



Making cents of fuel

Understanding Australia's fuel market

September 2024

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About the NRMA

The NRMA is a member-owned motoring, travel and tourism organisation representing the interests of over 3 million members in Australia. For over 100 years we have been advocating for motorists in NSW and the ACT, addressing such issues as road safety, fuel pricing, future mobility and road infrastructure. Our advocacy work has realised many significant achievements that have positively impacted communities across Australia. From helping you stay safe on our roads to assisting Australians transition to cleaner forms of mobility we remain singularly focused on building a better and more sustainable Australia.

Comments and queries

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Introduction

The price of fuel and the cost of running a car are at the top of the list of issues that affect motorists.

A motor vehicle is usually the second most expensive item Australians purchase after the family home. According to the 'Australian Automobile Association Transport Affordability Index June Quarter 2024', vehicle costs account for 17.4% of total household income in all Australian capital cities. Costs for Sydney motorists are lower at 16.2%. The cost of petrol averages \$5,364 per annum for Sydney motorists.

Petrol price fluctuations and discrepancies in major urban centres and regional towns can cause NRMA members frustration and confusion. When should I purchase fuel? Why is there a price difference between brands and locations? Why do regional town centres pay more? These are just some of the questions motorists and NRMA members grapple with every time they fill up.

The NRMA believes it is important that motorists understand how, and where Australian fuel is sourced, and how fuel prices are determined. This knowledge will enable a more informed and productive discussion about what is likely to happen to our fuel sources in the future.

Fuel costs are predominantly determined by two factors – the price of crude oil, and fuel taxes (fuel excise and GST). On average, these factors contribute about 83% of the total cost for regular unleaded and diesel, and approximately 78% for premium unleaded fuels.

The remaining costs include, refining, wharfage, shipping, insurance, and wholesale and retail costs and margins. Importantly the price of crude oil on world markets is quoted in \$USD, meaning it is subject to foreign exchange rate volatility.

This paper examines current price behaviour in the fuel market, including pricing cycles, growing price differentials for regular and premium fuels, and costs associated with facilitating petrol availability at the fuel pump.

Over the last 50 years we have witnessed substantial changes in the fuel industry, and we expect to see more change in the coming decade as a result of accelerating technological advancement.

Australia has become more dependent on imports for automotive fuel. Rising from 28.5% in 2010-2011 to 83.6% in 2023-2024. In 2023-2024, 93% of diesel fuels relied on imports.

Fuel security will become more critical as our dependence on foreign supply grows.

With no remaining mainstream domestic car production, and the rise of alternative energy sources to fuel motor vehicles (for example electric vehicles), our fuel market, its supply chain and how we power vehicles is changing.

Where does my fuel come from?

Many motorists may be unaware of the multiple steps involved in readying crude oil for use in vehicles. Crude oil is either shipped ready for consumption or refined in Australia prior to distribution. This section outlines where our fuel is from, Australia's capacity to produce fuel, and the implications this has on supply and price.

Crude oil markets

According to the latest 'Energy Institute: Statistical Review of World Energy 2024', current global oil production is in the order of 96.4 million barrels per day. **Table 1** divides these global figures into regions and major country output.

Table 1 Global oil production million barrels per day 2023¹

Region	
North America	27.1
South and Central America	7.4
Europe and Eurasia	17.1
Middle East	30.4
Africa	7.2
Asia Pacific	7.3
Total	96.4
Major oil producing countries	
United States	19.4
Saudi Arabia	11.4
Russia	11.1
Canada	5.7
Iran	4.7
Iraq	4.4
China	4.2
United Arab Emirates	3.9
Brazil	3.5
Kuwait	2.9

¹ Source: Energy Institute Review of World Energy 73rd Edition 2024 p. 21

Crude oil, commonly known as petroleum, is a liquid found within the earth, comprised of hydrocarbons, organic compounds and small amounts of metal. While hydrocarbons are usually the primary component of crude oil, their composition can vary from 50% to 97% depending on the type of crude oil and how it is extracted.

Organic compounds like nitrogen, oxygen and sulfur typically make-up between six and 10% of crude oil, while metals such as copper, nickel, vanadium and iron account for less than 1% of total composition.

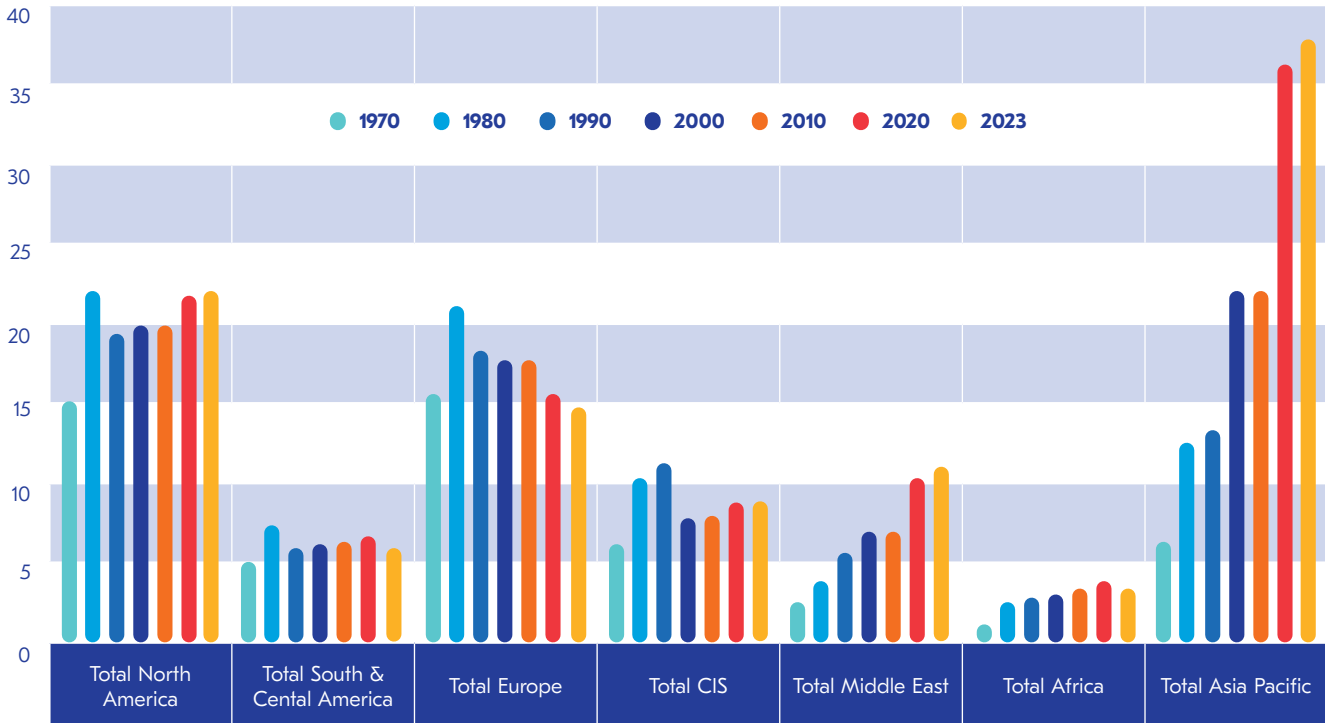
Crude oil needs to be refined from its raw form to produce a range of finished petroleum products. While refining begins as simple distillation (heating and separating), refiners use more sophisticated and additional processes and equipment to produce the mix of products.

Petroleum refining

The global petroleum refining industry is very competitive. Both international and national oil companies are continually assessing supply and demand in regional markets with a goal to capture greater market share through investment in new capacities or introduction of operational efficiencies. Investment decisions made in other countries can have substantial impacts on the relative competitiveness of the Australian fuel industry. Government policy may also impact investment decisions and the operational viability of global oil operators.

Australia’s refineries face direct competition from Asian refineries. This is due to growth in refining capacity that has occurred in Asia.

Chart 1: World refining capacity - million barrels per day²



² Source: Energy Institute Statistical Review of World Energy 73rd Edition 2024

Australian refineries

Over the past two decades, Australia's refining industry has been through a period of substantial restructure. From 2003 to 2023, there has been a 72% reduction in the operating capacity of Australian refineries. This can be attributed to the investment in new refineries in the Asia Pacific region, which have higher economies of scale and lower production costs in comparison with Australia. Today there are only two remaining Australian refineries.

Australia's refineries were generally constructed during the 1950s and 1960s, and have been continuously upgraded to ensure they meet tighter and improved fuel quality standards. These works occurred most notably in 2005–2006 and from 2021–2024.

Our remaining two refineries are relatively small by world standards, with the largest having a capacity of 7,500 mega litres per annum (ml pa), compared with the four largest Asian refineries which produce between 30,000 ml pa and 70,000 ml pa.

