9 Late June 2022

Crude oil prices fell in late June after the US Federal Reserve lifted interest rates raising concerns that this could lead to a recession (and lessen demand for petrol).

7.4 Crude oil prices in June were the highest since 2014

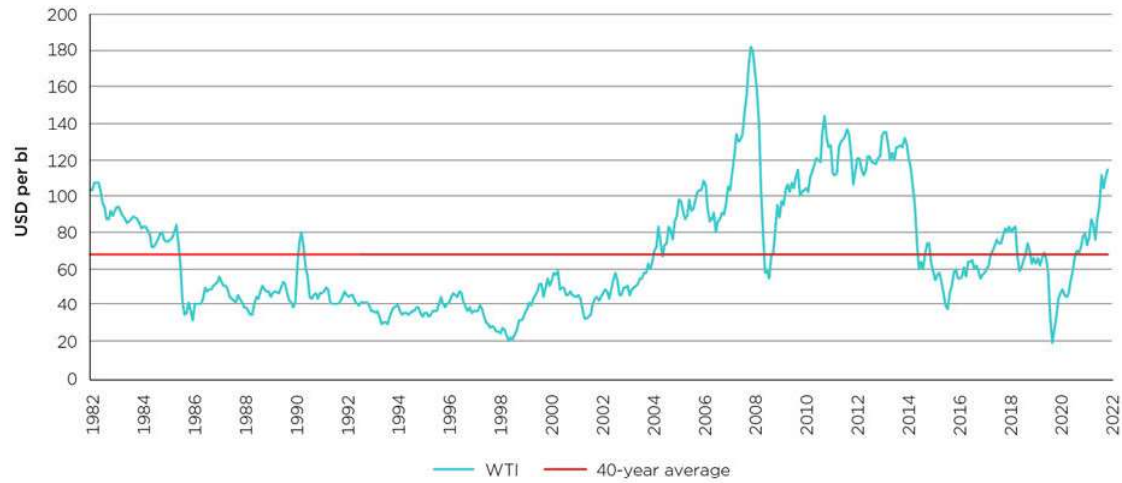
As with many commodities, crude oil prices fluctuate greatly. In the short term, market sentiment about economic conditions and geo-political events can drive rapid movements in crude oil prices. Over the medium to longer term, supply and demand factors drive prices, with periods of high or low prices lasting several years.

Extended periods of high crude oil prices provide an incentive for producers to invest in exploration and expansion. This leads to an increase in supply, which in turn puts downward pressure on prices. Conversely, when crude oil prices are low, producers tend not to invest, which puts upward pressure on prices, as supply is insufficient to meet the growth in demand.

Chart 7.2 shows that, over the 40 years to June 2022, WTI crude oil prices in **real** terms were on average around USD 68 per barrel. In the June quarter 2022, **real** WTI crude oil prices were on average around USD 110 per barrel, which was USD 12 per barrel higher than the March quarter 2022 (USD 98 per barrel) and USD 42 per barrel higher than the 40-year average. Monthly **real** average WTI crude oil prices in June 2022 were around USD 115 per barrel, the highest in **real** terms since September 2014.

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Chart 7.2: Monthly average real WTI crude oil prices in real terms: July 1982 to June 2022



Source: ACCC calculations based on data used with permission from *The Wall Street Journal*, WSJ.com, Copyright 2015 Dow Jones & Company, Inc. All rights reserved, Reuters and U.S. Department of Labor, Bureau of Labor Statistics, [Consumer Price Index for all urban consumers](#), accessed on 19 August 2022.

Note: **Real** prices are shown in June 2022 dollars.

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7.5 References for Figure 7.1

The information in figure 7.1 is derived from the following sources. All sources were accessed on 19 August 2022.

January 2020

World Health Organisation, [*Statement on the second meeting of the International Health Regulations \(2005\) Emergency Committee regarding the outbreak of novel coronavirus \(2019-nCoV\)*](#), 30 January 2020.

March 2020

The World Bank, [*Coping with a Dual Shock: COVID-19 and Oil Prices*](#), 14 April 2020.

April 2020

Reuters, [*OPEC April oil output surges to 13-month high before new cut deal*](#), 1 May 2020.

November 2020 to October 2021

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

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

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

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

November 2021

Reuters, [*Oil prices plunge as Omicron's rapid spread dims fuel demand outlook*](#), 21 December 2021.

January to March 2022

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

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

Late March 2022

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

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

May to mid-June 2022

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

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

Late June 2022

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

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8. Diesel and LPG prices

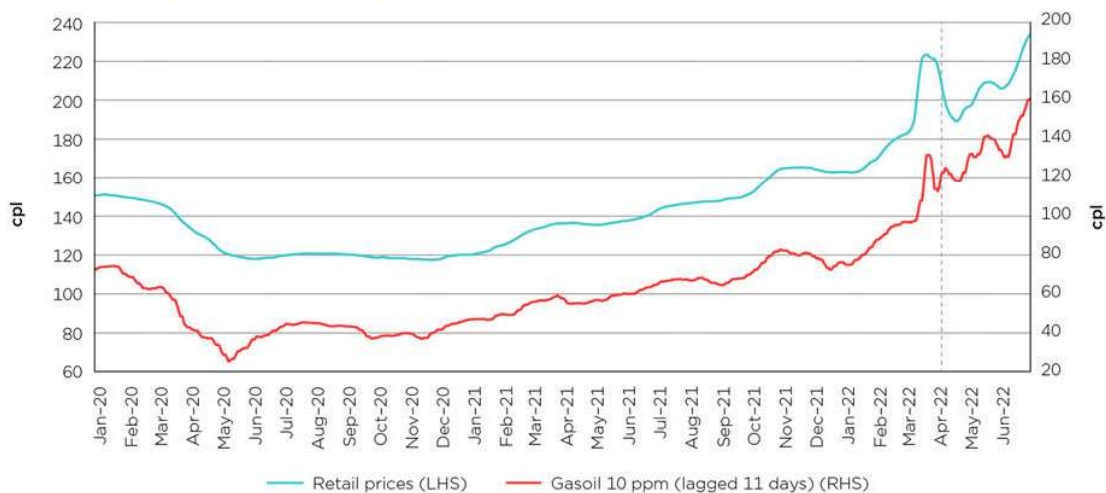
8.1 Retail diesel prices increased significantly in the quarter

Quarterly average retail diesel prices in the 5 largest cities were 207.3 cpl in the June quarter 2022, an increase of 21.9 cpl from the March quarter 2022 (185.4 cpl).

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

Chart 8.1 shows that 7-day rolling average retail diesel prices in the 5 largest cities broadly tracked Gasoil 10 ppm prices between 1 January 2020 and 30 June 2022.

Chart 8.1: Seven-day rolling average retail diesel prices in the 5 largest cities and Gasoil 10 ppm prices in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media and RBA.

Notes: 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 increased significantly during the June quarter 2022. Prices were 217.6 cpl at the beginning of the quarter and decreased to a low of 189.1 cpl in mid-April 2022 – following the excise cut on 30 March 2022 – before increasing substantially to 234.3 cpl at the end of the quarter. Seven-day rolling average Gasoil 10 ppm prices in Australian cents per litre terms were 112.7 cpl at the beginning of the quarter and also increased significantly to a high of 161.0 cpl at the end of the quarter.

Quarterly average Gasoil 10 ppm prices in the June quarter 2022 in Australian cents per litre were 141.1 cpl, an increase of 38.6 cpl from the March quarter 2022 (102.5 cpl).

Unlike petrol prices, diesel prices in the 5 largest cities 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

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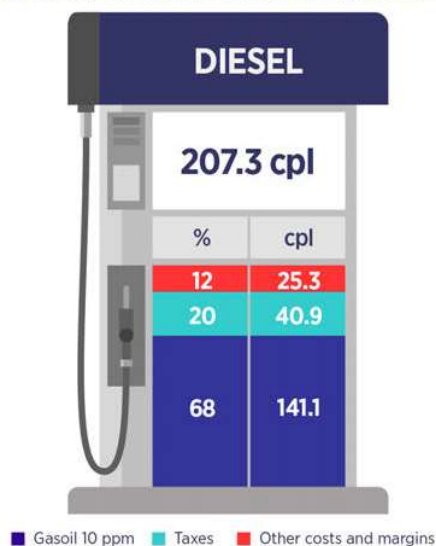
in Australia is sold through retail outlets, and much of that is sold to account customers with very little sold to private customers.⁶¹

Quarterly average diesel prices (207.3 cpl) were 19.3 cpl higher than average petrol prices (188.0 cpl) in the June quarter. This was due to Gasoil 10 ppm prices being higher than Mogas 95 prices. These higher prices were influenced by higher demand due to the post-COVID-19 economic recovery and fewer supplies from Russia influenced by the conflict in Ukraine.

8.2 Gasoil 10 ppm was the largest component of average diesel prices in the quarter

Chart 8.2 shows the 3 broad components of average retail diesel prices in the 5 largest cities in the June quarter 2022.

Chart 8.2: Components of average retail diesel prices in the 5 largest cities in the June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

The chart shows that in the June quarter 2022:

- Gasoil 10 ppm accounted for 68% of average diesel prices, an increase of 13 percentage points from the March quarter 2022
- taxes accounted for 20% of average diesel prices, a decrease of 13 percentage points⁶²
- other costs and margins accounted for 12% of average diesel prices, unchanged from the previous quarter.

The large changes in the components in the June 2022 quarter reflect the 50% reduction in excise from 30 March 2022 and the significant increase in Gasoil 10 ppm prices in the quarter.

As with average retail petrol prices, the international benchmark price accounted for the largest component of average retail diesel prices in the June quarter 2022.

61 Australian Institute of Petroleum, *Facts about diesel prices & the Australian fuel market*, 2 May 2022, p 3, accessed on 19 August 2022.

62 On 30 March 2022, excise on diesel was halved for 6 months from 44.2 cpl to 22.1 cpl.

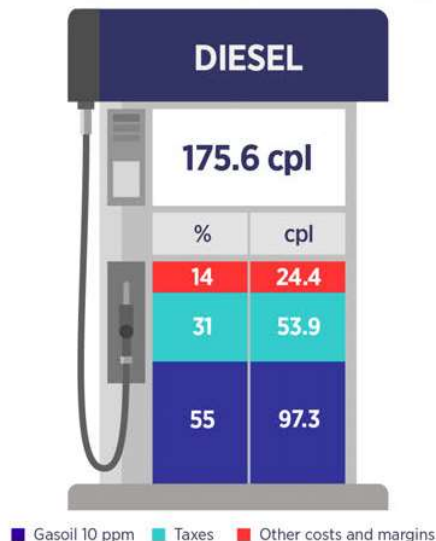
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8.3 Gasoil 10 ppm was also the largest component of average diesel prices in 2021-22

In 2021-22, annual average retail prices of diesel in the 5 largest cities were 175.6 cpl, an increase of 49.3 cpl (or around 39%) from 2020-21 (126.3 cpl).

Chart 8.3 shows that Gasoil 10 ppm was the largest component of annual average diesel prices in 2021-22.

Chart 8.3: Components of annual average retail diesel prices in the 5 largest cities in 2021-22



Source: ACCC calculations based on data from FUELtrac, Argus Media, RBA and ATO.

Chart 8.3 shows that in 2021-22:

- Gasoil 10 ppm accounted for 55% of average diesel prices, 16 percentage points higher than in 2020-21
- taxes accounted for 31% of average diesel prices, 12 percentage points lower⁶³
- other costs and margins accounted for 14% of average diesel prices, 4 percentage points lower.

8.4 Retail LPG prices were broadly unchanged in the quarter

Quarterly average retail LPG prices in the 5 largest cities in the June quarter 2022 were 110.5 cpl, an increase of 0.2 cpl from the March quarter 2022 (110.3 cpl).⁶⁴

The Saudi Aramco Contract Prices for propane and butane (Saudi CP) are the appropriate international benchmarks for wholesale LPG prices. These prices only change once a month, at the start of each month. International LPG prices loosely move in line with international refined petrol and diesel prices.

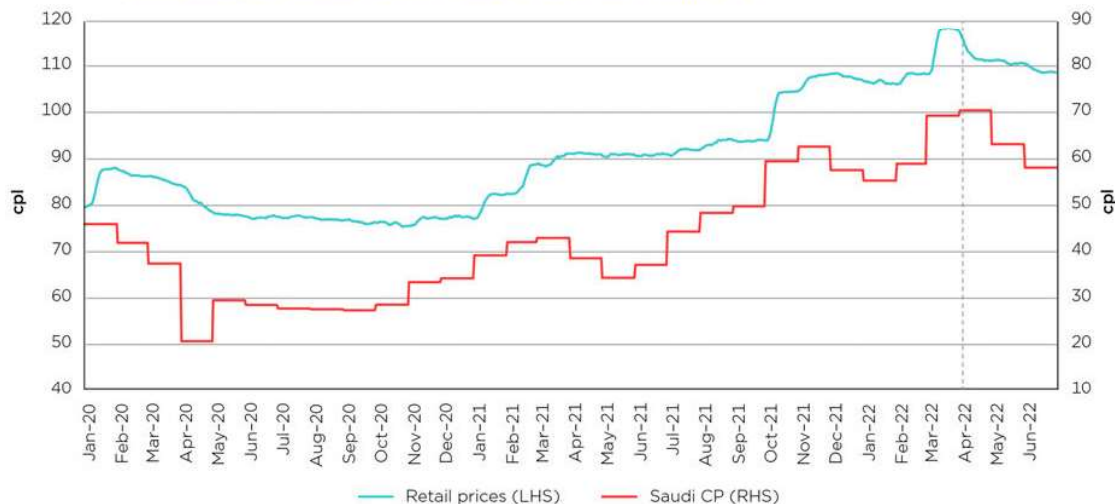
Chart 8.4 shows that movements in retail LPG prices between 1 January 2020 and 30 June 2022 were less responsive, both up and down, to movements in international benchmark prices.

⁶³ The average rate of excise on diesel in 2021-22 decreased by around 4.5 cpl following the halving of the excise rate on 30 March 2022 from 44.2 cpl to 22.1 cpl.

⁶⁴ References to LPG refer to automotive liquefied petroleum gas.

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Chart 8.4: Seven-day rolling average retail LPG prices in the 5 largest cities and monthly Saudi CP benchmarks in nominal terms: 1 January 2020 to 30 June 2022



Source: ACCC calculations based on data from FUELtrac, Reuters and RBA.

Note: 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 LPG prices were 117.2 cpl at the beginning of the June quarter 2022, which was also their highest level during the quarter. Prices decreased sharply following the excise cut on 30 March and trended down further to be 108.6 cpl at the end of the quarter. The Saudi CP benchmarks in Australian cents per litre decreased by 11.3 cpl from the end of March 2022. The benchmark price was 69.3 cpl at the end of March 2022 and decreased to 58.0 cpl at the beginning of June 2022.

Quarterly average Saudi CP benchmarks in the June quarter 2022 were 63.8 cpl, an increase of 2.6 cpl from the March quarter 2022 (61.2 cpl).

As the Saudi CP benchmarks only change at the start of each month, the relationship between movements in the international benchmark prices and retail prices for LPG is different from petrol and diesel. Furthermore, non-transport factors, such as demand for heating (particularly in the Northern Hemisphere) also influence international LPG prices. Other recent factors such as global easing of COVID-19 restrictions and geo-political events (the war in Ukraine) also contributed to rising LPG prices.

Like diesel prices, retail LPG prices tend to be less volatile than petrol prices and do not move in cycles. In 2021, LPG powered vehicles comprised less than 2% of the national fleet in Australia.⁶⁵ Accordingly, LPG usage in Australia is significantly less than petrol and diesel usage and has been declining for many years. There are also fewer retailers of LPG, particularly outside Victoria (where around half of Australia's LPG is sold).

