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From: [REDACTED]
Sent: Monday, 5 September 2022 9:59 AM
To: [REDACTED]@treasury.gov.au
Cc: !EO_Parliamentary&GovernmentLiaison&Advocacy; Ayres, Lisa Anne; acccbriefstreasurydistribution@treasury.gov.au; [REDACTED]
Subject: RE: ACCC June 2022 petrol monitoring report [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3066942]
Attachments: ACCC - Media release - Petrol monitoring report September 2022.pdf

OFFICIAL

Good morning,

Please find attached the ACCC's finalised media release regarding the June quarter report on the Australian petroleum market.

The ACCC will publish the media release shortly.

Kind regards,

[REDACTED]

[REDACTED]

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Sent: Friday, 2 September 2022 3:12 PM
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Subject: ACCC June 2022 petrol monitoring report [SEC=OFFICIAL]

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

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

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MEDIA RELEASE



5 September 2022

International oil prices drove petrol prices higher despite excise cut

Despite the six-month cut in fuel excise reducing retail petrol prices in the June quarter 2022, the ACCC's latest quarterly petrol monitoring report shows 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 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."

Reinstatement of full petrol excise

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 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."

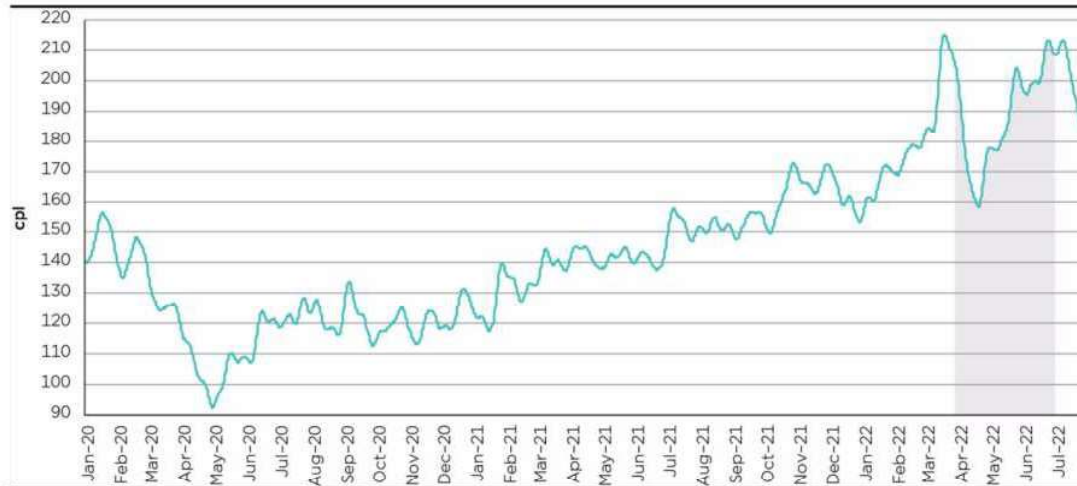
The ACCC will closely monitor daily average fuel prices to assess the increases in wholesale and retail prices. It can compel refiners, importers, terminal operators, wholesalers and retailers to provide information relating to fuel prices when necessary. It will also monitor the margins of fuel retailers.

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“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](#).

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

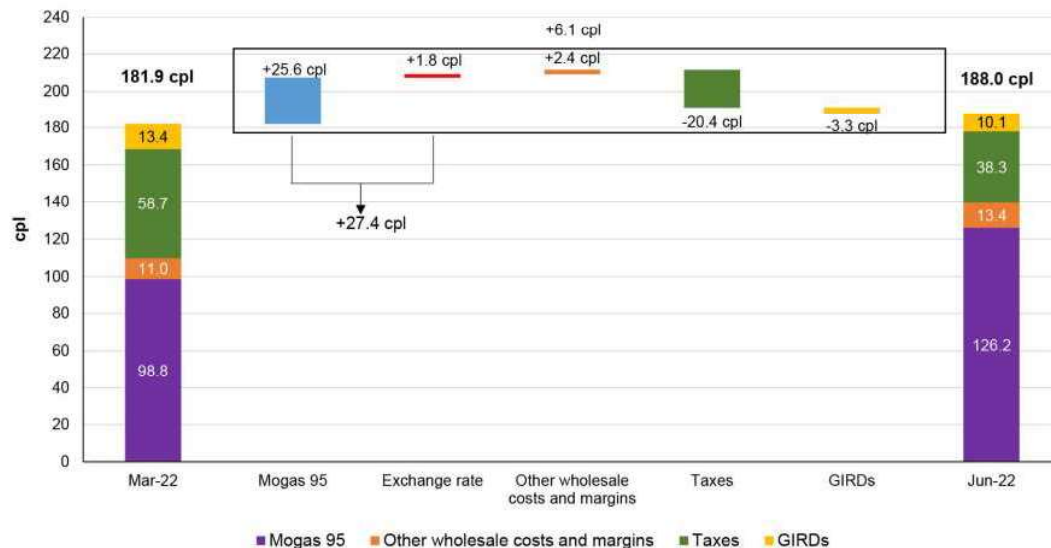


Source: ACCC calculations based on data from FUEL trac

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.

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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.

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. The ACCC monitors retail prices in all capital cities and over 190 regional locations across Australia. This is the 11th quarterly petrol monitoring report under the new direction.

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.

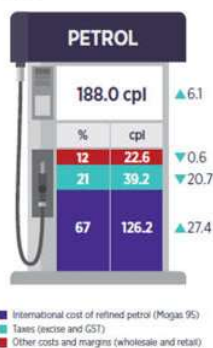
Petrol snapshot - June quarter 2022

AVERAGE RETAIL PETROL PRICES



COMPONENTS OF RETAIL PETROL PRICES

Breakdown of average petrol prices in the 5 largest cities.



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 components in this chart reflect 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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