The Australian oil refining industry produces a range of petroleum products comprising petrol (45%), diesel (35%), jet fuel (13%), fuel oil (2%), LPG (3%) and other products (2%). Australia's refineries and their capacities are listed in Table 2.

Table 2: Australian refineries 2024³

Refinery	Capacity (ml pa)
Lytton (Ampol – Brisbane)	6,500
Geelong (Viva Energy – Geelong)	7,500
Total	14,000

Currently there are 30 major port and terminal sites for fuel and two refineries in Australia. Closure of Kurnell (previously Caltex, now Ampol), Bulwer Island (BP), Altona (Mobil) and Kwinana (BP) sites which were refineries, have been converted into major import terminals.

³ Source AIP: At A Glance.. Australian Oil Refineries.

Impact of reduced refinery capacity on the Australian fuel market

Australia imported 9,818.6 megalitres (ml) of crude oil in 2023–24, down 69.1% on 2010–11 levels. This decline is a direct result of refinery closures over this period. This means that there is less domestic production and, Australia is now importing more refined petroleum product to meet local market demand.

For the 2023–2024 financial year Australia imported 81.4% of its crude oil from Malaysia, the United States, Vietnam and Brunei Darussalam.

Table 3: Import of Crude Oil into Australia % split 2023-24⁴

Country	%
Malaysia	40.5
United States	16.9
Vietnam	12.8
Brunei Darussalam	11.2
United Arab Emirates	5.0
Libya	3.0
New Zealand	2.8
Azerbaijan	2.2
Nigeria	2.0
Algeria	1.5
Other	2.2

Australia also imported 41,048.3 ml of automotive gasoline and diesel fuel in 2023-24 with diesel representing 75% of total imports. Importation of automotive gasoline has risen 3.9 times and diesel has risen 3.5 times from 2010-11 levels. In addition, 97% of automotive gasoline and 92% of diesel in the Australian market is imported from Asia.

⁴ Source: Australian Petroleum Statistics June 2024

Table 4: Import of automotive gasoline and diesel into Australia % split 2023-24⁵

Country	Automotive gasoline	Diesel	Total
Korea	25.3	34.2	31.9
Singapore	51.2	13.1	22.6
Malaysia	11.8	13.5	13.1
Taiwan	0.0	11.0	8.2
Brunei Darussalam	0.0	8.9	6.7
India	7.0	6.3	6.5
Japan	1.1	6.9	5.4
China	0.2	4.0	3.1
United Arab Emirates	0.0	0.9	0.7
Other	3.5	1.2	1.8

Chart 2: Australian petrol and diesel domestic production vs importation⁶

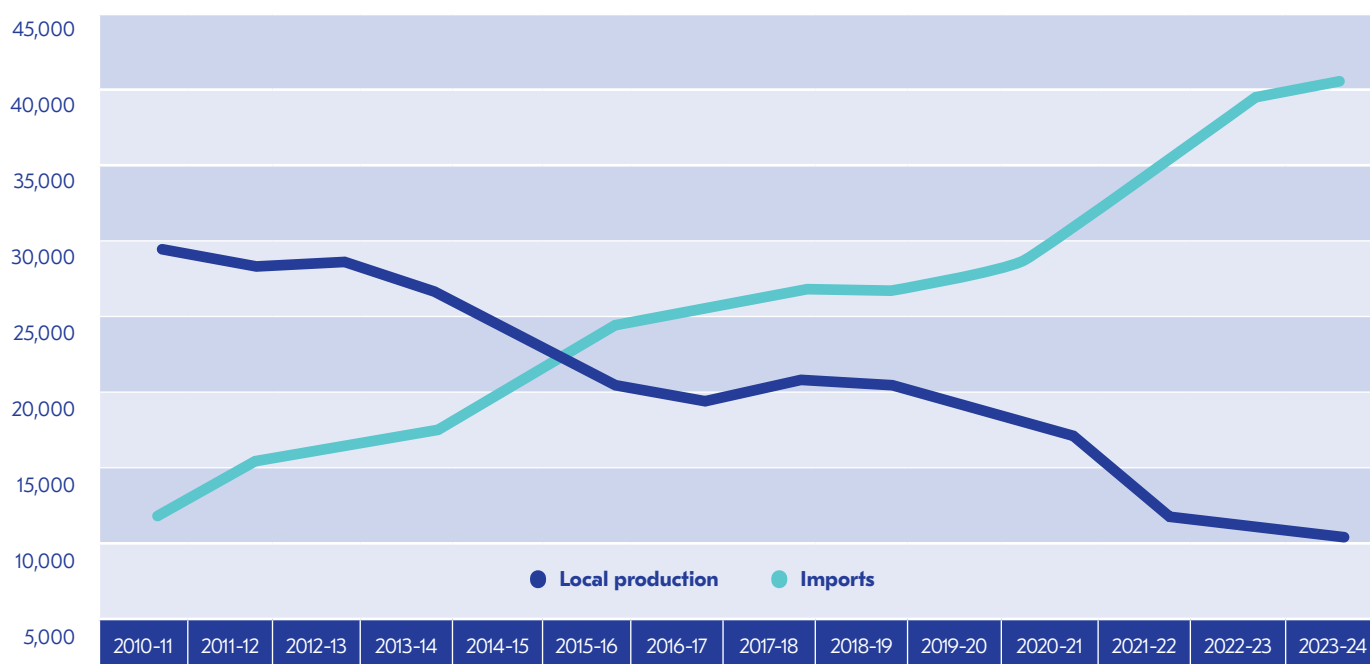


Chart 2 represents the impact that reduced refinery capacity in Australia has had on local production and fuel importation. Local refinery production has fallen 65.4% over the period 2010–11 to 2023–24, from 29,536.9 ml to 10,223.7 ml. Over the same period refined fuel imports have increased 3.6 times from 11,496.2 ml to 41,048.3 ml. Rising fuel demand, equal to a 21.7% increase, has contributed to the growing importation of automotive and diesel fuel.

⁵ Source: Australian Petroleum Statistics June 2024

⁶ Source: Australian Petroleum Statistics June 2024

Chart 3: Percentage increases in import dependence for unleaded, diesel and total fuels in Australia 2010-11 to 2023-24⁷