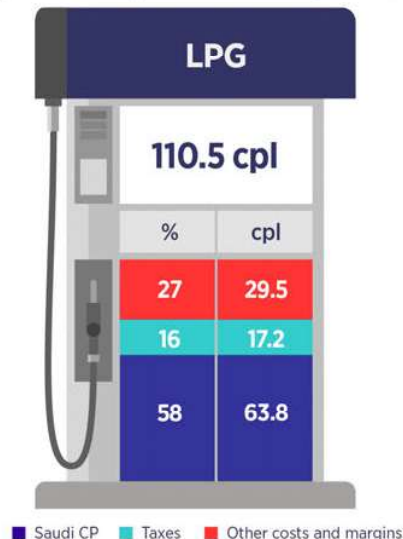
8.5 Saudi CP were the largest component of average LPG prices in the quarter

Chart 8.5 shows the 3 broad components of average retail LPG prices in the 5 largest cities in the June quarter 2022.

⁶⁵ ABS (June 2021), 'Table 4 Motor Vehicles on register, Type of fuel - by Type of vehicle: census year' [data set], *Motor Vehicle Census, Australia, 2021*, accessed on 19 August 2022.

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Chart 8.5: Components of average retail LPG prices in the 5 largest cities in the June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Reuters, RBA and ATO.

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

The chart shows that in the June quarter 2022:

- the Saudi CP international benchmarks accounted for 58% of average retail LPG prices, an increase of 3 percentage points from the March quarter 2022
- other costs and margins accounted for 27% of average retail LPG prices, an increase of 4 percentage points
- taxes accounted for 16% of average retail LPG prices, a decrease of 6 percentage points.⁶⁶

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

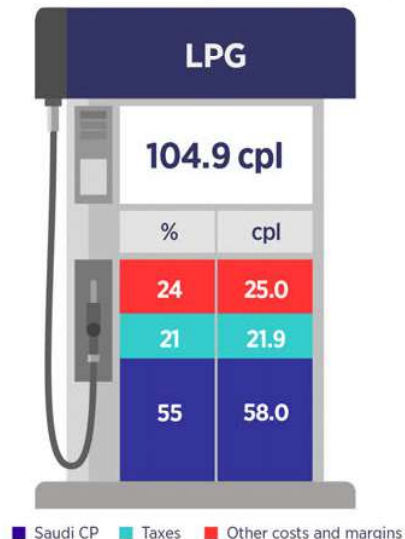
8.6 Saudi CP were also the largest component of average LPG prices in 2021-22

In 2021-22, annual average retail LPG prices in the 5 largest cities were 104.9 cpl, an increase of 22.4 cpl (or around 27%) from 2021-22 (82.5 cpl).

⁶⁶ On 30 March 2022 excise on LPG was halved for 6 months from 14.4 cpl to 7.2 cpl. The percentage changes in the quarter do not sum to zero due to rounding.

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Chart 8.6: Components of annual average retail LPG prices in the 5 largest cities in 2021-22



Source: ACCC calculations based on data from FUELtrac, Reuters, RBA and ATO.

Chart 8.6 shows that in 2021-22:

- the Saudi CP benchmarks accounted for 55% of average retail LPG prices, 13 percentage points higher than in 2020-21
- other costs and margins accounted for 24% of average retail LPG prices, 9 percentage points lower
- taxes accounted for 21% of average retail LPG prices, 5 percentage points lower.⁶⁷

⁶⁷ The average rate of excise on LPG in 2021-22 decreased by around 1.4 cpl following the halving of the excise rate on 30 March 2022 from 14.4 cpl to 7.2 cpl. The percentage changes in the quarter do not sum to zero due to rounding.

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Appendix A: Analysis of petrol GIRDs following the excise cut

On 30 March 2022, the Australian Government halved the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months. With the excise cut flowing through to retail prices in most locations within the first 6 weeks after its implementation (that is, by 10 May 2022), the ACCC has focussed its ongoing monitoring on how the pass through of the reduced excise is maintained.

We analysed data across monitored locations to assess how retail petrol prices tracked against wholesale petrol prices (indicated by TGPs). We looked at gross indicative retail petrol differences (GIRDs, that is, the difference between retail prices and TGPs) and assessed how recent GIRDs compared with historical benchmark GIRDs. If GIRDs in a location were significantly higher than historical GIRDs, it might indicate that the fuel excise cut had not been passed on in full.⁶⁸

Table A1 shows, for the capital cities and all 172 monitored regional locations for which comparable data is available:⁶⁹

- historical benchmark GIRDs based on data for 2017 to 2019
- GIRDs for May, June and July 2022 and the differential between historical benchmark GIRDs
- cumulative average May-July GIRDs and the differential between historical benchmark GIRDs.

The ordering of locations in each of the tables is based on the size of the differential between cumulative average May-July GIRDs and historical benchmark GIRDs (that is, the last column).

Table A1: Petrol GIRDs for May, June, July and cumulative May-July GIRDs, historical benchmark GIRDs, and differentials – cpl

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Melbourne	13.3	10.1	-3.2	10.6	-2.7	33.7	20.4	18.1	4.8
Darwin	12.3	10.1	-2.2	5.8	-6.5	28.5	16.2	14.8	2.5
Sydney	10.8	12.7	1.9	10.1	-0.7	14.1	3.3	12.3	1.5
Canberra	19.0	12.0	-7.0	12.5	-6.5	33.0	14.0	19.2	0.2
Brisbane	14.2	14.2	0.0	10.7	-3.5	14.1	-0.1	13.0	-1.2
Perth	12.4	6.4	-6.0	8.8	-3.6	15.7	3.3	10.3	-2.1
Adelaide	11.5	3.7	-7.8	7.4	-4.1	9.3	-2.2	6.8	-4.7
Hobart	19.0	8.8	-10.2	6.1	-12.9	24.7	5.7	13.2	-5.8
New South Wales									
Wollongong	15.4	19.1	3.7	19.9	4.5	31.4	16.0	23.4	8.0
Lismore	14.8	12.7	-2.1	13.4	-1.4	35.1	20.3	20.4	5.6
Yass	18.0	16.2	-1.8	13.4	-4.6	33.6	15.6	21.1	3.1
Albury	12.5	10.6	-1.9	6.3	-6.2	27.4	14.9	14.8	2.3
Singleton	17.0	16.2	-0.8	10.7	-6.3	30.6	13.6	19.2	2.2

⁶⁸ The source for all data in this appendix is ACCC calculations based on data from FUELtrac, AIP, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.

For ease of analysis, we have used the TGPs for the relevant state and territory capital to calculate GIRDs in regional locations. In some regional locations, TGPs are significantly higher than those in the capital cities due to factors such as location, market size, the number of suppliers and the degree of competition. Therefore, in some regional locations the calculated GIRDs used in this analysis will be higher than the actual GIRDs.

⁶⁹ Monitored regional locations that do not have at least 75% of daily average price observations in any of calendar years 2017, 2018 and 2019 have been omitted from the analysis. These are: Blackall, Bulahdelah, Buronga, Charleville, Cloncurry, Coober Pedy, Coonabarabran, Cowra, Gilgandra, Gundagai, Gunnedah, Lithgow, Murwillumbah, Normanton, Oberon, Orbost, Ulladulla, Weipa, Wellington, and West Wyong.

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Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Casino	13.3	8.7	-4.6	8.1	-5.2	29.4	16.1	15.4	2.1
Cooma	19.0	11.9	-7.1	15.6	-3.4	35.1	16.1	20.9	1.9
Tweed Heads South	15.6	12.4	-3.2	10.3	-5.3	29.1	13.5	17.2	1.6
Hay	16.5	11.7	-4.8	12.2	-4.3	30.2	13.7	18.0	1.5
Grafton	15.6	11.2	-4.4	9.2	-6.4	29.6	14.0	16.7	1.1
Forbes	18.7	11.2	-7.5	11.3	-7.4	36.6	17.9	19.7	1.0
Woolgoolga	18.4	16.0	-2.4	13.2	-5.2	29.1	10.7	19.4	1.0
Narrabri	18.3	10.4	-7.9	15.0	-3.3	32.1	13.8	19.2	0.9
Goulburn	10.5	4.9	-5.6	1.3	-9.2	27.5	17.0	11.2	0.7
Cootamundra	13.5	8.4	-5.1	8.1	-5.4	26.1	12.6	14.2	0.7
Temora	15.5	8.1	-7.4	8.5	-7.0	29.6	14.1	15.4	-0.1
Broken Hill	18.1	10.3	-7.8	9.2	-8.9	34.4	16.3	18.0	-0.1
Deniliquin	19.6	16.3	-3.3	11.6	-8.0	29.3	9.7	19.1	-0.5
Moama	13.3	8.1	-5.2	5.7	-7.6	24.6	11.3	12.8	-0.5
Ballina	19.4	14.3	-5.1	10.6	-8.8	31.7	12.3	18.8	-0.6
Leeton	13.6	5.5	-8.1	7.4	-6.2	26.3	12.7	13.1	-0.5
Bega	19.5	10.2	-9.3	11.5	-8.0	34.6	15.1	18.8	-0.7
Central Coast	14.2	12.1	-2.1	9.2	-5.0	19.2	5.0	13.5	-0.7
Nowra	12.1	6.7	-5.4	2.5	-9.6	24.8	12.7	11.3	-0.8
Parkes	18.5	11.0	-7.5	6.9	-11.6	34.4	15.9	17.4	-1.1
Mudgee	19.9	11.2	-8.7	10.2	-9.7	34.9	15.0	18.8	-1.1
Inverell	15.8	8.6	-7.2	8.9	-6.9	26.2	10.4	14.6	-1.2
Moree	17.2	11.2	-6.0	8.2	-9.0	28.2	11.0	15.9	-1.3
Nyngan	16.5	7.6	-8.9	10.6	-5.9	27.0	10.5	15.0	-1.5
Muswellbrook	14.4	12.0	-2.4	9.4	-5.0	17.5	3.1	12.9	-1.5
Batemans Bay	19.1	11.5	-7.6	8.3	-10.8	32.8	13.7	17.6	-1.5
Queanbeyan	15.8	9.4	-6.4	8.1	-7.7	25.2	9.4	14.2	-1.6
Jerilderie	19.0	10.8	-8.2	11.6	-7.4	29.5	10.5	17.3	-1.7
Merimbula	15.1	7.7	-7.4	3.5	-11.6	28.4	13.3	13.2	-1.9
Newcastle	14.2	11.8	-2.4	8.0	-6.2	16.8	2.6	12.2	-2.0
Tamworth	15.7	9.3	-6.4	7.8	-7.9	21.8	6.1	13.0	-2.7
Wagga Wagga	15.5	8.5	-7.0	6.3	-9.2	23.3	7.8	12.7	-2.8
Moruya	15.3	5.7	-9.6	6.0	-9.3	25.3	10.0	12.4	-2.9
Tumut	17.2	8.8	-8.4	7.9	-9.3	25.6	8.4	14.1	-3.1
Armidale	18.0	9.7	-8.3	6.8	-11.2	27.8	9.8	14.8	-3.2
Griffith	16.2	6.1	-10.1	5.1	-11.1	25.9	9.7	12.4	-3.8
Dubbo	17.4	6.9	-10.5	6.5	-10.9	27.1	9.7	13.5	-3.9
Glen Innes	16.1	8.1	-8.0	5.0	-11.1	23.1	7.0	12.1	-4.0
Wauchope	19.6	9.5	-10.1	11.6	-8.0	21.1	1.5	14.1	-5.5
Coffs Harbour	18.0	11.2	-6.8	6.1	-11.9	19.6	1.6	12.3	-5.7
Kempsey	14.2	5.9	-8.3	5.1	-9.1	13.2	-1.0	8.0	-6.2
Orange	14.5	2.2	-12.3	-1.2	-15.7	23.4	8.9	8.1	-6.4
Taree	17.3	6.6	-10.7	3.6	-13.7	22.0	4.7	10.7	-6.6

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Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Mittagong	19.3	4.2	-15.1	7.6	-11.7	17.6	-1.7	9.8	-9.5
Port Macquarie	20.1	5.9	-14.2	4.4	-15.7	18.3	-1.8	9.5	-10.6
Bathurst	13.5	0.0	-13.5	-3.2	-16.7	10.5	-3.0	2.4	-11.1
Moss Vale	19.3	3.7	-15.6	5.6	-13.7	15.0	-4.3	8.1	-11.2
Forster	19.7	1.0	-18.7	0.6	-19.1	15.7	-4.0	5.8	-13.9
Northern Territory									
Alice Springs	24.5	19.5	-5.0	20.6	-3.9	49.1	24.6	29.7	5.2
Tennant Creek	28.6	23.7	-4.9	25.3	-3.3	49.9	21.3	32.9	4.3
Katherine	17.5	5.9	-11.6	4.8	-12.7	23.9	6.4	11.5	-6.0
Queensland									
Cunnamulla	17.4	28.2	10.8	23.1	5.7	41.0	23.6	30.8	13.4
Mt Isa	25.7	29.8	4.1	25.7	0.0	44.4	18.7	33.3	7.6
Ipswich	12.0	15.7	3.7	11.4	-0.6	20.1	8.1	15.8	3.8
Longreach	27.2	21.0	-6.2	21.7	-5.5	49.7	22.5	30.8	3.6
Childers	13.5	10.5	-3.0	9.1	-4.4	28.2	14.7	15.9	2.4
Moranbah	15.6	17.3	1.7	6.9	-8.7	30.2	14.6	18.1	2.5
Toowoomba	11.4	14.2	2.8	10.3	-1.1	14.9	3.5	13.1	1.7
Mackay	16.7	11.2	-5.5	9.4	-7.3	33.9	17.2	18.2	1.5
Miles	7.8	2.3	-5.5	2.4	-5.4	20.7	12.9	8.5	0.7
Gladstone	13.0	8.6	-4.4	6.5	-6.5	25.0	12.0	13.4	0.4
Gold Coast	12.7	14.2	1.5	9.8	-2.9	14.8	2.1	12.9	0.2
Mareeba	18.4	12.3	-6.1	8.3	-10.1	33.3	14.9	18.0	-0.4
Maryborough	11.4	2.9	-8.5	3.2	-8.2	24.8	13.4	10.3	-1.1
Dalby	15.0	9.1	-5.9	4.1	-10.9	26.5	11.5	13.2	-1.8
Charters Towers	17.8	10.4	-7.4	9.6	-8.2	27.6	9.8	15.9	-1.9
Roma	13.0	3.9	-9.1	0.3	-12.7	27.7	14.7	10.6	-2.4
Caboolture	14.5	13.0	-1.5	8.4	-6.1	14.8	0.3	12.1	-2.4
Gympie	10.4	4.6	-5.8	4.3	-6.1	14.8	4.4	7.9	-2.5
Sunshine Coast	14.8	9.4	-5.4	7.0	-7.8	20.0	5.2	12.1	-2.7
Bowen	16.6	8.1	-8.5	7.4	-9.2	26.2	9.6	13.9	-2.7
Bundaberg	10.9	2.9	-8.0	1.7	-9.2	19.4	8.5	8.0	-2.9
Biloela	20.2	9.7	-10.5	5.8	-14.4	34.5	14.3	16.7	-3.5
Warwick	14.6	4.0	-10.6	2.6	-12.0	25.9	11.3	10.9	-3.7
Tully	19.7	8.0	-11.7	7.6	-12.1	32.1	12.4	15.9	-3.8
Emerald	22.7	14.3	-8.4	10.7	-12.0	30.6	7.9	18.6	-4.1
Cairns	18.2	9.7	-8.5	7.1	-11.1	25.3	7.1	14.1	-4.1
Goondiwindi	18.7	9.5	-9.2	6.1	-12.6	27.6	8.9	14.4	-4.3
Whitsunday	11.9	2.7	-9.2	1.2	-10.7	18.7	6.8	7.5	-4.4
Atherton	19.7	8.9	-10.8	6.1	-13.6	30.4	10.7	15.1	-4.6
Townsville	15.1	6.4	-8.7	3.5	-11.6	19.2	4.1	9.7	-5.4
Kingaroy	14.3	2.7	-11.6	1.1	-13.2	23.0	8.7	9.0	-5.3
Ayr	14.9	2.1	-12.8	6.0	-8.9	20.0	5.1	9.4	-5.5
Yeppoon	18.3	9.2	-9.1	5.6	-12.7	20.3	2.0	11.7	-6.6
Innisfail	20.0	4.9	-15.1	2.7	-17.3	31.7	11.7	13.1	-6.9