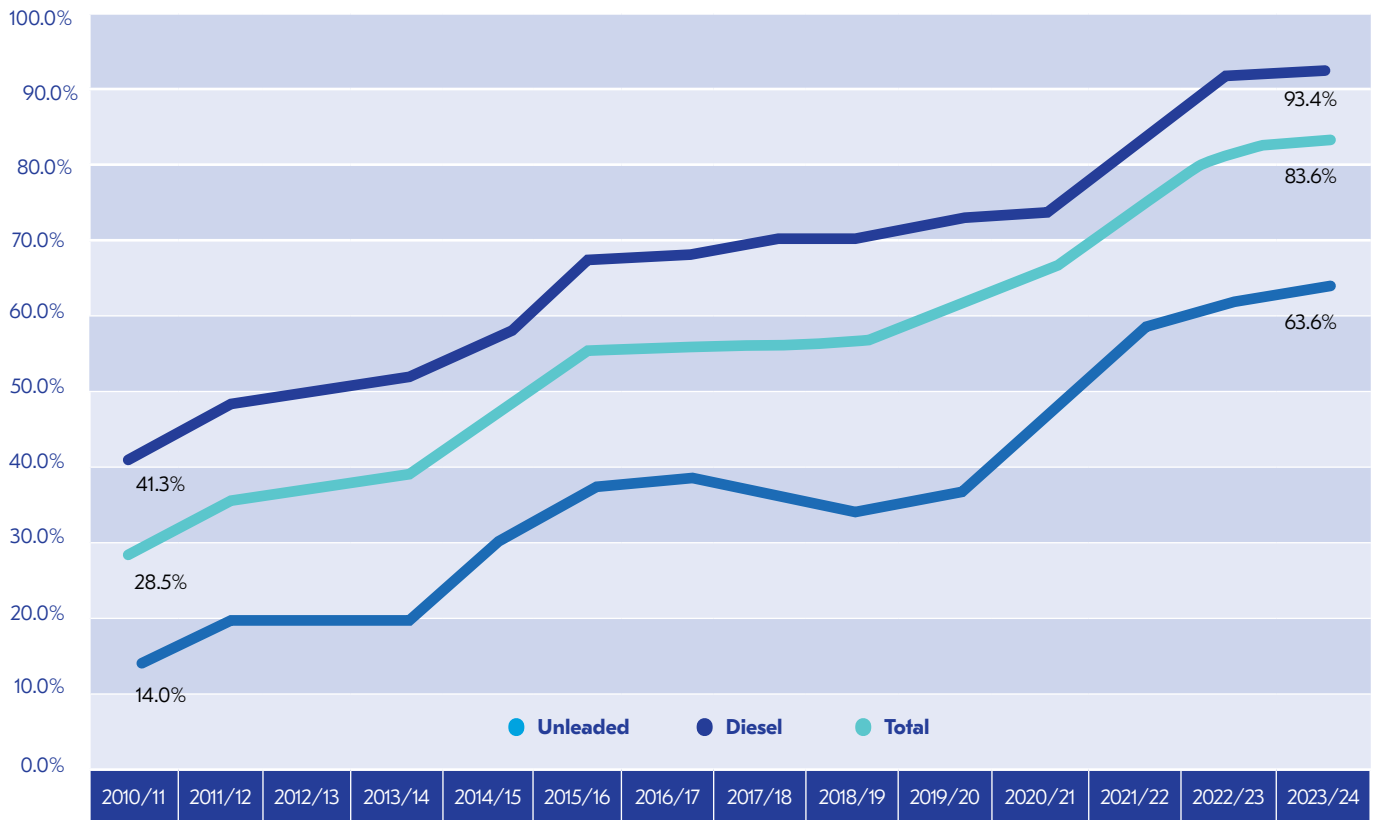


Chart 3 illustrates Australia’s increasing import dependence for both unleaded and diesel fuel.

⁷ Source Australian Petroleum Statistics June 2024

Understanding the fuel supply chain

The fuel supply chain can be split into three broad categories.

Total supply

Sometimes known as the upstream petroleum industry - domestic and international crude oil exploration and extraction, international and domestic refining and imports of finished products, that is petrol and diesel.

Wholesale

Delivery of the finished products into bulk fuel terminal storage. This is generally at major ports, waterfront import terminals, adjacent refinery terminals and other terminal handing sites. It includes storage terminals in regional locations.

Retail

Purchasing of fuels from distributors attached to terminals for delivery to retail service stations.



Wholesale sector

The Australian wholesale petroleum industry is dominated by four major players - BP, Ampol, Mobil and Viva Energy. These companies generally import petroleum products from their overseas operations, and (if available) from their limited local fuel refining operations. Supply chains for petroleum products have undergone structural changes over the past decade, stemming from the closure of a large portion of upstream petroleum refining capacity.

The industry operates as a small-margin, high-volume wholesale fuel market.

The two broad categories of companies operating in the wholesale sector are:

1. Refiner-wholesalers: BP, Ampol, Mobil and Viva. These companies supply petrol which has been produced in domestic refineries, bought from other refiner-wholesalers through 'buy-sell' transactions, and imported.
2. Independent wholesalers: including Chevron and United. These companies source petrol from Australian refiner-wholesalers and/or overseas refineries.

Buy-sell transactions allow refiner-wholesalers to purchase large volumes of petrol in some cities and regional centres where they do not operate a refinery or import terminal.

The dominance of major oil companies over independents in the wholesale sector continues. According to the ACCC 2018 report on 'Report on Wholesale Petrol Sales Volume', refiners and wholesalers held 92% of the wholesale market in 2016-17.

Recent changes in this market have seen a number of new independent wholesalers enter the market. Despite this, refiners and wholesalers still hold over 80% of the market. Currently Ampol is the biggest wholesaler.



Retail fuel sector

There has been a major reduction in retail seller sites since the peak in the 1960s. Retail service stations have reduced from 22,000 sites in 1966 to around 6,500 sites in 2011. Recent updates by IBISWorld 2022 suggest the network consists of approximately 8,000 sites. The industry generates approximately \$38 billion annually.

Chart 4: Retail Network Snapshot – site percentage as at 30 September 2022⁸

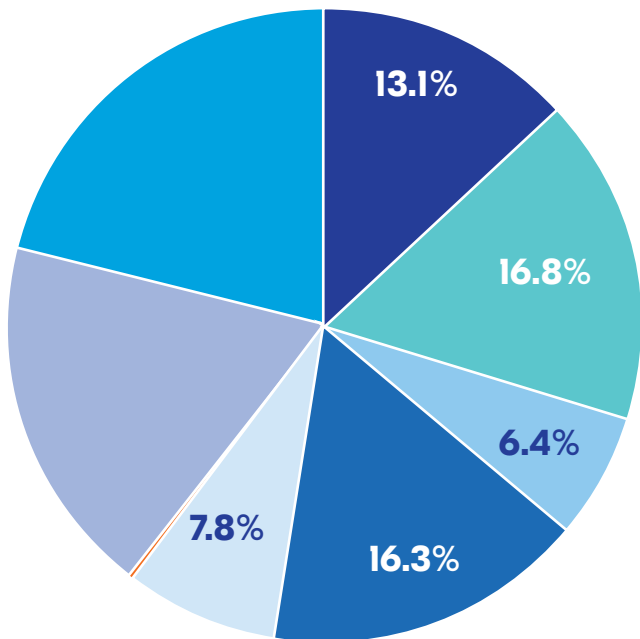


Chart 4 illustrates there have been changes in the retail fuel sector, as at September 2022 Coles Express, Ampol, EG Group, BP and 7 Eleven hold over 60% of the share of petrol sites across Australia. There has also been a significant increase in independent non-aligned fuel company entrants since the 1970s.

⁸ Source: ACAPMA: Australian Fuel Industry Quarterly Update September 2022

The structure of retail fuel industry

Australia's fuel retail industry currently operates under four different operating models.

These models are outlined below:

1. **Company owned and company operated (COCO)**

Under this business model the company, or major brand, has complete control over the site operations including business operational costs, all business decisions (e.g. employment, store design, stock lists), and setting of the fuel price.

While prices at individual sites operated by the company may vary in response to variations in the level of competition in local markets, the company retains all profit earned from the sale of fuel and convenience store items.

2. **Company owned and dealer operated (CODO)**

Small retail business operations directly contracted to operate a site that is owned or leased by a major fuel brand. These businesses sell fuel on a fixed commission basis and essentially operate as a retail tenant. Pricing decisions rest with the major fuel brand and not the small business.

3. **Dealer Owned/Dealer Operated (DODO)**

Smaller retail fuel businesses, often family businesses that own or lease their own site. These businesses enter into supply contracts with major fuel brands under marketing arrangements that allow the business to display the company brand. These differ from CODOs in that they actually buy fuel from the big company at wholesale prices and set their own prices – often in competition with COCOs that are trading under the same brands.

4. **Independents**

These are sites that do not operate under any of the major brands. They use a mix of the three business models described above.

Independent fuel retailers are service stations which are wholly owned, and operated, by independent businesses and therefore are not controlled by the fuel supplier.

These businesses are responsible for all costs associated with the retail operation and, as such, retain full control over the setting of retail fuel prices.

While direct comparisons between the four models are not easily discernible, independent retailers tend to have lower cost structures and lower average fuel prices. Each business model has its own profile in terms of being able to compete on price, as well as the level of price competition ultimately dependent on location and volume sales factors.

Retail pricing: why is there a difference in price?

Most motorists are aware that the price of fuel differs among retailers, but aren't aware of the reasons behind these differences. What causes movements in price, and the contribution the retailers play in instigating price hikes or declines are discussed in this section.

Most of the major oil retailers have higher average prices when compared with independent retail chains and non-aligned retailers. The majors include BP, Ampol, Coles Express, EG Group Woolworths and 7 Eleven, while the bigger independent chains include Metro Petroleum, Budget Petroleum, and Speedway.

Independent retailers tend to compete on finer margins in major capital cities and tend to have lower overhead costs than the larger major oil company retailers. Additionally the likes of Metro Petroleum, Budget Petroleum and Speedway are growing their presence, especially in south-west Sydney.

Table 5: Average fuel prices in the Sydney by majors and independents from 1 January 2024 to 28 August 2024 – cents per litre⁹

Fuel type	Majors	Independents/Other	Difference
E10	196.2	182.0	14.3
Regular Unleaded	198.0	184.5	13.5
Premium 95 unleaded	212.4	200.7	11.6
Premium 98 unleaded	220.4	205.9	14.5
Diesel (including Premium Diesel)	197.1	186.5	10.5
LPG	100.2	99.8	0.3

Table 5 illustrates the average price for six types of fuel sold in the Sydney market for the last four months for unleaded fuels, diesel and LPG, and the difference between the majors and the independents.

Please refer to **Chart 5** for details of the price cycle pattern for unleaded fuel in the Sydney market in 2024. This is common to all unleaded fuel types in the Sydney market.

⁹ Source: Informed Sources – Daily 9am Sydney Brand Price Distribution Charts

Urban price cycle and regional centre pricing

A petrol price cycle is a movement in retail price from a low point (or trough) to a high point (or peak) back to a low point. In these cycles, prices steadily go down for a period followed by a sharp increase. Price cycles are the result of the deliberate pricing policies of petrol retailers, and are not directly related to changes in wholesale costs including crude prices.

Understanding the price cycle and when to purchase fuel can be a point of frustration for motorists, particularly those in regional areas that may not experience the lows seen in metropolitan areas.

The duration of petrol price cycles in Sydney, Melbourne, Brisbane and Adelaide vary from cycle to cycle, and have increased in recent years. Over time, price cycle durations in these cities have ranged from a low of 11 days to a high of 68 days.

Sydney vs regional town centres: Why is there a price difference?

Retail pump prices vary considerably between Sydney and regional town centres, reflecting local market competition. Regional town prices tend to be higher and more stable when compared to Sydney and other major towns.

The main reasons for this variability include:

- Lower fuel volume sales
- Distance from the terminal to the service station
- Storage and handling costs
- Local market competition

Market competition can also vary greatly between some regional towns. Pump prices do not just reflect volume, cost and freight handling differences. Two additional factors also play a part in influencing price.

The number and location of service stations can affect the degree of market competition and the price of fuel. Generally, the higher the number of retail service stations in a specific location the greater the level of competition. This leads to greater differences in pricing and choice for motorists. Average price differences of at least 10 cents are not uncommon for adjacent towns.

1. The presence of independent operators can also influence the degree of market competition in regional towns. Independents can be at least 7-10 cents per litre cheaper in some regional towns. Independent chains of service stations are more likely to be found in capital cities and major regional centres.
2. The presence of independent operators can also influence the degree of market competition in regional towns. Independents can be at least 7 to 10 cents per litre cheaper in some regional towns. Independent chains of service stations are more likely to be found in capital cities and major regional centres.
Regular price cycle behaviour for the Tweeds Heads region – the region mirrors the Brisbane capital city price cycle market

Additionally, as illustrated in **Chart 5**, the presence of a discounting cycle in metropolitan areas shows that regional prices are higher when there is heavy discount pricing in the Sydney metropolitan area. There is generally no discounting price cycle in regional towns.

Regular Unleaded Fuel market analysis in NSW

The fuel market for regular unleaded in NSW exhibits the following price characteristics:

- Regular price cycle behaviour for the Sydney, Central Coast, Newcastle and Wollongong regions (Charts 5 and 6)
- Regular price cycle behaviour for the Tweeds Heads region – the region mirrors the Brisbane capital city price cycle market
- Irregular price cycle behaviour for Maitland and Singleton
- NSW Regional towns – generally higher average stable prices depending on local competition with no price cycle behaviour. (Charts 10, 11 and 12)

Chart 5: 2024 Year to Date: Average daily regular unleaded price movements for Sydney and NSW regional towns - cents per litre¹⁰

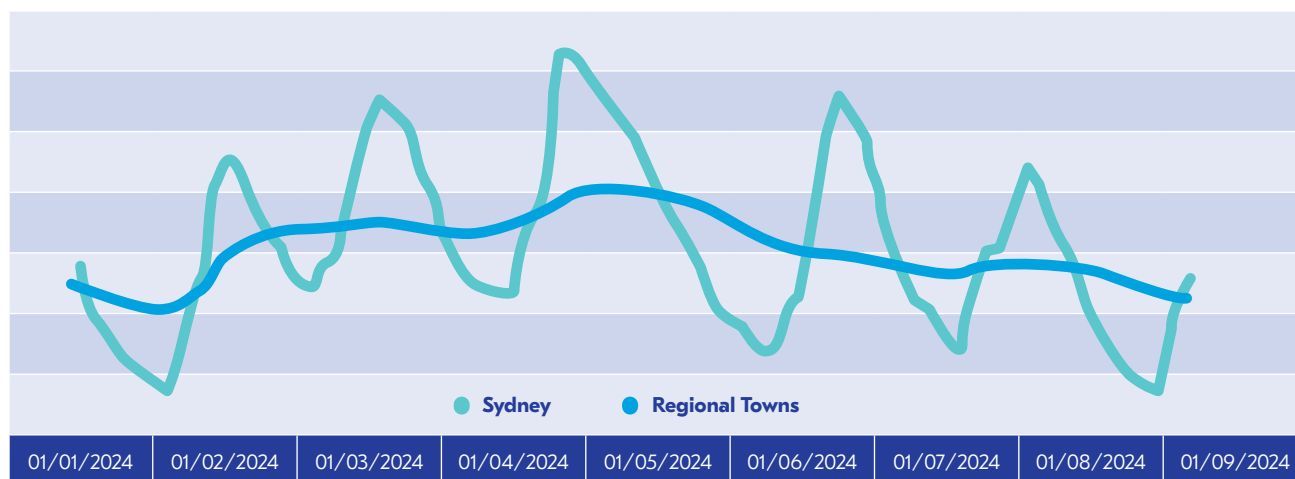


Chart 5 illustrates, that the price cycles for Sydney and regional areas are very different, with regional prices fairly stable over time. As stated previously this is due to market competition factors.

¹⁰ Source: Informed Sources – Daily Price Charts

Chart 6: 2024 Year to Date: Average daily regular unleaded price movements for Central Coast, Newcastle and Wollongong - cents per litre¹¹

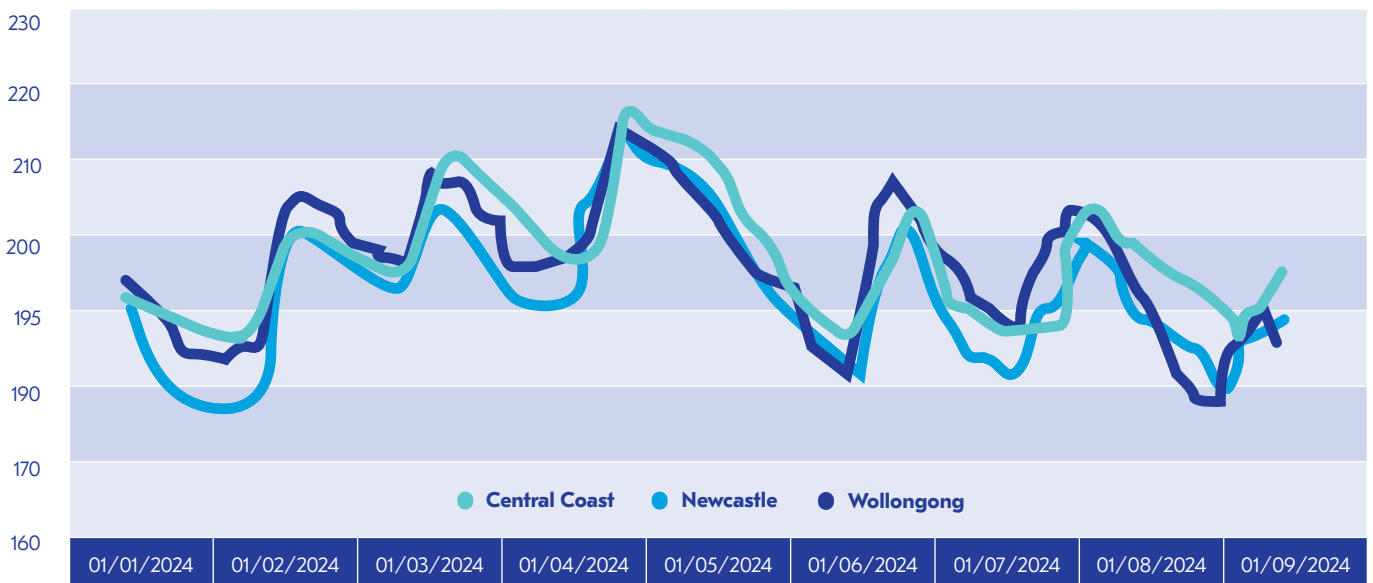
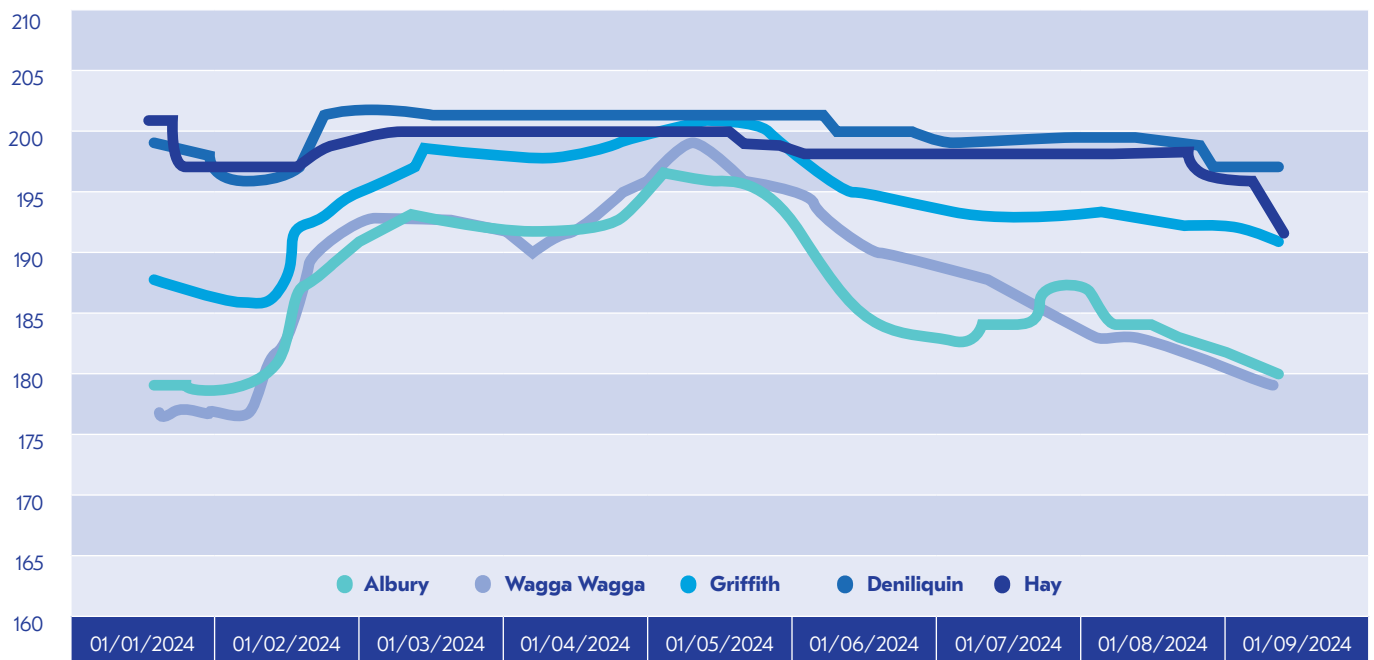