Released under FOI

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Rockhampton	19.0	9.5	-9.5	3.6	-15.4	22.9	3.9	12.0	-7.0
Ingham	19.1	6.0	-13.1	3.8	-15.3	25.2	6.1	11.6	-7.5
Hervey Bay	16.6	1.8	-14.8	-2.2	-18.8	16.2	-0.4	5.3	-11.3
Blackwater	25.9	-0.2	-26.1	2.8	-23.1	23.3	-2.6	8.6	-17.3
South Australia									
Clare	10.9	9.5	-1.4	7.4	-3.5	18.6	7.7	11.8	0.9
Port Lincoln	15.7	12.5	-3.2	12.0	-3.7	23.7	8.0	16.1	0.4
Kadina	11.4	8.9	-2.5	7.5	-3.9	18.8	7.4	11.7	0.3
Port Pirie	11.2	8.2	-3.0	7.2	-4.0	17.9	6.7	11.1	-0.1
Naracoorte	14.4	12.0	-2.4	10.5	-3.9	20.0	5.6	14.2	-0.2
Bordertown	13.4	9.7	-3.7	7.7	-5.7	21.5	8.1	12.9	-0.5
Loxton	12.1	9.5	-2.6	7.7	-4.4	17.3	5.2	11.5	-0.6
Whyalla	15.3	11.1	-4.2	8.9	-6.4	23.2	7.9	14.4	-0.9
Renmark	14.3	9.9	-4.4	7.7	-6.6	20.5	6.2	12.7	-1.6
Ceduna	17.5	10.8	-6.7	11.3	-6.2	25.3	7.8	15.8	-1.7
Port Augusta	16.0	9.9	-6.1	10.3	-5.7	21.8	5.8	14.0	-2.0
Victor Harbour	14.5	9.6	-4.9	7.8	-6.7	19.7	5.2	12.4	-2.1
Tailem Bend	13.9	8.3	-5.6	6.6	-7.3	19.8	5.9	11.6	-2.3
Keith	14.6	5.5	-9.1	8.3	-6.3	17.7	3.1	10.5	-4.1
Gawler	13.7	8.5	-5.2	10.0	-3.7	9.4	-4.3	9.3	-4.4
Mt Gambier	12.2	5.0	-7.2	4.1	-8.1	11.4	-0.8	6.8	-5.4
Murray Bridge	11.8	1.6	-10.2	1.2	-10.6	16.0	4.2	6.2	-5.6
Tasmania									
Queenstown	18.9	18.8	-0.1	21.8	2.9	34.5	15.6	25.0	6.1
Wynyard	15.9	7.1	-8.8	6.4	-9.5	39.6	23.7	17.7	1.8
Ulverstone	16.8	11.6	-5.2	12.5	-4.3	30.5	13.7	18.2	1.4
Devonport	17.1	10.7	-6.4	12.0	-5.1	30.5	13.4	17.7	0.6
Campbell Town	18.0	11.9	-6.1	13.5	-4.5	30.1	12.1	18.5	0.5
Smithton	15.1	7.5	-7.6	7.3	-7.8	26.4	11.3	13.7	-1.4
Launceston	20.2	8.1	-12.1	9.5	-10.7	33.5	13.3	17.0	-3.2
Burnie	16.3	7.5	-8.8	7.6	-8.7	24.1	7.8	13.1	-3.2
Sorell	17.9	7.4	-10.5	5.2	-12.7	28.9	11.0	13.8	-4.1
Huonville	17.0	8.7	-8.3	8.2	-8.8	21.4	4.4	12.8	-4.2
New Norfolk	19.8	4.4	-15.4	5.8	-14.0	18.7	-1.1	9.6	-10.2
Victoria									
Wallan	13.1	10.8	-2.3	13.1	0.0	32.1	19.0	18.6	5.5
Koo Wee Rup	14.1	13.3	-0.8	10.6	-3.5	31.4	17.3	18.4	4.3
Ballarat	10.4	5.4	-5.0	6.7	-3.7	30.3	19.9	14.1	3.7
Colac	12.1	1.7	-10.4	5.1	-7.0	40.2	28.1	15.7	3.6
Wangaratta	12.2	9.4	-2.8	6.0	-6.2	31.7	19.5	15.7	3.5
Mansfield	18.3	12.3	-6.0	10.1	-8.2	39.6	21.3	20.7	2.4
Bairnsdale	9.9	3.9	-6.0	6.4	-3.5	25.0	15.1	11.8	1.9
Yarrawonga	17.0	10.6	-6.4	6.0	-11.0	39.7	22.7	18.8	1.8
Euroa	15.6	9.1	-6.5	8.1	-7.5	34.4	18.8	17.2	1.6

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Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Seymour	13.3	15.6	2.3	3.3	-10.0	25.7	12.4	14.9	1.6
Corryong	19.6	15.3	-4.3	17.3	-2.3	29.7	10.1	20.8	1.2
Cobram	15.0	10.0	-5.0	9.7	-5.3	28.6	13.6	16.1	1.1
Wonthaggi	15.3	10.2	-5.1	11.7	-3.6	26.9	11.6	16.3	1.0
Bendigo	11.6	5.4	-6.2	5.6	-6.0	26.3	14.7	12.4	0.8
Ararat	16.1	5.1	-11.0	7.1	-9.0	37.5	21.4	16.6	0.5
Leongatha	14.5	8.5	-6.0	8.8	-5.7	26.7	12.2	14.7	0.2
Traralgon	13.8	7.0	-6.8	7.6	-6.2	26.3	12.5	13.6	-0.2
Shepparton	11.4	6.5	-4.9	6.5	-4.9	19.5	8.1	10.8	-0.6
Morwell	11.2	4.9	-6.3	3.1	-8.1	23.3	12.1	10.4	-0.8
Sale	15.5	6.5	-9.0	7.4	-8.1	29.8	14.3	14.6	-0.9
Benalla	14.1	6.1	-8.0	6.4	-7.7	26.9	12.8	13.1	-1.0
Echuca	13.8	8.0	-5.8	4.2	-9.6	23.1	9.3	11.8	-2.0
Swan Hill	15.8	6.8	-9.0	6.6	-9.2	27.8	12.0	13.7	-2.1
Horsham	16.8	8.8	-8.0	10.5	-6.3	23.7	6.9	14.3	-2.5
Moe	13.2	3.7	-9.5	4.5	-8.7	23.3	10.1	10.5	-2.7
Lakes Entrance	14.1	4.1	-10.0	1.4	-12.7	25.9	11.8	10.5	-3.6
Geelong	12.6	2.0	-10.6	2.3	-10.3	22.6	10.0	9.0	-3.6
Kyabram	15.7	4.0	-11.7	4.9	-10.8	25.4	9.7	11.4	-4.3
Mildura	15.4	6.2	-9.2	5.9	-9.5	21.0	5.6	11.0	-4.4
Wodonga	12.8	4.3	-8.5	0.0	-12.8	18.4	5.6	7.6	-5.2
Portland	13.4	1.3	-12.1	4.1	-9.3	13.1	-0.3	6.1	-7.3
Warrnambool	14.5	1.4	-13.1	-2.7	-17.2	21.4	6.9	6.7	-7.8
Hamilton	14.6	-0.7	-15.3	1.8	-12.8	9.3	-5.3	3.4	-11.2
Western Australia									
Broome	35.2	40.4	5.2	47.5	12.3	81.2	46.0	56.4	21.2
Waroona	10.9	17.4	6.5	16.6	5.7	30.3	19.4	21.4	10.5
Mount Barker	13.8	12.6	-1.2	13.5	-0.3	36.2	22.4	20.8	7.0
Esperance	20.4	18.5	-1.9	20.5	0.1	42.6	22.2	27.2	6.8
Manjimup	13.8	14.7	0.9	11.6	-2.2	28.5	14.7	18.3	4.5
Port Hedland	28.4	25.8	-2.6	25.4	-3.0	46.7	18.3	32.6	4.2
Carnarvon	25.3	21.6	-3.7	19.0	-6.3	43.0	17.7	27.9	2.6
Dongara	16.6	10.5	-6.1	14.7	-1.9	31.0	14.4	18.7	2.1
Albany	14.9	6.7	-8.2	9.5	-5.4	31.9	17.0	16.0	1.1
Bridgetown	16.7	11.7	-5.0	10.4	-6.3	29.3	12.6	17.1	0.4
Collie	17.4	5.8	-11.6	10.6	-6.8	35.6	18.2	17.3	-0.1
Geraldton	17.7	8.6	-9.1	10.8	-6.9	32.2	14.5	17.2	-0.5
Busselton	14.7	5.3	-9.4	7.1	-7.6	29.0	14.3	13.8	-0.9
Karratha	31.2	22.3	-8.9	20.5	-10.7	42.9	11.7	28.6	-2.6
Bunbury	15.6	6.3	-9.3	6.6	-9.0	25.9	10.3	12.9	-2.7
Boulder	21.9	8.4	-13.5	10.6	-11.3	32.5	10.6	17.1	-4.8
Kalgoorlie	22.0	7.3	-14.7	8.6	-13.4	30.9	8.9	15.6	-6.4

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Appendix B: Analysis of diesel GIRDs following the excise cut

On 30 March 2022, the Australian Government halved the excise and excise-equivalent customs duty rate on petrol and diesel for 6 months. With the excise cut flowing through to retail prices in most locations within the first 6 weeks after its implementation (that is, by 10 May 2022), the ACCC has focussed its ongoing monitoring on how the pass through of the reduced excise is maintained.

We analysed data across monitored locations to assess how retail diesel prices tracked against wholesale diesel prices (indicated by TGPs). We looked at gross indicative retail differences (GIRDs, that is, the difference between retail prices and TGPs) and assessed how recent GIRDs compared with historical benchmark GIRDs. If GIRDs in a location were significantly higher than historical GIRDs, it might indicate that the fuel excise cut had not been passed on in full.⁷⁰

For each location, we calculated:

- monthly average GIRDs for the 3 months May, June and July 2022 and took an average of these to create cumulative May-July GIRDs
- historical benchmark GIRDs, based on average GIRDs for the 3-year period from 2017 to 2019⁷¹
- the differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location.

We allowed for some variability in GIRDs, as they can vary on a short-term basis. The average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 was 2.1 cpl. This provides an indicator of monthly fluctuations in GIRDs over the longer term.

Charts B.1 to B.7 show scatter plots that visually illustrate the differentials between the cumulative May-July GIRDs and historical benchmark GIRDs across all locations in each state and the Northern Territory.⁷²

70 The source for all data in this appendix is ACCC calculations based on data from FUELtrac, AIP, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.

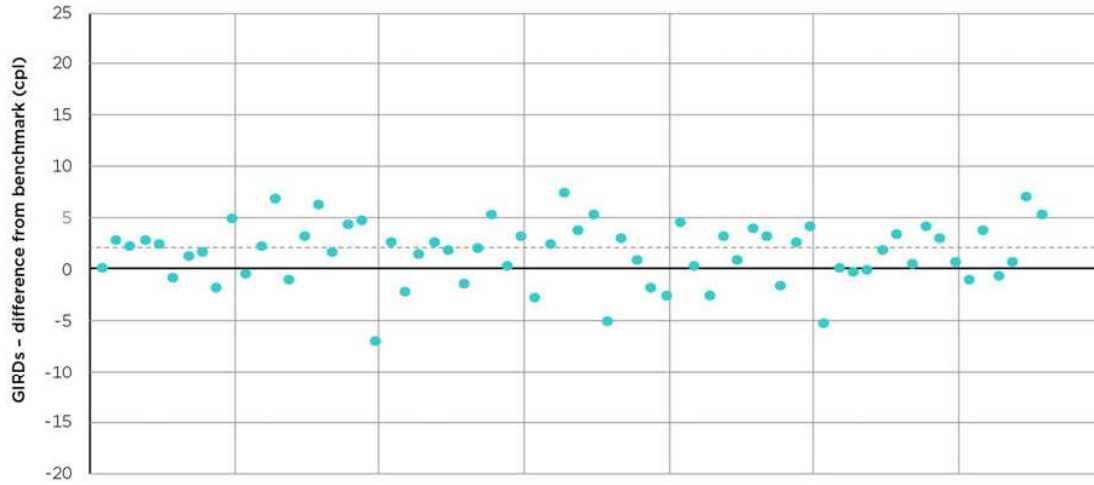
For ease of analysis, we have used the TGPs for the relevant state and territory capital to calculate GIRDs in regional locations. In some regional locations, TGPs are significantly higher than those in the capital cities due to factors such as location, market size, the number of suppliers and the degree of competition. Therefore, in some regional locations the calculated GIRDs used in this analysis will be higher than the actual GIRDs.

71 This was a period when average GIRDs in the 5 largest cities were relatively stable, and before the influence of COVID-19. For ease of analysis, we have used the TGPs for the relevant state and territory capital to calculate GIRDs in regional locations.