Chart 7: 2024 Year to Date: Average daily regular unleaded price movements for Albury, Wagga Wagga, Griffith, Deniliquin and Hay – cents per litre¹²



¹¹ Source: Informed Sources – Daily Price Charts

¹² Source: Informed Sources – Daily Price Charts

Chart 8: 2024 Year to Date: Average daily regular unleaded price movements Bathurst, Orange, Dubbo, Mudgee Broken Hill - cents per litre¹³

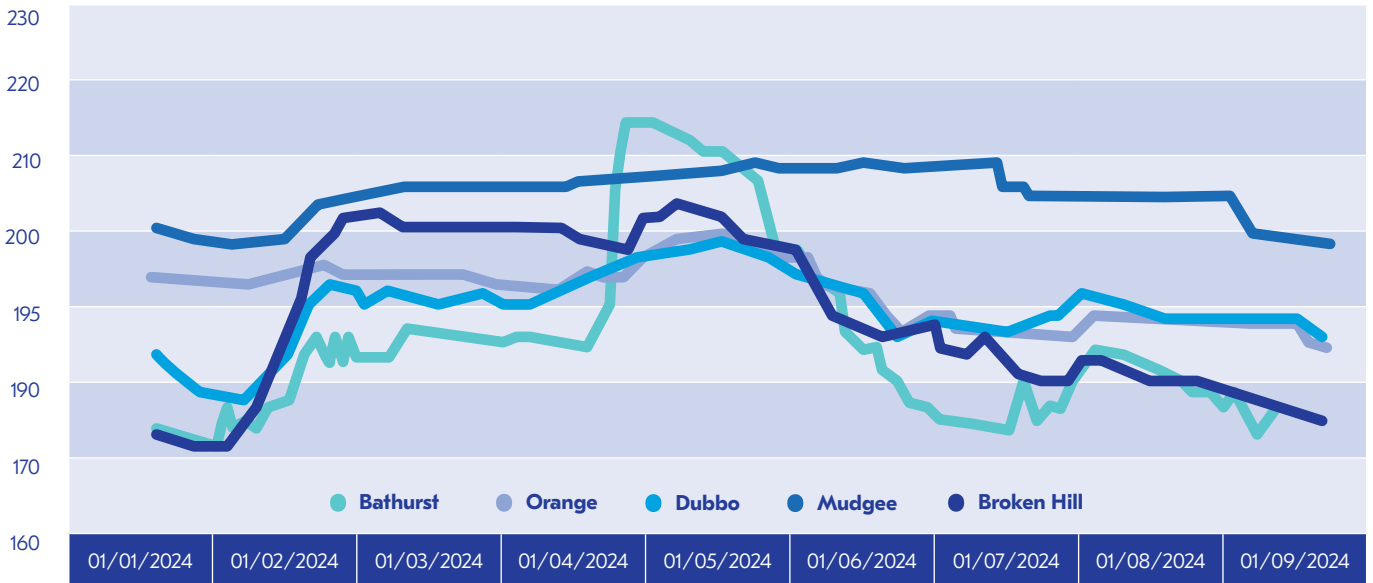
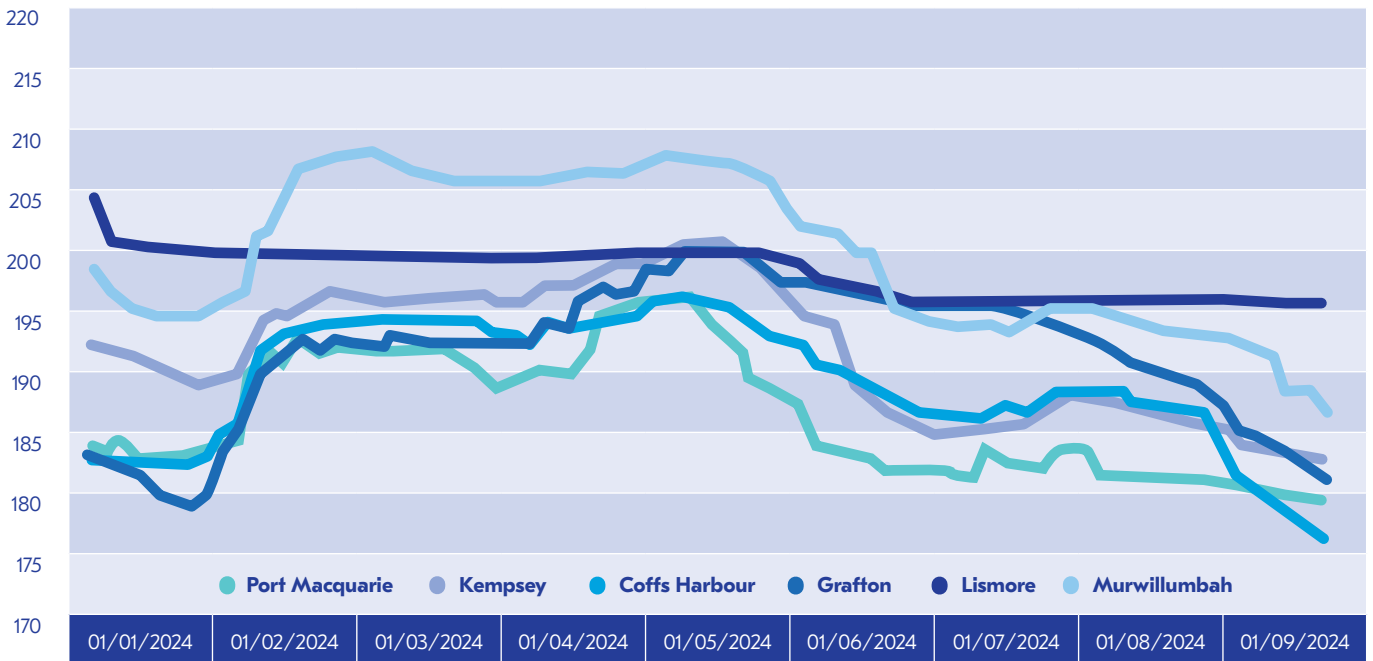


Chart 9: 2024 Year to Date: Average daily regular unleaded price movements Port Macquarie, Kempsey, Coffs Harbour, Grafton, Lismore and Murwillumbah - cents per litre¹⁴



¹³ Source: Informed Sources – Daily Price Charts

¹⁴ Source: Informed Sources – Daily Price Charts

Table 6: Average regular unleaded fuel prices in the Sydney and various NSW regional centres and towns from 1 January 2024 to 31 August 2024 – cents per litre¹⁵

	Average	Min average	Max average	Difference from Sydney average
	cpl	cpl	cpl	cpl
Sydney	196.0	175.2	222.9	
Central Coast	197.7	185	217.1	1.8
Newcastle	192.8	177.5	214.5	-3.2
Wollongong	196.2	176.7	212.9	0.3
Goulburn	198.0	169.7	218.9	2.0
Canberra	202.4	184.7	214.3	6.4
Queanbeyan	186.2	171.6	195.1	-9.7
Albury	186.8	176.9	196.7	-9.1
Wagga Wagga	187.6	175.4	198.4	-8.4
Griffith	194.2	185.4	200.6	-1.8
Deniliquin	199.8	195.7	202.3	3.8
Hay	198.4	191.5	200.9	2.4
Bathurst	186.2	173.8	214.6	-9.7
Orange	192.6	185.6	199.5	-3.4
Dubbo	189.9	172.5	203.8	-6.0
Mudgee	205.1	198.6	209.3	9.2
Broken Hill	190.6	178.8	199.0	-5.4
Port Macquarie	186.9	179.6	196.8	-9.0
Kempsey	192.2	183	201.0	-3.8
Coffs Harbour	189.7	176.5	196.9	-6.3
Grafton	192.3	179.1	200.5	-3.7
Lismore	198.8	195.9	204.7	2.8
Murwillumbah	200.4	187.4	209.0	4.5
Tweed	207.2	168.85	232.6	11.2
Maitland	197.9	180.3	225.9	1.9
Singleton	208.5	182.2	227.2	12.5
Muswellbrook	187.1	179.8	203.8	-8.8
Tamworth	192.1	178.6	199.2	-3.8
Armidale	198.4	189	205.5	2.4
Gunnedah	191.3	182.6	201.3	-4.6
Bourke	205.4	196.5	210.9	9.5

Table 6 illustrates the extent of regular unleaded price variability in Sydney, the Central Coast, Newcastle, Wollongong, Canberra, and selected regional towns across NSW. Local competition, distance from supply sources and the size of market are all key factors influencing price.

¹⁵ Source: Informed Sources – Daily Price Charts

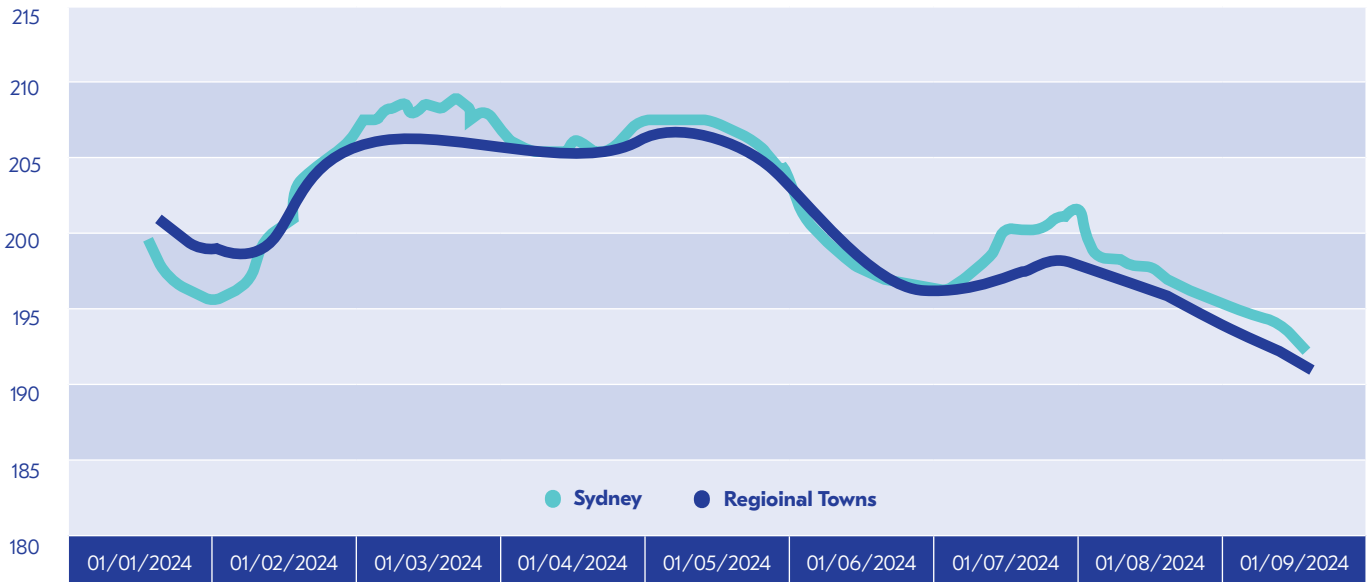
Diesel fuel market analysis in NSW

The diesel fuel market in NSW exhibits the following price characteristics:

- No fluctuating price cycle behaviour in any market anywhere in NSW
- Relatively stable diesel price movements across NSW
- Lower average diesel prices in Sydney and other major regional towns
- Higher average diesel prices in regional towns compared to urban centres.

The diesel market does not exhibit price cycle behaviour in urban centres due to the fact that two thirds of the volume in Australia is sold to big industry – including agriculture, mining and transport. These industries tend to buy in bulk and generally under forward contacts. There is also no price cycle behaviour in regional diesel markets (see Charts 13-17).

Chart 10: 2024 Year to Date Average daily diesel price movements for Sydney and NSW regional towns – cents per litre¹⁶



¹⁶ Source: Informed Sources – Daily Price Charts

Chart 11: 2024 Year to Date: Average daily diesel price movements for Central Coast, Newcastle and Wollongong – cents per litre¹⁷

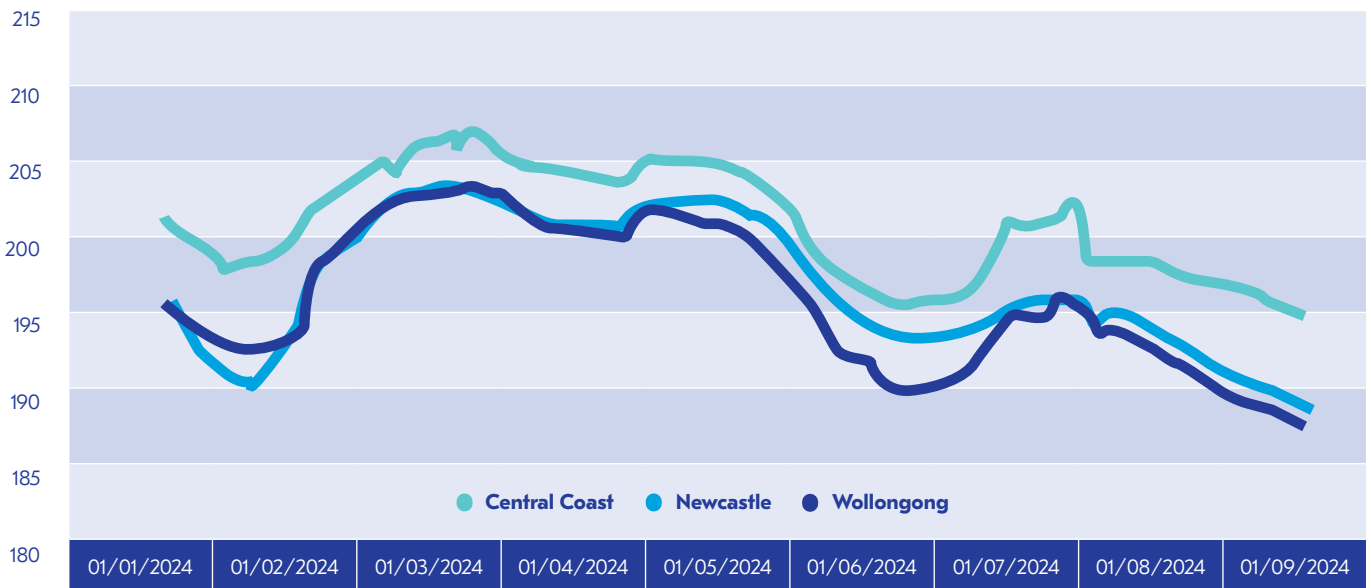
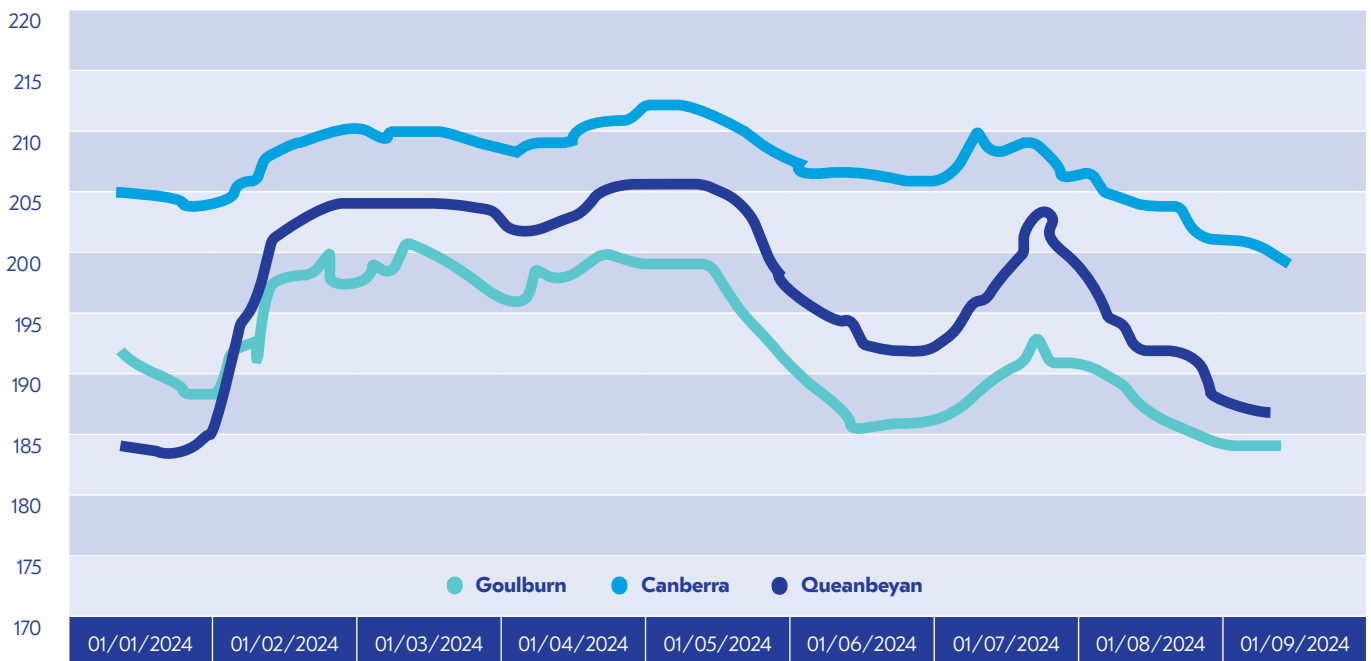