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

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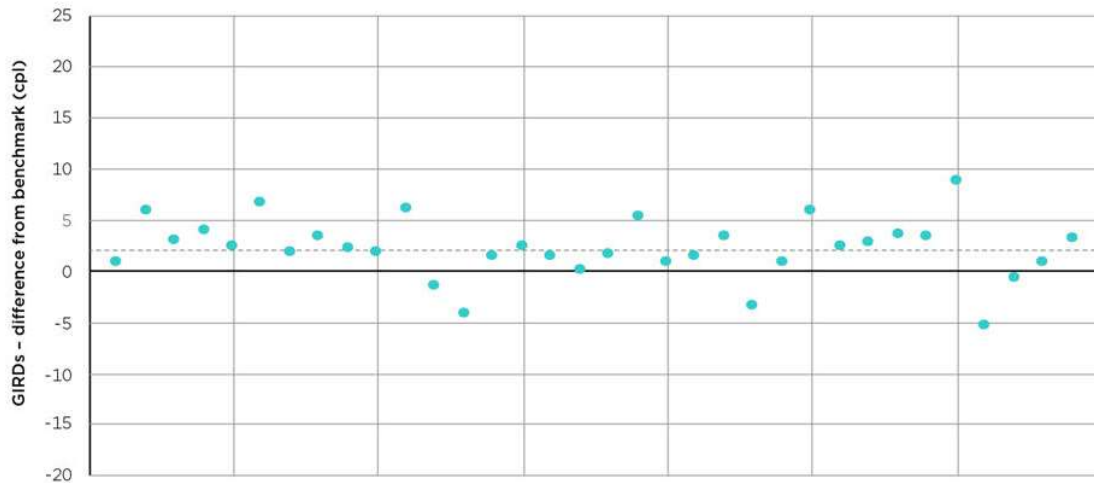
Chart B.1 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in New South Wales



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

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

Chart B.2 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in Victoria

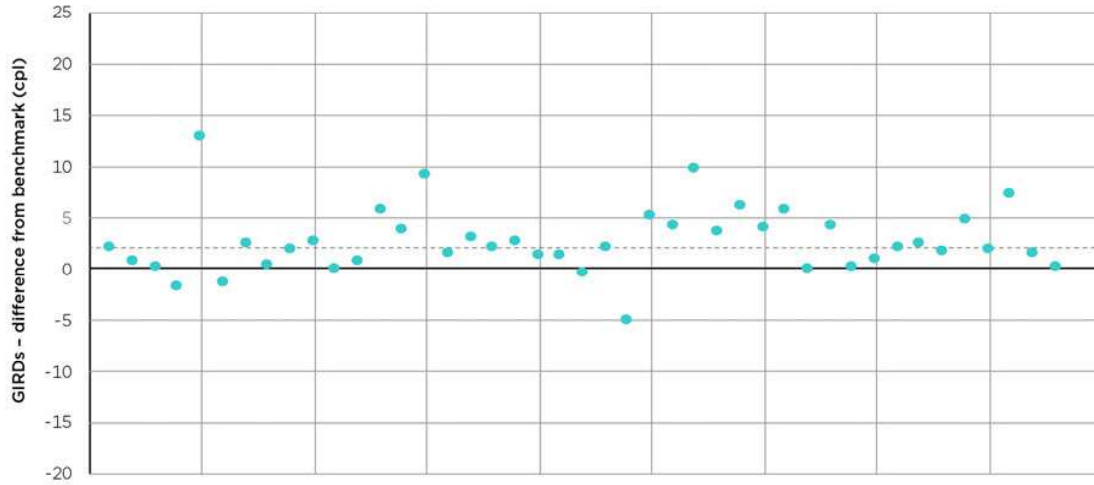


Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

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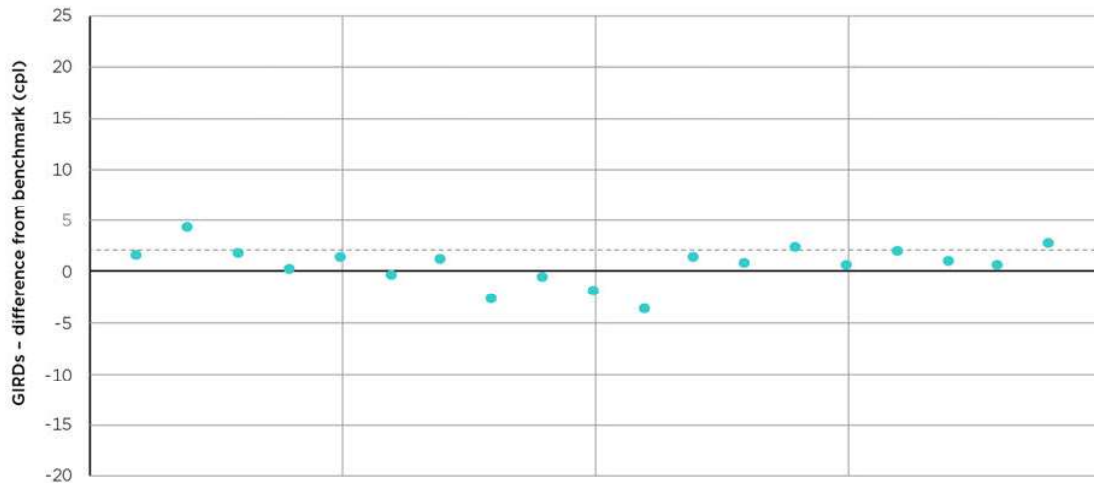
Chart B.3 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in Queensland



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

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

Chart B.4 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in South Australia

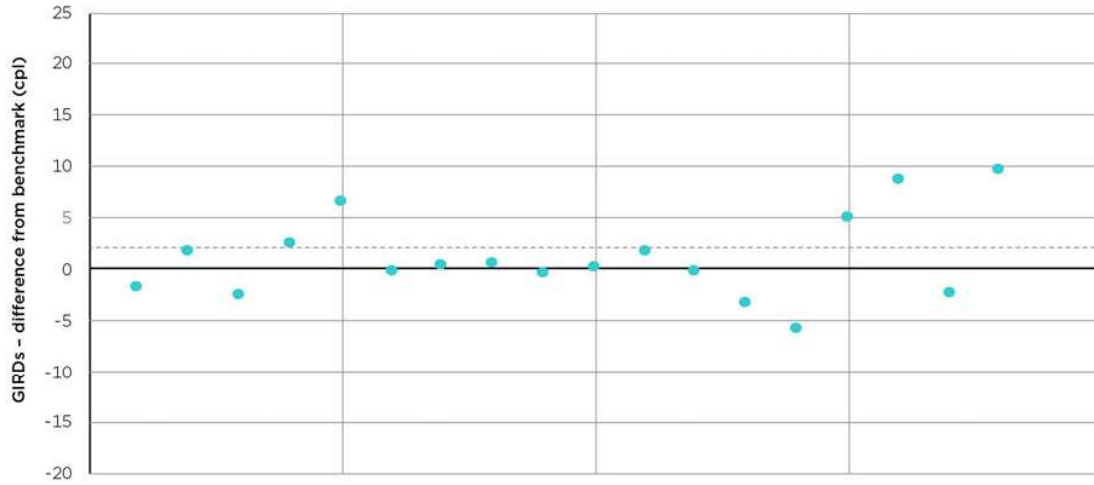


Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

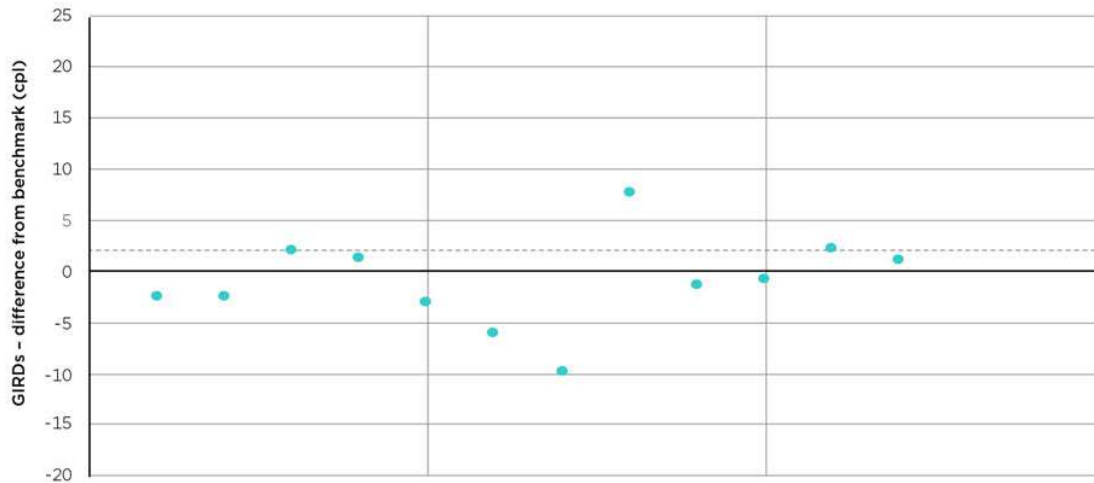
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Chart B.5 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in Western Australia



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

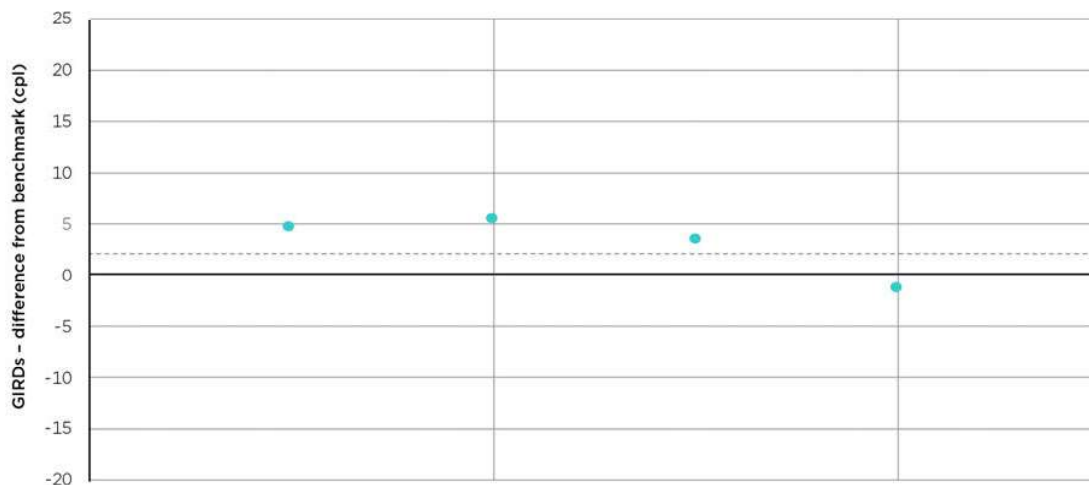
Chart B.6 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in Tasmania



Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil and Viva Energy.
 Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

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Chart B.7 Differential between cumulative May-July GIRDs and historical benchmark GIRDs for each location in the Northern Territory



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

Note: The dotted line represents the average monthly change in GIRDs across the 5 largest capital cities during the period 2017 to 2019 (2.1 cpl).

Table B1 shows, for the capital cities and all 189 monitored regional locations for which comparable data is available:⁷³

- historical benchmark GIRDs based on data for 2017 to 2019
- GIRDs for May, June and July 2022 and the differential between historical benchmark GIRDs
- cumulative average May-July GIRDs and the differential between historical benchmark GIRDs.

The ordering of locations in each of the tables is based on the size of the differential between cumulative average May-July GIRDs and historical benchmark GIRDs (that is, the last column).

Table B1: Diesel GIRDs for May, June, July and cumulative May-July GIRDs, historical benchmark GIRDs, and differentials - cpl

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Darwin	12.0	12.6	0.6	5.3	-6.7	31.7	19.7	16.5	4.5
Brisbane	15.5	15.8	0.3	7.5	-8.0	29.0	13.5	17.5	2.0
Adelaide	12.5	11.3	-1.2	7.9	-4.6	21.9	9.4	13.7	1.2
Melbourne	15.1	14.0	-1.1	6.5	-8.6	27.4	12.3	16.0	0.9
Sydney	15.4	14.3	-1.1	6.4	-9.0	25.6	10.2	15.4	0.0
Canberra	18.9	18.0	-0.9	9.8	-9.1	28.2	9.3	18.7	-0.2
Perth	16.3	12.4	-3.9	5.0	-11.3	25.6	9.3	14.3	-2.0
Hobart	20.3	19.5	-0.8	9.1	-11.2	24.6	4.3	17.7	-2.6
New South Wales									
Lismore	16.5	21.5	5.0	12.0	-4.5	37.8	21.3	23.8	7.3
Woolgoolga	16.8	24.8	8.0	13.0	-3.8	33.6	16.8	23.8	7.0
Cooma	20.2	23.6	3.4	18.8	-1.4	38.1	17.9	26.9	6.7
Cowra	15.9	19.5	3.6	10.0	-5.9	36.5	20.6	22.0	6.1

⁷³ Monitored regional locations that do not have at least 75% of daily average price observations in any of calendar years 2017, 2018 and 2019 have been omitted from the analysis. These are: Buronga, Normanton, and Orbost.

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Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Hay	14.5	15.5	1.0	10.9	-3.6	32.8	18.3	19.7	5.2
Yass	14.9	19.3	4.4	11.3	-3.6	29.6	14.7	20.0	5.1
Merimbula	16.7	18.9	2.2	12.1	-4.6	34.3	17.6	21.8	5.1
Casino	16.5	18.4	1.9	9.8	-6.7	35.4	18.9	21.2	4.7
Forbes	15.0	20.7	5.7	9.7	-5.3	28.4	13.4	19.6	4.6
Mudgee	21.2	27.2	6.0	13.0	-8.2	36.9	15.7	25.7	4.5
Dubbo	17.7	20.1	2.4	11.6	-6.1	34.4	16.7	22.0	4.3
Tweed Heads South	15.7	16.9	1.2	9.0	-6.7	33.4	17.7	19.8	4.1
Parkes	15.5	20.5	5.0	9.9	-5.6	27.9	12.4	19.4	3.9
Nowra	15.3	19.9	4.6	8.0	-7.3	29.2	13.9	19.0	3.7
Lithgow	12.6	14.2	1.6	6.5	-6.1	28.2	15.6	16.3	3.7
Wellington	15.0	15.4	0.4	8.2	-6.8	32.2	17.2	18.6	3.6
Temora	13.2	13.4	0.2	7.1	-6.1	28.9	15.7	16.4	3.2
Cootamundra	13.6	13.2	-0.4	7.7	-5.9	29.4	15.8	16.8	3.2
Nyngan	15.8	15.8	0.0	10.8	-5.0	29.8	14.0	18.8	3.0
Jerilderie	15.2	16.6	1.4	7.7	-7.5	30.2	15.0	18.2	3.0
Narrabri	17.8	18.5	0.7	13.1	-4.7	30.6	12.8	20.7	2.9
Moama	15.0	16.1	1.1	6.6	-8.4	30.9	15.9	17.9	2.9
Ulladulla	15.5	18.3	2.8	9.1	-6.4	27.5	12.0	18.3	2.8
Ballina	16.5	19.0	2.5	8.1	-8.4	30.5	14.0	19.2	2.7
Albury	14.8	16.7	1.9	7.5	-7.3	27.8	13.0	17.3	2.5
Orange	14.2	13.1	-1.1	5.2	-9.0	31.9	17.7	16.7	2.5
Gilgandra	18.5	19.1	0.6	11.3	-7.2	32.4	13.9	20.9	2.4
Grafton	17.2	17.3	0.1	10.2	-7.0	31.3	14.1	19.6	2.4
Leeton	15.2	14.3	-0.9	8.3	-6.9	30.0	14.8	17.6	2.4
Batemans Bay	19.8	21.7	1.9	11.0	-8.8	33.4	13.6	22.0	2.2
Coffs Harbour	18.6	23.0	4.4	11.6	-7.0	27.6	9.0	20.7	2.1
Armidale	20.9	23.0	2.1	13.1	-7.8	32.8	11.9	22.9	2.0
Gunnedah	14.0	12.1	-1.9	6.8	-7.2	28.6	14.6	15.8	1.8
Griffith	15.0	14.2	-0.8	7.3	-7.7	28.7	13.7	16.8	1.8
Taree	18.1	19.1	1.0	10.6	-7.5	29.5	11.4	19.8	1.7
Broken Hill	19.5	19.6	0.1	10.6	-8.9	32.7	13.2	21.0	1.5
Deniliquin	17.6	16.5	-1.1	9.9	-7.7	30.7	13.1	19.0	1.4
Goulburn	15.2	13.1	-2.1	7.0	-8.2	29.7	14.5	16.6	1.4
Bega	18.7	21.6	2.9	10.7	-8.0	27.6	8.9	20.0	1.3
Newcastle	13.9	11.8	-2.1	5.2	-8.7	27.1	13.2	14.7	0.8
Moree	14.6	14.1	-0.5	7.0	-7.6	24.8	10.2	15.3	0.7
Wagga Wagga	15.6	14.7	-0.9	7.6	-8.0	26.4	10.8	16.2	0.6
Wollongong	15.1	14.6	-0.5	4.9	-10.2	27.7	12.6	15.7	0.6
Tumut	17.4	14.9	-2.5	9.1	-8.3	29.4	12.0	17.8	0.4
Murwillumbah	18.9	18.1	-0.8	11.6	-7.3	27.5	8.6	19.1	0.2