Chart 12: 2024 Year to Date: Average daily diesel price movements for Goulburn, Canberra and Queanbeyan – cents per litre¹⁸



¹⁷ Source: Informed Sources – Daily Price Charts

¹⁸ Source: Informed Sources – Daily Price Charts

Chart 13: 2024 Year to Date: Average daily diesel price movements for Nowra, Batemans Bay, Bega, Cooma and Tumut – cents per litre¹⁹

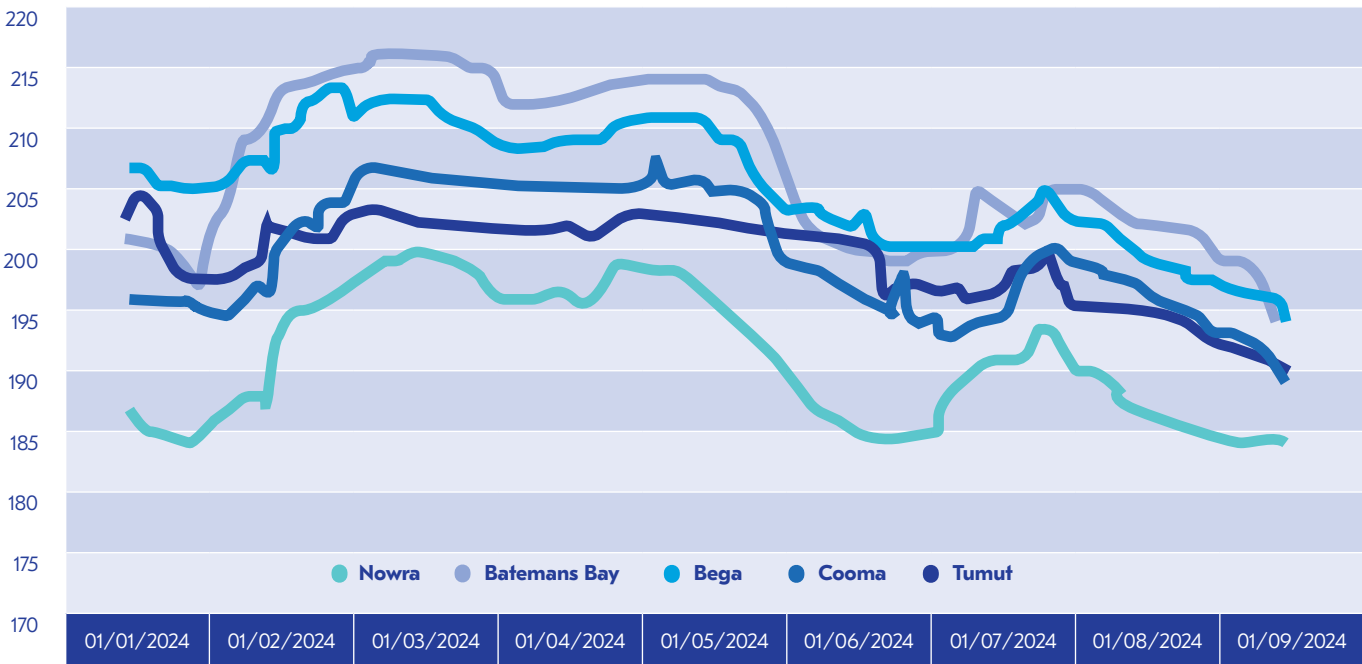
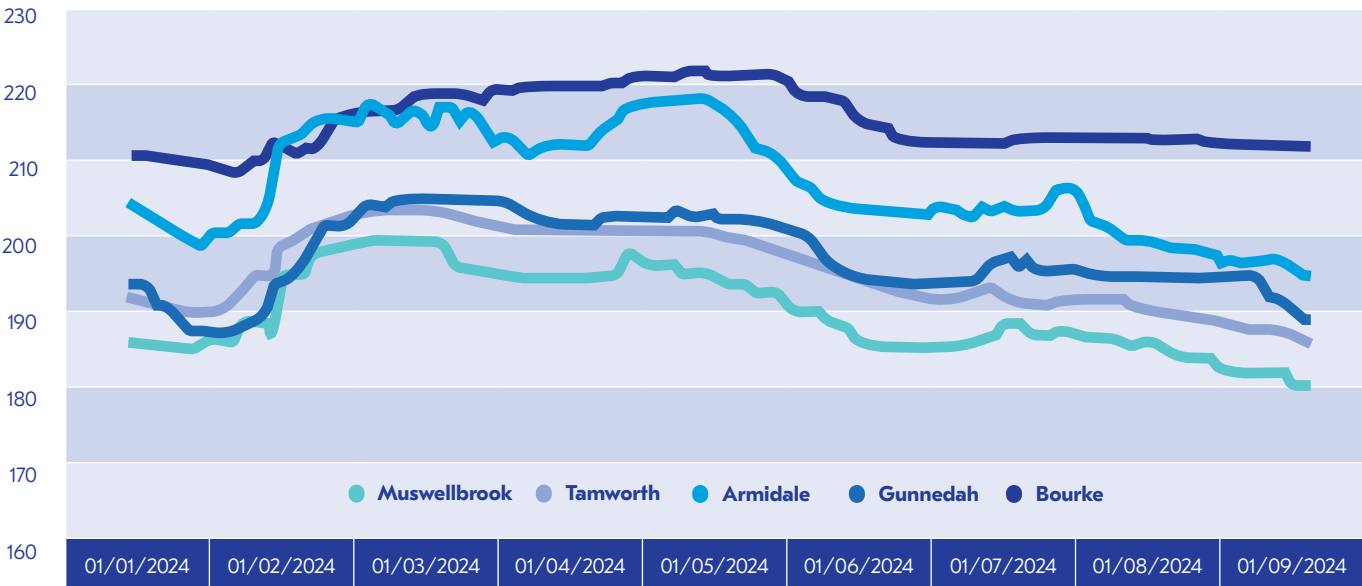


Chart 14: 2024 Year to Date: Average daily diesel price movements for Muswellbrook, Tamworth, Armidale, Gunnedah and Bourke – cents per litre²⁰



¹⁹ Source: Informed Sources – Daily Price Charts

²⁰ Source: Informed Sources – Daily Price Charts

Table 7: Average diesel fuel prices in the Sydney and various NSW regional centers and towns from 1 January 2024 to 31 August 2024 – cents per litre²¹