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Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Inverell	15.4	14.4	-1.0	8.6	-6.8	23.7	8.3	15.6	0.2
Queanbeyan	15.2	15.3	0.1	8.1	-7.1	21.7	6.5	15.0	-0.2
Tamworth	18.5	17.3	-1.2	9.3	-9.2	28.0	9.5	18.2	-0.3
Singleton	16.5	13.6	-2.9	4.6	-11.9	29.9	13.4	16.0	-0.5
Central Coast	16.1	13.3	-2.8	4.7	-11.4	28.6	12.5	15.6	-0.5
West Wyalong	20.3	15.4	-4.9	8.8	-11.5	34.8	14.5	19.6	-0.7
Bathurst	14.6	13.5	-1.1	4.8	-9.8	22.3	7.7	13.6	-1.0
Coonabarabran	22.1	21.3	-0.8	11.8	-10.3	30.0	7.9	21.0	-1.1
Wauchope	18.9	16.7	-2.2	10.4	-8.5	25.7	6.8	17.6	-1.3
Gundagai	19.1	15.1	-4.0	8.0	-11.1	29.5	10.4	17.6	-1.5
Oberon	13.7	11.9	-1.8	2.1	-11.6	21.9	8.2	12.0	-1.7
Bulahdelah	18.9	16.3	-2.6	7.9	-11.0	26.7	7.8	16.9	-2.0
Moruya	17.9	16.3	-1.6	7.9	-10.0	23.5	5.6	15.9	-2.0
Glen Innes	16.6	14.3	-2.3	5.4	-11.2	23.4	6.8	14.4	-2.2
Muswellbrook	16.5	14.0	-2.5	3.4	-13.1	24.0	7.5	13.8	-2.7
Moss Vale	17.2	14.5	-2.7	8.2	-9.0	20.7	3.5	14.5	-2.7
Kempsey	15.9	13.2	-2.7	6.4	-9.5	19.3	3.4	13.0	-2.9
Mittagong	19.0	13.0	-6.0	7.2	-11.8	21.1	2.1	13.8	-5.2
Port Macquarie	24.5	20.4	-4.1	10.3	-14.2	26.7	2.2	19.1	-5.4
Forster	22.3	13.8	-8.5	6.5	-15.8	25.2	2.9	15.2	-7.1
Northern Territory									
Alice Springs	21.7	22.3	0.6	18.0	-3.7	41.1	19.4	27.1	5.4
Katherine	12.4	10.7	-1.7	5.2	-7.2	31.2	18.8	15.7	3.3
Tennant Creek	28.6	23.7	-4.9	16.2	-12.4	41.5	12.9	27.2	-1.4
Queensland									
Blackall	17.3	25.9	8.6	18.9	1.6	45.2	27.9	30.0	12.7
Longreach	20.0	24.2	4.2	18.2	-1.8	46.5	26.5	29.6	9.6
Cunnamulla	19.4	24.0	4.6	18.8	-0.6	42.5	23.1	28.4	9.0
Weipa	31.5	37.5	6.0	32.9	1.4	45.8	14.3	38.7	7.2
Mareeba	15.4	20.0	4.6	11.3	-4.1	33.0	17.6	21.4	6.0
Miles	9.5	14.0	4.5	6.1	-3.4	25.3	15.8	15.2	5.7
Childers	11.3	15.8	4.5	8.3	-3.0	26.2	14.9	16.8	5.5
Ipswich	12.7	15.1	2.4	8.2	-4.5	30.1	17.4	17.8	5.1
Tully	14.9	16.9	2.0	9.3	-5.6	32.5	17.6	19.6	4.7
Mt Isa	15.7	17.0	1.3	9.7	-6.0	32.8	17.1	19.8	4.1
Kingaroy	12.7	13.6	0.9	5.0	-7.7	31.6	18.9	16.7	4.0
Maryborough	11.2	13.1	1.9	5.5	-5.7	26.6	15.4	15.1	3.9
Cloncurry	24.1	23.3	-0.8	18.3	-5.8	41.9	17.8	27.8	3.7
Mackay	15.6	17.9	2.3	9.3	-6.3	30.1	14.5	19.1	3.5
Emerald	16.2	17.4	1.2	9.5	-6.7	30.7	14.5	19.2	3.0
Gold Coast	15.0	15.9	0.9	7.7	-7.3	29.1	14.1	17.5	2.5

Released under FOI

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Cairns	15.1	15.4	0.3	7.8	-7.3	29.3	14.2	17.5	2.4
Toowoomba	13.4	14.4	1.0	5.6	-7.8	27.1	13.7	15.7	2.3
Bowen	13.5	12.6	-0.9	6.1	-7.4	28.8	15.3	15.8	2.3
Gladstone	12.8	14.7	1.9	5.8	-7.0	23.7	10.9	14.7	1.9
Ingham	15.0	16.2	1.2	7.1	-7.9	27.5	12.5	16.9	1.9
Sunshine Coast	12.8	13.6	0.8	5.8	-7.0	24.6	11.8	14.7	1.9
Warwick	12.9	13.9	1.0	4.1	-8.8	25.8	12.9	14.6	1.7
Caboolture	15.3	16.2	0.9	6.7	-8.6	28.3	13.0	17.1	1.8
Townsville	13.3	14.2	0.9	5.1	-8.2	25.3	12.0	14.9	1.6
Dalby	14.8	16.5	1.7	6.3	-8.5	25.7	10.9	16.2	1.4
Whitsunday	11.4	11.7	0.3	1.1	-10.3	25.2	13.8	12.7	1.3
Goondiwindi	13.4	13.9	0.5	4.9	-8.5	25.0	11.6	14.6	1.2
Gympie	10.2	12.1	1.9	4.4	-5.8	17.2	7.0	11.2	1.0
Roma	12.3	11.5	-0.8	2.2	-10.1	25.2	12.9	13.0	0.7
Charters Towers	15.4	14.0	-1.4	6.3	-9.1	27.7	12.3	16.0	0.6
Atherton	16.6	14.6	-2.0	6.2	-10.4	30.7	14.1	17.2	0.6
Bundaberg	12.3	11.7	-0.6	3.1	-9.2	23.2	10.9	12.6	0.3
Ayr	12.9	10.6	-2.3	4.0	-8.9	23.9	11.0	12.9	0.0
Yeppoon	15.0	16.2	1.2	5.4	-9.6	23.3	8.3	15.0	0.0
Rockhampton	15.2	15.5	0.3	4.3	-10.9	25.5	10.3	15.1	-0.1
Moranbah	16.9	16.4	-0.5	6.7	-10.2	27.2	10.3	16.8	-0.1
Charleville	17.8	12.5	-5.3	4.0	-13.8	36.2	18.4	17.6	-0.2
Hervey Bay	14.8	12.7	-2.1	4.5	-10.3	25.7	10.9	14.3	-0.5
Blackwater	16.9	12.8	-4.1	5.0	-11.9	28.1	11.2	15.3	-1.6
Biloela	18.2	12.6	-5.6	6.1	-12.1	30.3	12.1	16.3	-1.9
Innisfail	18.4	12.6	-5.8	1.2	-17.2	25.7	7.3	13.2	-5.2
South Australia									
Bordertown	12.0	16.0	4.0	8.3	-3.7	23.8	11.8	16.0	4.0
Whyalla	14.6	15.4	0.8	9.2	-5.4	26.5	11.9	17.0	2.4
Port Lincoln	15.2	17.0	1.8	10.4	-4.8	24.4	9.2	17.3	2.1
Renmark	14.0	14.2	0.2	7.4	-6.6	25.6	11.6	15.7	1.7
Ceduna	17.4	19.2	1.8	11.1	-6.3	26.5	9.1	19.0	1.6
Coober Pedy	29.5	27.1	-2.4	23.1	-6.4	42.0	12.5	30.7	1.2
Naracoorte	14.2	16.9	2.7	8.9	-5.3	20.1	5.9	15.3	1.1
Kadina	12.1	12.9	0.8	7.0	-5.1	19.7	7.6	13.2	1.1
Tailem Bend	13.6	13.8	0.2	6.4	-7.2	22.9	9.3	14.4	0.8
Port Augusta	15.2	16.0	0.8	7.2	-8.0	23.9	8.7	15.7	0.5
Port Pirie	11.7	12.4	0.7	5.7	-6.0	18.3	6.6	12.1	0.4
Victor Harbour	15.6	15.5	-0.1	8.4	-7.2	23.7	8.1	15.9	0.3
Clare	12.3	13.2	0.9	5.4	-6.9	18.6	6.3	12.4	0.1
Gawler	13.5	10.9	-2.6	5.6	-7.9	22.2	8.7	12.9	-0.6

Released under FOI

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Loxton	13.1	12.5	-0.6	7.3	-5.8	17.0	3.9	12.3	-0.8
Mt Gambier	11.9	11.0	-0.9	3.1	-8.8	15.0	3.1	9.7	-2.2
Keith	13.1	10.7	-2.4	3.0	-10.1	17.0	3.9	10.2	-2.9
Murray Bridge	12.9	7.1	-5.8	1.6	-11.3	18.6	5.7	9.1	-3.8
Tasmania									
Queenstown	17.6	24.6	7.0	15.7	-1.9	35.1	17.5	25.1	7.5
Ulverstone	17.0	19.2	2.2	10.8	-6.2	27.4	10.4	19.1	2.1
Campbell Town	19.4	21.2	1.8	14.6	-4.8	28.5	9.1	21.4	2.0
Devonport	17.5	18.0	0.5	10.0	-7.5	28.3	10.8	18.8	1.3
Wynyard	15.5	17.3	1.8	3.4	-12.1	28.5	13.0	16.4	0.9
Sorell	18.8	17.9	-0.9	7.2	-11.6	28.5	9.7	17.9	-0.9
Smithton	14.4	11.1	-3.3	5.7	-8.7	22.4	8.0	13.0	-1.4
Burnie	16.0	13.3	-2.7	6.0	-10.0	20.9	4.9	13.4	-2.6
Huonville	19.0	18.5	-0.5	7.6	-11.4	21.7	2.7	16.0	-3.0
Launceston	21.1	18.0	-3.1	7.2	-13.9	19.7	-1.4	15.0	-6.1
New Norfolk	21.0	12.4	-8.6	2.9	-18.1	18.1	-2.9	11.2	-9.8
Victoria									
Wangaratta	13.1	23.4	10.3	12.3	-0.8	29.6	16.5	21.8	8.7
Bendigo	11.0	14.9	3.9	6.6	-4.4	31.3	20.3	17.6	6.6
Euroa	14.7	19.5	4.8	9.0	-5.7	33.8	19.1	20.8	6.1
Ararat	14.7	20.0	5.3	11.0	-3.7	30.4	15.7	20.5	5.8
Seymour	12.1	16.8	4.7	6.0	-6.1	30.5	18.4	17.8	5.7
Mansfield	18.1	19.7	1.6	14.2	-3.9	36.1	18.0	23.3	5.2
Ballarat	13.5	14.7	1.2	7.4	-6.1	29.8	16.3	17.3	3.8
Traralgon	14.6	18.7	4.1	6.4	-8.2	28.9	14.3	18.0	3.4
Wallan	13.4	16.1	2.7	5.8	-7.6	28.5	15.1	16.8	3.4
Morwell	10.8	15.5	4.7	4.5	-6.3	22.5	11.7	14.2	3.4
Colac	15.6	15.9	0.3	10.3	-5.3	30.3	14.7	18.8	3.2
Yarrawonga	17.7	20.5	2.8	8.4	-9.3	33.6	15.9	20.8	3.1
Bairnsdale	11.2	13.2	2.0	5.6	-5.6	23.6	12.4	14.1	2.9
Swan Hill	14.5	13.9	-0.6	7.7	-6.8	30.0	15.5	17.2	2.7
Koo Wee Rup	13.1	15.3	2.2	4.3	-8.8	26.5	13.4	15.3	2.2
Shepparton	13.3	14.6	1.3	7.9	-5.4	24.2	10.9	15.6	2.3
Benalla	14.2	12.8	-1.4	8.2	-6.0	28.5	14.3	16.5	2.3
Corryong	21.6	21.8	0.2	16.9	-4.7	32.6	11.0	23.8	2.2
Echuca	14.9	14.2	-0.7	6.2	-8.7	29.8	14.9	16.7	1.8
Cobram	13.3	13.8	0.5	6.0	-7.3	25.3	12.0	15.0	1.7
Leongatha	15.2	14.6	-0.6	8.5	-6.7	27.2	12.0	16.7	1.5
Kyabram	14.8	15.3	0.5	4.7	-10.1	28.7	13.9	16.2	1.4
Moe	14.1	15.3	1.2	5.5	-8.6	25.3	11.2	15.4	1.3
Horsham	17.4	18.2	0.8	11.2	-6.2	26.7	9.3	18.7	1.3

Released under FOI

Location	Benchmark GIRD	May 2022		June 2022		July 2022		Cumulative May-July 2022	
		GIRD	Diff.	GIRD	Diff.	GIRD	Diff.	GIRD	Diff.
Sale	15.7	15.6	-0.1	8.1	-7.6	25.9	10.2	16.5	0.8
Mildura	15.8	15.4	-0.4	10.2	-5.6	24.2	8.4	16.6	0.8
Wonthaggi	15.6	14.9	-0.7	7.7	-7.9	26.4	10.8	16.4	0.8
Lakes Entrance	15.2	16.0	0.8	3.2	-12.0	26.7	11.5	15.3	0.1
Wodonga	14.3	13.5	-0.8	2.3	-12.0	24.6	10.3	13.5	-0.8
Geelong	15.9	14.9	-1.0	5.6	-10.3	22.5	6.6	14.3	-1.6
Portland	11.8	8.2	-3.6	2.7	-9.1	14.4	2.6	8.4	-3.4
Hamilton	13.1	7.8	-5.3	4.0	-9.1	14.8	1.7	8.9	-4.2
Warrnambool	11.7	4.7	-7.0	-4.0	-15.7	18.4	6.7	6.4	-5.3
Western Australia									
Waroona	10.9	20.8	9.9	12.1	1.2	28.4	17.5	20.5	9.6
Mount Barker	13.2	16.7	3.5	12.9	-0.3	35.5	22.3	21.7	8.5
Broome	32.5	33.1	0.6	28.1	-4.4	55.6	23.1	38.9	6.4
Manjimup	13.5	19.0	5.5	9.4	-4.1	26.4	12.9	18.3	4.8
Bridgetown	16.1	17.9	1.8	9.4	-6.7	27.7	11.6	18.3	2.2
Albany	15.0	13.1	-1.9	7.7	-7.3	29.0	14.0	16.6	1.6
Esperance	16.6	16.1	-0.5	9.6	-7.0	28.7	12.1	18.1	1.5
Carnarvon	24.8	23.9	-0.9	14.3	-10.5	37.5	12.7	25.2	0.4
Busselton	15.6	13.1	-2.5	6.8	-8.8	27.5	11.9	15.8	0.2
Dongara	15.2	13.7	-1.5	7.9	-7.3	23.7	8.5	15.1	-0.1
Bunbury	16.7	14.5	-2.2	7.9	-8.8	26.8	10.1	16.4	-0.3
Geraldton	16.9	14.7	-2.2	8.0	-8.9	26.9	10.0	16.5	-0.4
Collie	19.3	12.6	-6.7	8.2	-11.1	35.5	16.2	18.8	-0.5
Port Hedland	22.5	17.9	-4.6	9.8	-12.7	32.0	9.5	19.9	-2.6
Boulder	20.2	14.9	-5.3	8.7	-11.5	29.2	9.0	17.6	-2.6
Kalgoorlie	20.0	13.9	-6.1	7.6	-12.4	28.0	8.0	16.5	-3.5
Karratha	25.6	18.6	-7.0	11.0	-14.6	29.2	3.6	19.6	-6.0

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Appendix C: Petrol price data for monitored locations

The ACCC monitors fuel prices in all capital cities and over 190 regional locations across Australia. Table C1 shows quarterly average retail petrol prices in the March quarter 2022 and the June quarter 2022, and the change between the 2 quarters, in these locations.⁷⁴ It also shows the differential between average prices in each location and average prices across the 5 largest cities, and the location's capital city in the June quarter 2022, and in 2021-22.⁷⁵

Table C1: Quarterly average petrol prices in the March quarter 2022 and the June quarter 2022, and differentials in the June quarter 2022 and 2021-22 - cpl

Location	Mar-22	Jun-22	Change Mar-22 to Jun-22	Differential Jun 22		Differential 2021-22	
				5 largest cities	Capital city	5 largest cities	Capital city
Sydney	182.7	189.8	7.1				
Melbourne	181.6	189.3	7.7				
Brisbane	184.6	190.8	6.2				
Adelaide	178.8	184.0	5.2				
Perth	181.7	186.2	4.5				
5 largest cities	181.9	188.0	6.1				
Hobart	195.2	197.0	1.8	9.0		9.3	
Canberra	184.3	194.0	9.7	6.0		3.7	
Darwin	186.1	194.8	8.7	6.8		3.2	
New South Wales							
Albury	181.0	192.4	11.4	4.4	2.6	0.4	-2.0
Armidale	180.3	193.7	13.4	5.7	3.9	0.0	-2.4
Ballina	189.5	197.5	8.0	9.5	7.7	7.3	4.9
Batemans Bay	186.7	196.9	10.2	8.9	7.1	5.8	3.4
Bathurst	177.6	183.5	5.9	-4.5	-6.3	-3.2	-5.6
Bega	183.9	196.5	12.6	8.5	6.7	4.2	1.8
Broken Hill	187.9	190.7	2.8	2.7	0.9	6.2	3.8
Bulahdelah	175.7	186.6	10.9	-1.4	-1.6	-3.2	-4.1
Casino	180.2	192.8	12.6	4.8	3.0	-0.4	-2.8
Central Coast	183.0	191.1	8.1	3.1	1.3	2.5	0.1
Coffs Harbour	185.8	192.4	6.6	4.4	2.6	3.8	1.4
Cooma	184.7	199.0	14.3	11.0	9.2	5.2	2.8
Coonabarabran	179.0	183.3	4.3	-4.7	-4.9	-0.9	-1.8
Cootamundra	180.2	193.0	12.8	5.0	3.2	0.6	-1.8
Cowra	184.8	196.7	11.9	8.7	8.5	5.9	5.0
Deniliquin	182.9	200.4	17.5	12.4	10.6	3.5	1.1

⁷⁴ The source for all prices in this appendix is ACCC calculations based on data from FUELtrac. For prices to be included in the table there had to be price observations on at least 75% of days in the quarter/year. Nine locations - Blackall, Buronga, Charleville, Coober Pedy, Cunnamulla, Gundagai, Normanton, Oberon, and Weipa - did not have sufficient data for the March quarter 2022 or June quarter 2022. E10 prices instead of RULP prices are reported in Bulahdelah, Coonabarabran, Cowra, Gilgandra, Singleton, Wellington, West Wyalong, and Yass.

⁷⁵ Average RULP prices in 2021-22 across the 5 largest cities were 171.2 cpl. Average prices in each capital city were Sydney - 173.6 cpl, Melbourne - 172.0 cpl, Brisbane - 174.0 cpl, Adelaide - 166.4 cpl, Perth - 170.1 cpl, Darwin - 174.4 cpl, Hobart - 180.5 cpl, and Canberra - 174.9 cpl. For those locations in New South Wales in the table for which E10 prices are reported, the differential with prices in Sydney uses E10 prices. In the March quarter 2022 average E10 prices in Sydney were 181.2 cpl, in the June quarter 2022 they were 188.2 cpl, and in 2021-22 they were 172.1 cpl.

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Location	Mar-22	Jun-22	Change Mar-22 to Jun-22	Differential Jun 22		Differential 2021-22	
				5 largest cities	Capital city	5 largest cities	Capital city
Dubbo	181.7	188.9	7.2	0.9	-0.9	1.5	-0.9
Forbes	184.7	195.4	10.7	7.4	5.6	5.6	3.2
Forster	171.6	184.5	12.9	-3.5	-5.3	-3.7	-6.1
Gilgandra	182.1	188.7	6.6	0.7	0.5	0.8	-0.1
Glen Innes	185.3	193.5	8.2	5.5	3.7	2.6	0.2
Goulburn	180.1	186.8	6.7	-1.2	-3.0	-2.1	-4.5
Grafton	185.3	193.9	8.6	5.9	4.1	4.5	2.1
Griffith	180.4	191.4	11.0	3.4	1.6	-1.9	-4.3
Gunnedah	180.4	184.7	4.3	-3.3	-5.1	-1.8	-4.2
Hay	183.5	197.4	13.9	9.4	7.6	2.5	0.1
Inverell	182.4	193.3	10.9	5.3	3.5	1.3	-1.1
Jerilderie	182.9	195.4	12.5	7.4	5.6	3.0	0.6
Kempsey	182.1	187.3	5.2	-0.7	-2.5	0.0	-2.4
Leeton	180.2	190.8	10.6	2.8	1.0	-0.3	-2.7
Lismore	180.5	198.1	17.6	10.1	8.3	1.0	-1.4
Lithgow	180.1	188.2	8.1	0.2	-1.6	0.1	-2.3
Merimbula	183.6	191.5	7.9	3.5	1.7	2.4	0.0
Mittagong	178.9	186.8	7.9	-1.2	-3.0	-2.8	-5.2
Moama	178.8	190.6	11.8	2.6	0.8	-1.4	-3.8
Moree	181.2	194.0	12.8	6.0	4.2	1.2	-1.2
Moruya	179.5	192.1	12.6	4.1	2.3	-2.1	-4.5
Moss Vale	181.5	186.0	4.5	-2.0	-3.8	-2.0	-4.4
Mudgee	181.0	193.3	12.3	5.3	3.5	2.7	0.3
Murwillumbah	n/a	200.0	n/a	12.0	10.2	10.8	8.4
Muswellbrook	180.6	191.9	11.3	3.9	2.1	-1.3	-3.7
Narrabri	185.8	197.7	11.9	9.7	7.9	6.5	4.1
Newcastle	180.9	190.1	9.2	2.1	0.3	0.5	-1.9
Nowra	181.6	189.0	7.4	1.0	-0.8	-0.1	-2.5
Nyngan	180.0	191.3	11.3	3.3	1.5	-0.4	-2.8
Orange	178.2	184.9	6.7	-3.1	-4.9	-2.5	-4.9
Parkes	184.8	195.0	10.2	7.0	5.2	5.9	3.5
Port Macquarie	179.2	188.3	9.1	0.3	-1.5	-2.8	-5.2
Queanbeyan	181.4	189.7	8.3	1.7	-0.1	0.8	-1.6
Singleton	185.2	192.2	7.0	4.2	4.0	2.5	1.6
Tamworth	182.0	191.7	9.7	3.7	1.9	1.1	-1.3
Taree	182.8	189.2	6.4	1.2	-0.6	1.4	-1.0
Temora	181.4	193.8	12.4	5.8	4.0	0.4	-2.0
Tumut	179.8	192.6	12.8	4.6	2.8	0.8	-1.6
Tweed Heads South	188.0	194.1	6.1	6.1	4.3	9.9	7.5
Ulladulla	183.3	193.2	9.9	5.2	3.4	1.7	-0.7
Wagga Wagga	180.5	190.6	10.1	2.6	0.8	0.9	-1.5
Wauchope	181.4	193.2	11.8	5.2	3.4	1.9	-0.5
Wellington	178.0	186.6	8.6	-1.4	-1.6	-2.5	-3.4
West Wyalong	180.5	192.8	12.3	4.8	4.6	2.3	1.4
Wollongong	191.5	198.7	7.2	10.7	8.9	8.1	5.7

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Location	Mar-22	Jun-22	Change Mar-22 to Jun-22	Differential Jun 22		Differential 2021-22	
				5 largest cities	Capital city	5 largest cities	Capital city
Woolgoolga	191.4	198.3	6.9	10.3	8.5	10.9	8.5
Yass	185.1	193.5	8.4	5.5	5.3	2.1	1.2
Northern Territory							
Alice Springs	192.1	205.0	12.9	17.0	10.2	11.0	7.8
Katherine	186.8	191.3	4.5	3.3	-3.5	6.7	3.5
Tennant Creek	196.2	208.0	11.8	20.0	13.2	19.0	15.8
Queensland							
Atherton	182.4	193.1	10.7	5.1	2.3	1.3	-1.5
Ayr	177.0	184.9	7.9	-3.1	-5.9	-4.1	-6.9
Biloela	178.1	191.4	13.3	3.4	0.6	-2.2	-5.0
Blackwater	177.3	181.3	4.0	-6.7	-9.5	-2.9	-5.7
Bowen	178.4	190.3	11.9	2.3	-0.5	-1.2	-4.0
Bundaberg	174.3	185.1	10.8	-2.9	-5.7	-5.4	-8.2
Caboolture	186.7	190.9	4.2	2.9	0.1	4.2	1.4
Cairns	182.5	190.3	7.8	2.3	-0.5	0.2	-2.6
Charters Towers	182.4	195.4	13.0	7.4	4.6	3.2	0.4
Childers	181.5	192.7	11.2	4.7	1.9	0.7	-2.1
Cloncurry	202.9	221.8	18.9	33.8	31.0	20.5	17.7
Dalby	180.0	190.4	10.4	2.4	-0.4	-0.5	-3.3
Emerald	185.8	196.1	10.3	8.1	5.3	5.3	2.5
Gladstone	180.0	189.7	9.7	1.7	-1.1	-1.2	-4.0
Gold Coast	186.3	191.7	5.4	3.7	0.9	4.4	1.6
Goondiwindi	181.6	191.7	10.1	3.7	0.9	1.1	-1.7
Gympie	177.1	185.8	8.7	-2.2	-5.0	-4.1	-6.9
Hervey Bay	179.4	186.3	6.9	-1.7	-4.5	-3.3	-6.1
Ingham	179.5	186.9	7.4	-1.1	-3.9	-2.9	-5.7
Innisfail	183.6	186.1	2.5	-1.9	-4.7	-0.4	-3.2
Ipswich	188.0	193.0	5.0	5.0	2.2	6.7	3.9
Kingaroy	177.6	186.1	8.5	-1.9	-4.7	-4.1	-6.9
Longreach	190.5	207.2	16.7	19.2	16.4	11.7	8.9
Mackay	181.3	191.9	10.6	3.9	1.1	0.4	-2.4
Mareeba	185.8	193.6	7.8	5.6	2.8	3.3	0.5
Maryborough	176.9	186.0	9.1	-2.0	-4.8	-4.7	-7.5
Miles	177.0	184.9	7.9	-3.1	-5.9	-4.0	-6.8
Moranbah	180.2	199.2	19.0	11.2	8.4	1.6	-1.2
Mt Isa	n/a	212.0	n/a	24.0	21.2	11.8	9.0
Rockhampton	181.0	190.2	9.2	2.2	-0.6	-0.4	-3.2
Roma	176.6	188.8	12.2	0.8	-2.0	-4.5	-7.3
Sunshine Coast	179.1	187.6	8.5	-0.4	-3.2	-2.0	-4.8
Toowoomba	182.8	191.5	8.7	3.5	0.7	2.4	-0.4
Townsville	180.1	186.1	6.0	-1.9	-4.7	-2.5	-5.3
Tully	184.3	192.9	8.6	4.9	2.1	2.6	-0.2
Warwick	177.4	184.7	7.3	-3.3	-6.1	-4.5	-7.3
Whitsunday	176.5	183.1	6.6	-4.9	-7.7	-5.5	-8.3
Yeppoon	180.6	189.9	9.3	1.9	-0.9	-0.9	-3.7

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Location	Mar-22	Jun-22	Change Mar-22 to Jun-22	Differential Jun 22		Differential 2021-22	
				5 largest cities	Capital city	5 largest cities	Capital city
South Australia							
Bordertown	180.4	190.7	10.3	2.7	6.7	-0.8	4.0
Ceduna	182.9	194.7	11.8	6.7	10.7	2.6	7.4
Clare	178.7	192.6	13.9	4.6	8.6	-1.6	3.2
Gawler	182.1	186.8	4.7	-1.2	2.8	-2.5	2.3
Kadina	179.6	191.4	11.8	3.4	7.4	-1.4	3.4
Keith	178.8	189.8	11.0	1.8	5.8	-0.6	4.2
Loxton	180.6	190.5	9.9	2.5	6.5	-1.5	3.3
Mt Gambier	175.9	186.5	10.6	-1.5	2.5	-5.5	-0.7
Murray Bridge	171.9	183.7	11.8	-4.3	-0.3	-8.9	-4.1
Naracoorte	182.1	193.8	11.7	5.8	9.8	1.6	6.4
Port Augusta	181.9	192.9	11.0	4.9	8.9	0.8	5.6
Port Lincoln	178.2	194.3	16.1	6.3	10.3	-0.9	3.9
Port Pirie	178.5	190.8	12.3	2.8	6.8	-2.4	2.4
Renmark	181.5	192.4	10.9	4.4	8.4	0.1	4.9
Tailem Bend	179.2	190.1	10.9	2.1	6.1	-2.1	2.7
Victor Harbour	180.5	192.0	11.5	4.0	8.0	0.7	5.5
Whyalla	182.7	192.0	9.3	4.0	8.0	1.2	6.0
Tasmania							
Burnie	187.8	196.2	8.4	8.2	-0.8	5.3	-4.0
Campbell Town	189.9	203.4	13.5	15.4	6.4	9.4	0.1
Devonport	190.5	200.1	9.6	12.1	3.1	8.5	-0.8
Huonville	192.6	195.6	3.0	7.6	-1.4	8.4	-0.9
Launceston	192.4	197.7	5.3	9.7	0.7	8.2	-1.1
New Norfolk	188.7	192.9	4.2	4.9	-4.1	6.1	-3.2
Queenstown	196.4	209.6	13.2	21.6	12.6	15.1	5.8
Smithton	186.2	198.4	12.2	10.4	1.4	5.1	-4.2
Sorell	195.4	194.9	-0.5	6.9	-2.1	7.6	-1.7
Ulverstone	190.2	201.6	11.4	13.6	4.6	9.2	-0.1
Wynyard	191.2	197.8	6.6	9.8	0.8	8.2	-1.1
Victoria							
Ararat	181.5	189.4	7.9	1.4	0.1	-0.5	-1.3
Bairnsdale	179.4	185.7	6.3	-2.3	-3.6	-3.3	-4.1
Ballarat	176.9	189.2	12.3	1.2	-0.1	-4.1	-4.9
Benalla	176.8	189.9	13.1	1.9	0.6	-3.2	-4.0
Bendigo	179.9	188.5	8.6	0.5	-0.8	-2.6	-3.4
Cobram	182.4	194.3	11.9	6.3	5.0	2.5	1.7
Colac	178.1	183.3	5.2	-4.7	-6.0	-4.0	-4.8
Corryong	187.2	196.7	9.5	8.7	7.4	6.8	6.0
Echuca	178.7	190.0	11.3	2.0	0.7	-1.8	-2.6
Euroa	181.1	192.8	11.7	4.8	3.5	0.9	0.1
Geelong	173.2	182.9	9.7	-5.1	-6.4	-7.8	-8.6
Hamilton	176.0	181.8	5.8	-6.2	-7.5	-5.5	-6.3
Horsham	180.4	192.1	11.7	4.1	2.8	-0.7	-1.5
Koo Wee Rup	185.3	192.0	6.7	4.0	2.7	5.0	4.2

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Location	Mar-22	Jun-22	Change Mar-22 to Jun-22	Differential Jun 22		Differential 2021-22	
				5 largest cities	Capital city	5 largest cities	Capital city
Kyabram	177.9	187.9	10.0	-0.1	-1.4	-2.7	-3.5
Lakes Entrance	180.1	185.4	5.3	-2.6	-3.9	-3.3	-4.1
Leongatha	182.3	190.8	8.5	2.8	1.5	0.5	-0.3
Mansfield	182.8	195.9	13.1	7.9	6.6	3.5	2.7
Mildura	178.3	188.1	9.8	0.1	-1.2	-3.5	-4.3
Moe	179.3	186.4	7.1	-1.6	-2.9	-3.1	-3.9
Morwell	179.1	186.9	7.8	-1.1	-2.4	-3.4	-4.2
Orbost	185.9	193.5	7.6	5.5	4.2	4.1	3.3
Portland	173.5	186.2	12.7	-1.8	-3.1	-6.3	-7.1
Sale	179.3	190.0	10.7	2.0	0.7	-2.0	-2.8
Seymour	184.3	192.3	8.0	4.3	3.0	5.4	4.6
Shepparton	180.2	187.1	6.9	-0.9	-2.2	-1.5	-2.3
Swan Hill	178.0	189.9	11.9	1.9	0.6	-2.3	-3.1
Traralgon	180.3	189.3	9.0	1.3	0.0	-2.1	-2.9
Wallan	182.8	192.0	9.2	4.0	2.7	3.3	2.5
Wangaratta	178.7	192.2	13.5	4.2	2.9	-1.9	-2.7
Warrnambool	175.5	183.7	8.2	-4.3	-5.6	-6.4	-7.2
Wodonga	178.2	186.7	8.5	-1.3	-2.6	-2.5	-3.3
Wonthaggi	182.2	192.5	10.3	4.5	3.2	1.6	0.8
Yarrawonga	182.5	192.8	10.3	4.8	3.5	2.3	1.5
Western Australia							
Albany	179.8	190.1	10.3	2.1	3.9	-1.4	-0.3
Boulder	182.5	190.3	7.8	2.3	4.1	0.8	1.9
Bridgetown	181.9	195.0	13.1	7.0	8.8	0.7	1.8
Broome	202.3	222.0	19.7	34.0	35.8	22.4	23.5
Bunbury	180.0	187.8	7.8	-0.2	1.6	-1.7	-0.6
Busselton	177.9	187.4	9.5	-0.6	1.2	-3.4	-2.3
Carnarvon	194.3	202.5	8.2	14.5	16.3	11.1	12.2
Collie	180.7	190.3	9.6	2.3	4.1	-0.2	0.9
Dongara	179.9	193.2	13.3	5.2	7.0	2.3	3.4
Esperance	189.6	203.4	13.8	15.4	17.2	9.9	11.0
Geraldton	184.1	191.1	7.0	3.1	4.9	1.8	2.9
Kalgoorlie	181.1	189.2	8.1	1.2	3.0	-0.5	0.6
Karratha	198.8	203.1	4.3	15.1	16.9	16.9	18.0
Manjimup	182.8	196.8	14.0	8.8	10.6	2.1	3.2
Mount Barker	182.3	196.0	13.7	8.0	9.8	1.3	2.4
Port Hedland	196.2	206.7	10.5	18.7	20.5	14.5	15.6
Waroona	181.6	200.5	18.9	12.5	14.3	2.1	3.2

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Appendix D: Petrol prices and GIRDs in regional market study locations

The ACCC undertook 4 regional petrol market studies between 2015 and 2017. These studies examined petrol markets in Darwin, Launceston, Armidale, and Cairns. The ACCC has continued to monitor and report on petrol prices and GIRDs in these locations.

Table D1 shows average retail petrol prices and GIRDs for each location, and a comparison with those in the 5 largest cities, in the June quarter 2022 and in 2021-22, as well as the change from the March quarter 2022 and 2020-21 respectively.

Table D1: Quarterly and annual average retail petrol prices and GIRDs in Darwin, Launceston, Armidale, Cairns and the 5 largest cities – June quarter 2022 and 2021-22 – cpl

	Darwin	Launceston	Armidale	Cairns	5 largest cities
June quarter 2022					
Retail prices					
Average price: June quarter 2022	194.8	197.7	192.6	190.3	188.0
Change from March quarter 2022	8.7	5.3	13.5	7.8	6.1
Difference from 5 largest cities:					
June quarter 2022	6.8	9.7	4.6	2.3	-
Change from March quarter 2022	2.6	-0.8	7.4	1.7	-
GIRDs					
Average GIRDs: June quarter 2022	13.9	13.5	17.0	9.9	10.1
Change from March quarter 2022	0.3	-5.4	5.3	-2.0	-3.3
Difference from 5 largest cities:					
June quarter 2022	3.8	3.4	6.9	-0.2	-
Change from March quarter 2022	3.6	-2.1	8.6	1.3	-
2021-22					
Retail prices					
Average price: 2021-22	174.4	179.4	169.9	171.4	171.2
Change from 2020-21	49.3	47.0	45.4	44.3	41.5
Difference from 5 largest cities: 2021-22	3.2	8.2	-1.3	0.2	-
Change from 2020-21	7.8	5.5	3.9	2.8	-
GIRDs					
Average GIRDs: 2021-22	12.1	15.9	12.9	10.7	13.0
Change from 2020-21	4.8	1.4	1.9	-0.6	-3.7
Difference from 5 largest cities: 2021-22	-0.9	2.9	-0.1	-2.3	-
Change from 2020-21	8.5	5.1	5.6	3.1	-

Source: ACCC calculations based on data from FUELtrac, Ampol, bp, Mobil, Viva Energy and WA FuelWatch. Mobil provided the ACCC with revised TGPs for Darwin and Cairns following the identification of a publishing error in posted TGPs in those locations between 30 March and 17 June 2022.

Notes: All prices are for RULP except Armidale (which is E10).
Hobart TGPs are used as a proxy for TGPs in Launceston.
Sydney and Brisbane E10 TGPs are used as a proxy for Armidale TGPs.

In the June quarter 2022:

- average retail prices in all the market study locations were higher than prices in the 5 largest cities
- average GIRDs in Darwin, Launceston and Armidale were higher than those in the 5 largest cities
- average GIRDs in Cairns were lower than those in the 5 largest cities.

In the 2021-22 financial year:

- annual average prices in Darwin, Launceston and Cairns were higher than average prices in the 5 largest cities, while average prices in Armidale were lower

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- annual average GIRDs in Darwin, Armidale and Cairns were lower than average GIRDs in the 5 largest cities, while average GIRDs in Launceston were higher.

Motorists in these locations can use the fuel price transparency schemes in each jurisdiction to identify the highest and lowest priced retail sites. Motorists in:

- Darwin can use the MyFuel NT website and app
- Launceston can use the FuelCheck TAS website and app
- Armidale can use the FuelCheck NSW website and app
- Cairns can access site-specific petrol price data made available by commercial websites and app providers under the Queensland fuel price reporting scheme.

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MEDIA RELEASE



5 September 2022

International oil prices drove petrol prices higher despite excise cut savings

The six-month cut in fuel excise substantially reduced retail petrol prices in the June quarter 2022, the ACCC's latest quarterly petrol monitoring report shows, but this could not prevent real (inflation adjusted) retail petrol prices reaching new 14-year highs due to international factors.

Record international prices for crude oil and refined petrol were due to increased demand, production cuts by Russia and the OPEC cartel, and war in Ukraine.

The report shows that June quarter average retail petrol prices in the five largest capital cities were 188.0 cents per litre (cpl), up by 6.1 cpl from the March quarter. This was the sixth consecutive quarter in which prices increased. In real terms, prices in the June quarter were the highest since the September quarter in 2008 (when average prices in 2021-22 dollars were 206.9 cpl).

Retail prices then fell by about 35 cpl in July as international crude oil and refined petrol prices declined due to an increase in supply from oil stockpiles, lockdowns in parts of China and a worsening global economic outlook.

"Motorists experienced real savings because of the fuel excise cut at a time of record and rising wholesale prices. The excise cut prevented even higher prices due to international factors, largely driven by the war in Ukraine," ACCC Chair Gina Cass-Gottlieb said.

"Since late June, average retail petrol prices have come down a lot, in line with decreases in international crude oil and refined petrol prices."

Six-month fuel excise cut passed on to motorists

In March 2022, the then Australian Government introduced a six-month fuel excise cut to apply from 30 March to 28 September 2022. It reduced the overall tax paid by 24.3 cpl, being a 22.1 cpl fuel excise cut plus associated GST.

ACCC monitoring of petrol prices in over 190 locations across the country has found that the excise cut was passed on in most locations within the first six weeks, and much earlier in the major cities.

"Concurrent increases in wholesale prices and normal price fluctuations and variations between city and regional locations may have led some consumers to question whether petrol prices reduced enough over the past five months or so. Our analysis shows that the excise reduction was passed on within the appropriate period of time by almost all petrol retailers," Ms Cass-Gottlieb said.

ACCC analysis of retailers' margins through examination of gross indicative retail differences (GIRDs, the difference between average retail prices and average wholesale prices) also shows that the savings to consumers from the excise cut were largely maintained over time. ACCC analysis showed that in about two thirds of locations the cumulative May to July GIRDs were below historical benchmark levels.

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“We will continue to assess the retail margins in nearly 200 locations to determine how they have changed during the period of the lower excise, and how they adjust after the full excise is reintroduced,” Ms Cass-Gottlieb said.

End to petrol excise reduction

From 29 September 2022, the full fuel excise will be reinstated, translating to an extra 25.3 cpl in taxes. This is made up of an increase in fuel excise of 23.0 cpl, which includes an increase of 0.9 cpl following automatic fuel excise indexation in August, and the associated GST. Wholesalers are expected to pass on this increase to retailers in full from this date.

Following the excise reintroduction, the ACCC will be monitoring wholesale and retail prices closely and will not hesitate to take action if retailers make misleading statements on price movements or if there is evidence of anti-competitive behaviour (such as price collusion).

“We will shortly be engaging with fuel wholesalers and retailers to say that we do not expect to see uncharacteristic or abnormal wholesale and retail price increases in the days leading up to, and on the day of, or after, the reintroduction of the full rate of fuel excise,” Ms Cass-Gottlieb said.

“Motorists are reminded that prices will continue to fluctuate with changes in international prices and the exchange rate, as well as petrol price cycles in the five major capital cities. Our monitoring and analysis will assess and report on all factors influencing retail prices. The ACCC will continue its weekly reporting to consumers about what is happening to fuel prices and when to find the cheapest fuel.”

“Shopping around and using fuel price apps can help consumers find the cheapest petrol in their area. Our previous research has shown that buying at independent retailers and avoiding the top of the petrol price cycle in the five largest capital cities can save motorists a lot of money.”

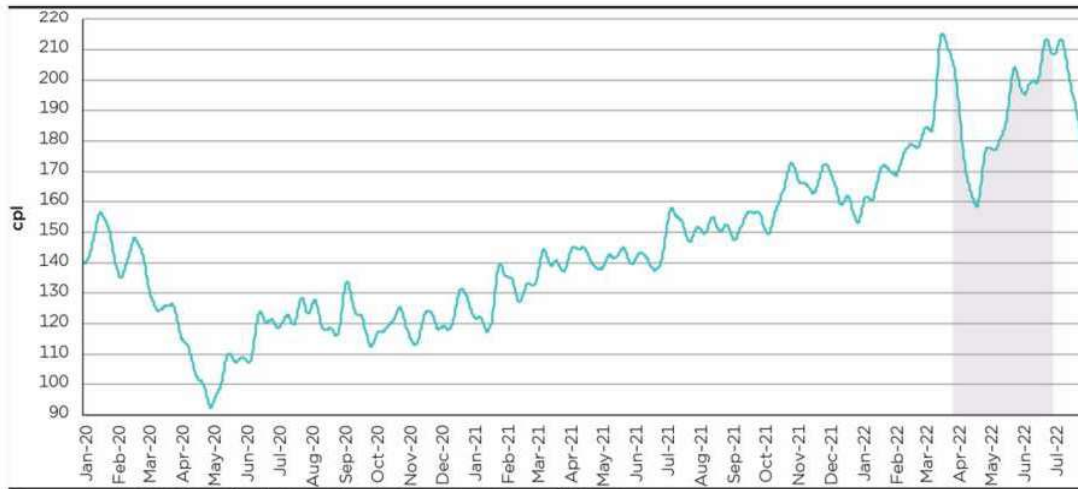
The ACCC will closely monitor daily average fuel prices to assess the increases in wholesale and retail prices. It can compel refiners, importers, terminal operators, wholesalers and retailers to provide information relating to fuel prices when necessary. It will also monitor the margins of fuel retailers.

“Petrol stations must not make false and misleading statements to consumers about the reasons for any price increases. We will not hesitate to name retailers should this happen and the ACCC can take appropriate enforcement action,” Ms Cass-Gottlieb said.

Updated information about the monitoring of petrol prices in the lead up to the reintroduction of the full excise, and afterwards, is available on the [ACCC website](#). Information about petrol price cycles is also available on the [ACCC website](#).

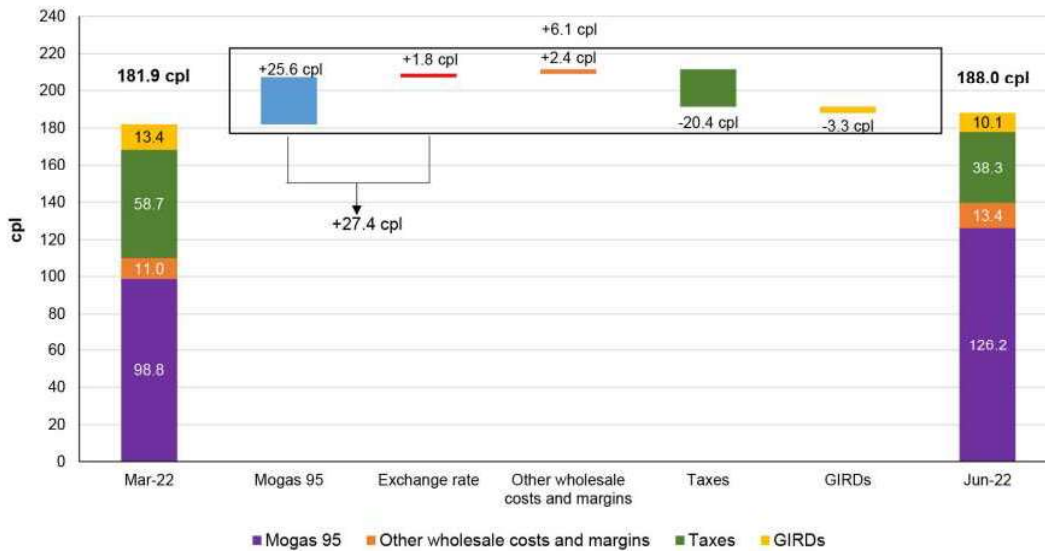
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Seven-day rolling average retail petrol prices in the 5 largest cities in nominal terms: 1 January 2020 to 31 July 2022



Source: ACCC calculations based on data from FUEL trac
 Notes: The shaded area in the chart represents the June quarter 2022
 A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days

Changes in the components of average retail petrol prices in the 5 largest cities: March quarter 2022 to June quarter 2022



Source: ACCC calculations based on data from FUELtrac, Argus Media, Ampol, bp, Mobil, Viva Energy, WA FuelWatch, RBA and ATO.

Diesel prices

Quarterly average retail diesel prices in the five largest cities were 207.3 cpl in the June quarter, an increase of 21.9 cpl from the March quarter.

Diesel prices were 19.3 cpl higher than average petrol prices in the quarter, due to the international benchmark prices for refined diesel being higher than those for refined petrol. These higher prices were influenced by higher demand due to the post-COVID-19 economic recovery and fewer supplies from Russia influenced by the conflict in Ukraine. Unlike petrol, diesel has broader use in industrial activity and electricity generation.

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Note to editors

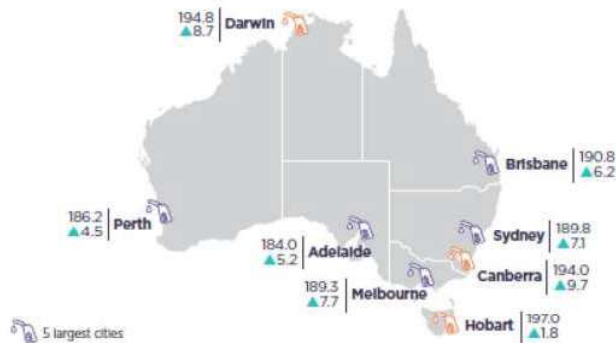
The ACCC uses a seven-day rolling average basis to analyse movements in daily retail petrol prices. A seven-day rolling average price is the average of the current day's price and prices on the six previous days.

Background

On 16 December 2019, the Treasurer issued a new direction to the ACCC to [monitor the prices, costs and profits](#) relating to the supply of petroleum products in the petroleum industry in Australia and produce a report every quarter. This is the 11th quarterly petrol monitoring report under the new direction.

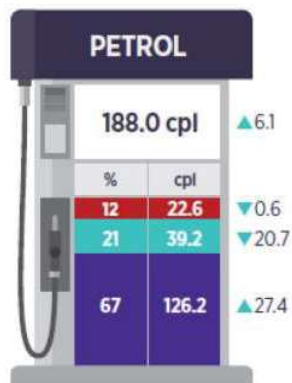
Petrol snapshot – June quarter 2022

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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

GROSS INDICATIVE RETAIL DIFFERENCES

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



DIFFERENCE BETWEEN CITY AND REGIONAL PRICES

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



Prices are shown in cents per litre (cpl). ▲ ▼ cpl change from previous quarter.
 *Petrol means regular unleaded petrol (RULP) in all capital cities.
 The tax component in the chart reflects the reduction in excise from 30 March 2022. The change in taxation in the June quarter (20.7 cpl) is different from the cut in excise (24.3 cpl) for 2 reasons: there were different rates of excise in the March quarter 2022 (meaning that the change in excise in the June quarter was less than the cut in excise at the end of the March quarter); and GST was higher in the June quarter due to the increase in retail prices.

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Australian Competition and Consumer Commission

Executive minute

Minute No 22/2022
To: Treasurer
Date: 17/08/2022
Subject: Reintroduction of the full rate of the fuel excise
Timing: Routine

Recommendation:

That you note:

- the ACCC's approach to monitoring the reintroduction of the full rate of fuel excise;
- the current pricing arrangements for fuel and current retail costs and margins; and
- the ACCC considers that amendments to the *Competition and Consumer (Price Monitoring – Petroleum Fuels) Direction 2019* are not required to conduct its monitoring.

Noted: _____

Date: _____

Issue

- On 30 March 2022, the excise and excise equivalent customs duty rates for petrol and diesel were halved for 6 months from 44.2 cents per litre (cpl) to 22.1 cpl. After factoring in a reduction in GST the impact on petrol and diesel prices was a reduction of 24.3 cpl.
- The halving of fuel excise rate is scheduled to end at 11.59pm on 28 September 2022.
- The rate of excise is adjusted by the change in the CPI in February and August each year. The ATO has announced that from 1 August 2022, the current excise rate on petrol and diesel will increase from 22.1 cpl to 23.0 cpl. Accordingly, excise will be 46.0 cpl at the end of September. Including GST, a total of 25.3 cpl will be added to petrol and diesel retail prices. This is a 1.0 cpl increase from the amount of decrease in March.
- In response to the reintroduction of the full rate of the fuel excise (reinstatement of full excise), the ACCC will continue to effectively monitor and respond to developments in

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Australia's fuel markets. Throughout this period, the ACCC will enhance how it conducts its monitoring and communicate its monitoring to the public and key stakeholders.

- You have requested advice from the ACCC regarding current pricing arrangements for fuel and current retail costs and margins. This information is also provided in this minute.

The Direction

- Pursuant to the *Competition and Consumer (Price Monitoring – Petroleum Fuels) Direction 2019* (the Direction) the ACCC monitor prices, costs and profits relating to the supply of goods and services in the retail, wholesale, manufacturing and storage markets for fuel and petroleum.
- The Direction requires the ACCC to release a report at least once every quarter.
- The ACCC does not consider amendments to the Direction are required to effectively monitor the reintroduction of the fuel excise or continue to provide its quarterly reports into the Australian petroleum market.

ACCC Monitoring

Monitoring the cut in fuel excise

- Following the cut in excise, the ACCC:
 - wrote to major retailers and wholesalers the day after the cut setting out expectations that the cut in excise would flow into wholesale and retail prices as soon as possible,
 - published 2 media releases. On 29 March, the date of the excise cut, our media release set out the ACCC's role and expectations. The ACCC's 6 April release noted our findings a week after the cut,
 - engaged with fuel industry representatives at the May 2022 Fuel Consultative Committee meeting,
 - obtained more frequent (daily) petrol and diesel retail price data for all capital cities and over 190 regional locations from our data provider FUELtrac,
 - published findings from our monitoring in the March quarter 2022 report,
 - from early April 2022, updated the ACCC's [monitoring fuel prices following the excise cut](#) webpage on a weekly basis, and
 - responded to an increase in public and private consumer enquiries and comments on social media relating to petrol and diesel prices.

Monitoring the reinstatement of full excise

- The ACCC has extended its contract with FUELtrac to continue to obtain more frequent, daily petrol and diesel retail price data until the end of December 2022.
- The below timeline outlines the ACCC's approach to monitoring the reinstatement of full excise.
- In early September:
 - The ACCC will update its fuel monitoring webpages to provide information about the upcoming reinstatement of full excise and clearly set out the ACCC's role in monitoring fuel markets.
 - The ACCC will provide the June 2022 quarterly report on the petroleum market to the Treasurer. Section 95ZE of the *Competition and Consumer Act 2010* requires the ACCC to make the report available for public inspection as soon as practicable after providing the Minister the report.

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- On the day the June 2022 quarterly report on the petroleum market is publicly released, the ACCC will issue a Media Release which discusses the key points from the report and sets out the ACCC's approach to monitoring. The ACCC will also call a media conference with ACCC Chair Gina Cass-Gottlieb to discuss the report and the ACCC's approach to monitoring.
- Throughout September:
 - Between the media conference and the reinstatement of full excise, the ACCC will direct most media inquiries regarding fuel to records of the media conference, ACCC webpages and the media release.
 - The ACCC will proactively communicate with consumers on social media, with a focus on communicating to consumers about the best times to buy in their location based on petrol price cycle information.
- Mid September:
 - The ACCC will write to fuel companies in mid September noting we are monitoring prices, seeking information, and outlining our expectations in relation to both passing on increases and not misleading Australian consumers about the rationale for any price rises following the increase in excise.
- Following the reinstatement of full excise:
 - The ACCC will analyse the retail price data obtained from FUELtrac on a daily basis.
 - ACCC's fuel webpages will be updated weekly or fortnightly as necessary, supported by promotion on ACCC social media.
 - The ACCC will update Treasury, the Treasurer's office, and any other Ministerial offices, as necessary.

Petrol Prices in Australia

Determinants of petrol prices

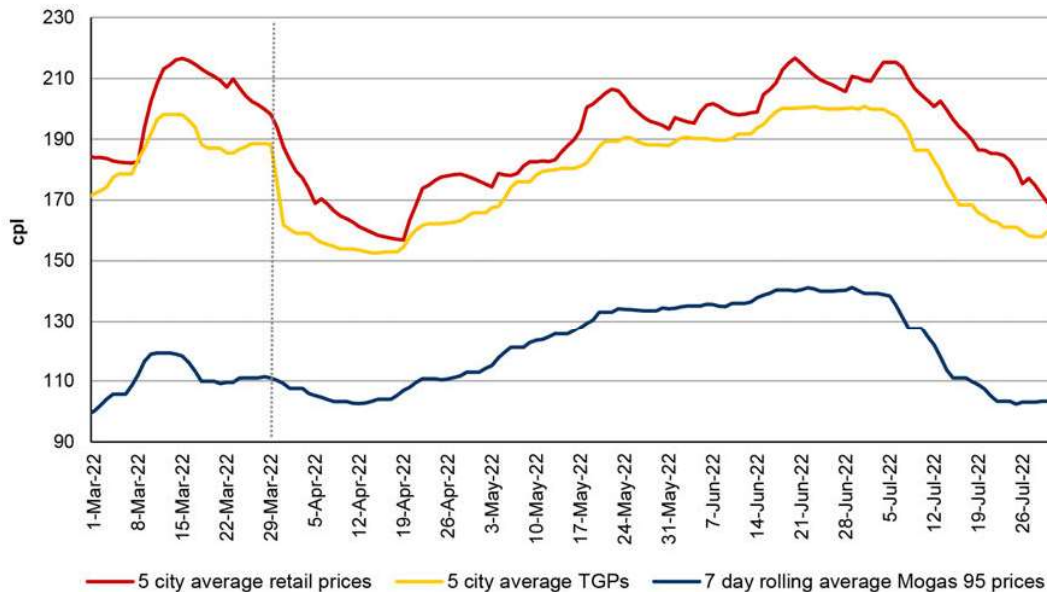
- Market forces determine wholesale and retail petrol prices in Australia.
- Movements in retail petrol prices in Australia are largely driven by movements in international refined petrol prices (which in turn are influenced by crude oil prices). The degree of local competition is also a significant factor.
- Another influence on retail prices in the 5 largest cities – Sydney, Melbourne, Brisbane, Adelaide and Perth – are the regular petrol price cycles.
 - Price cycles are the result of pricing decisions made by petrol retailers aiming to maximise profits. They only occur at the retail level.
 - Price cycles do not occur in Canberra, Hobart and Darwin.
- Australia imports the majority of the crude oil and refined product used to meet local petrol demand, with domestic fuel prices determined on an import parity price basis. The international benchmark price for regular unleaded petrol in Australia is the price of Singapore Mogas 95.
 - Changes in retail petrol prices in Australia are primarily determined by changes in Mogas 95 prices.
 - The AUD–USD exchange rate can also influence Australia's retail petrol prices, because Mogas 95 is bought and sold in US dollars in global markets.
- There are 3 broad components of the retail price of petrol:

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- Mogas 95 (which accounted for 55% of the annual average price of RULP in 2021-22 in the 5 largest cities)
- taxes, comprising excise and the GST (31%)
- other costs and margins at the wholesale and retail levels (14%)
 - Mogas 95 and taxes (86% of average petrol prices) are largely outside the control of the local petrol retailers.
- Mogas 95 price movements are reflected in wholesale prices, and these significantly influence retail prices. The influence at the retail level can take time to flow through. This is largely because it is generally only when fuel is replenished at a retail site that the lower wholesale price is reflected in retail prices.
 - The lag in the larger cities is generally between 1-2 weeks and a few weeks more in many regional locations.
- Published terminal gate prices (TGPs) are indicative wholesale petrol prices. They are available each day on company websites.
- The flow-through of the reinstatement of excise depends upon the speed with which fuel is restocked. Increased petrol purchases by consumers in the leadup to the reinstatement may mean a quicker flow-through of restocked fuel at the higher excise amount compared to when the excise was reduced.

Current level of petrol prices

- The following chart shows daily average retail petrol prices and daily average TGPs in the 5 largest cities, and 7-day rolling average Mogas 95 prices from 1 March to 31 July 2022.



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

Notes: The dotted line is 29 March 2022, the day before the excise cut. A 7-day rolling average price is the average of the current day's price and prices on the 6 previous days. TGP formulas of the wholesalers incorporate a rolling average Mogas price to smooth out daily fluctuations.

- The chart shows that Mogas 95 prices and TGPs started to decrease from the end of June 2022. Average retail prices in the 5 largest cities started decreasing shortly after.

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Retail prices were also influenced by the decreasing phase of retail price cycles occurring around the same time.

- Between 30 June and 31 July 2022:
 - Daily average TGPs decreased by around 41 cpl.
 - Daily average retail petrol prices in the 5 largest cities decreased by around 43 cpl.
- Over the same period:
 - Daily average retail petrol prices decreased by around 31 cpl in Hobart, around 25 cpl in Canberra, and around 10 cpl in Darwin (the smaller capital cities that do not have price cycles)
 - Daily average retail petrol prices decreased by around 22 cpl on average across all regional locations monitored by the ACCC.
- The smaller decrease in prices in Darwin compared with other capitals may reflect longer lags in Darwin and the fact that retail prices in June 2022 in Darwin were relatively lower than in some other capitals.
- The ACCC monitors average gross indicative retail differences (GIRDs) in the 5 largest cities over time.
 - GIRDs are the difference between average wholesale petrol prices (TGPs) and average retail petrol prices.
 - They include both retail operating costs and retail profits and are a broad indicator of gross retail margins.
- GIRDs can be volatile on a short-term basis. When TGPs increase by large amounts in a short period, lags between changes in TGPs and changes in retail prices often have the effect of reducing GIRDs in the short term. Conversely, when TGPs decrease by large amounts in a short period, these lags often have the effect of increasing GIRDs.
- Our monitoring since the excise cut indicates that this regular trend in GIRDs is continuing, with lower GIRDs in May and June when TGPs were increasing, and an increase in GIRDs in July.

Role of the ACCC

- The ACCC does not set prices in petrol markets and does not have the powers to do so.
- In the absence of anti-competitive conduct that is in breach of the *Competition and Consumer Act 2010* (CCA) - such as price fixing with competitors or concerted practices in relation to price information that reduces competition - high petrol prices are not illegal.
- The ACCC monitors retail prices of petrol, diesel and automotive LPG in all Australian capital cities and in more than 190 regional locations. The ACCC's petrol monitoring role is to assist consumers navigate this complex industry.
- The ACCC monitors the prices, costs and profits relating to the supply of petroleum products in the petroleum industry in Australia under a Direction from the former Treasurer, issued under section 95ZE of the CCA in December 2019.
- 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.
- We encourage consumers to use the ACCC's price cycles website and advice in conjunction with fuel tracking websites and apps to buy fuel at the best time and at the most competitive price. These include state government sites:

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- Western Australia [FuelWatch](#)
- Northern Territory [MyFuel NT](#)
- New South Wales [FuelCheck NSW](#)
- Tasmania [FuelCheck TAS](#)
- State specific sites that draw on comprehensive government information, including:
 - South Australia [RAA](#)
 - Queensland [RACQ Fuel Finder](#)
- Commercial apps in other states, including:
 - [FuelMap](#)
 - [PetrolSpy](#)
 - [MotorMouth](#)



Gina Cass-Gottlieb
Chair