	Average	Min average	Max average	Difference from Sydney average
	cpl	cpl	cpl	cpl
Sydney	196.4	187.3	203.7	
Central Coast	200.7	194.7	206.8	4.3
Newcastle	196.7	187.7	203.0	0.3
Wollongong	195.8	186.8	203.4	-0.6
Goulburn	192.7	183.9	200.8	-3.6
Canberra	207.8	199.8	212.6	11.4
Queanbeyan	197.6	183.3	206.0	1.2
Albury	196.9	189.5	202.8	0.5
Wagga Wagga	193.9	183.1	201.3	-2.5
Griffith	200.3	194.1	206.1	3.9
Deniliquin	203.2	198.5	206.4	6.8
Hay	202.9	193.9	206.4	6.5
Bathurst	196.0	183.6	206.1	-0.4
Orange	199.6	189.5	206.9	3.2
Dubbo	203.5	184.4	220.0	7.1
Mudgee	212.1	204.6	218.9	15.7
Broken Hill	196.4	186.2	207.5	0.0
Port Macquarie	195.2	187.6	202.1	-1.2
Kempsey	197.7	189.2	204.6	1.4
Coffs Harbour	200.1	190	207.4	3.7
Grafton	199.8	185.3	204.5	3.4
Lismore	201.9	187.7	216.7	5.5
Murwillumbah	205.9	197.1	211.5	9.5
Tweed	205.6	185.8	217.2	9.2
Maitland	201.0	194.4	207.7	4.6
Singleton	196.1	186.4	202.1	-0.3
Muswellbrook	190.7	181.2	200.2	-5.7
Tamworth	196.1	186.9	204.2	-0.3
Armidale	207.6	195.4	218.4	11.2
Gunnedah	197.8	187	205.5	1.5
Bourke	215.5	208.9	221.9	19.2

Table 7 illustrates diesel price variability in Sydney, Central Coast, Newcastle, Wollongong, Canberra, and selected regional towns across NSW. Local competition, distance from supply source and size of market are all key factors in determining price.

²¹ Source: Informed Sources – Daily Price Charts

Australian capital city regular unleaded and diesel price summary comparisons

Regular Unleaded

1. Sydney, Melbourne and Brisbane have on average 7 week long cycles
2. Adelaide has on average 2 to 3 week long cycles
3. Perth has a regular 7 day cycle
4. Gross margins – differential retail price minus wholesale price are lower in Perth and Adelaide compared to the east coast of Australia due to more frequent price cycles
5. Darwin, Hobart and Canberra have no price cycles
6. Perth and Adelaide are ranked first and second – cheapest regular unleaded prices
7. Darwin is the third cheapest city in 2024

Table 8: Yearly averages and rankings for all Australian capital cities for regular unleaded prices 2017 to 2024 Year to date— cents per litre²²

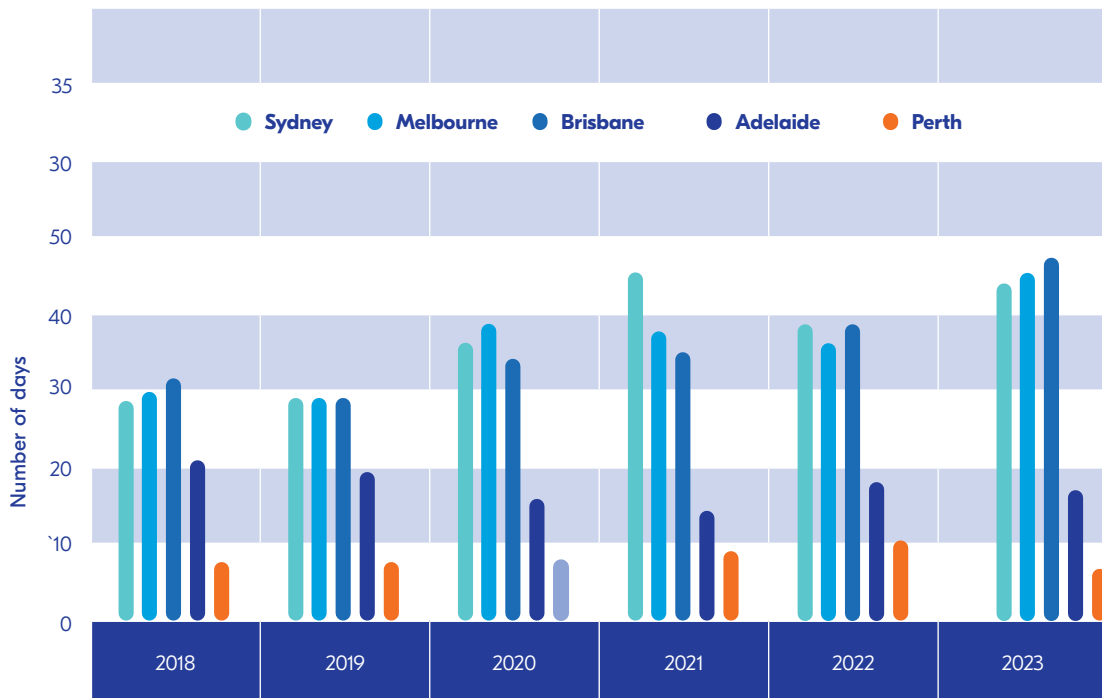
	Adelaide	Brisbane	Canberra	Darwin	Hobart	Melbourne	Perth	Sydney
2024 ytd	187.4	200.3	202.7	187.9	194.2	195.0	185.6	195.9
2023	186.0	193.2	192.7	187.5	191.4	192.0	183.8	190.7
2022	178.6	184.9	189.8	189.1	192.2	185.9	180.1	283.6
2021	142.7	151.0	148.4	145.9	151.1	149.6	145.5	150.0
2020	120.2	125.8	125.4	121.9	131.4	125.4	119.0	122.9
2019	143.0	143.7	144.5	139.7	150.7	142.0	140.4	140.0
2018	140.4	143.8	152.4	152.6	154.5	142.7	143.0	141.0
2017	126.1	129.6	133.6	134.5	139.1	128.3	128.5	126.2

²² Source: Informed Sources – Daily Price Charts

Table 9: Yearly rankings for cheapest regular unleaded for all capital cities 2017 to 2024 year to date²³

	Adelaide	Brisbane	Canberra	Darwin	Hobart	Melbourne	Perth	Sydney
2024 ytd	2	7	8	3	4	5	1	6
2023	2	8	7	3	6	5	1	4
2022	1	4	7	6	8	5	2	3
2021	1	7	4	3	8	5	2	6
2020	2	7	5	3	8	6	1	3
2019	5	6	7	1	8	4	3	2
2018	1	5	6	7	8	3	4	2
2017	1	5	6	7	8	3	4	2

Chart 15: Annual average duration of petrol price cycles in the 5 largest capital cities²⁴



²³ Source: Informed Sources

²⁴ Source: ACCC Making the most of fuel apps and websites August 2024 p.9

Diesel

1. No price cycle behaviour in any Australian capital.
2. Two thirds of diesel sold in Australian market is sold to big industry – including agriculture, mining and transport. These industries tend to buy in bulk and generally under forward contacts.
3. Relatively stable diesel price movements across Australian capital cities.
4. Perth and Adelaide the cheapest capital cities on a yearly base.
5. Darwin – third cheapest city in 2024.

Table 10: Yearly averages for diesel for all capital cities 2017 to 2024 year to date²⁵

	Adelaide	Brisbane	Canberra	Darwin	Hobart	Melbourne	Perth	Sydney
2024 ytd	191.2	198.7	207.9	194.0	201.5	198.1	191.6	196.4
2023	194.1	203.5	211.4	210.4	207.9	203.5	195.5	201.4
2022	203.3	209.3	212.6	212.4	216.2	208.9	202.9	206.5
2021	141.3	143.9	147.4	144.1	151.2	143.8	141.7	142.4
2020	122.6	126.1	130.7	124.5	142.3	126.8	127.6	124.4
2019	146.9	147.8	153.0	145.6	159.7	147.2	147.5	146.4
2018	147.0	150.0	152.9	154.0	157.2	149.4	152.7	148.1
2017	125.9	129.5	131.7	131.8	137.5	128.8	131.4	127.5

Table 11: Yearly rankings for cheapest diesel for all capital cities 2017 - 2023 year to date²⁶

	Adelaide	Brisbane	Canberra	Darwin	Hobart	Melbourne	Perth	Sydney
2024 ytd	1	6	8	3	7	5	2	4
2023	1	5	8	7	6	4	2	3
2022	2	5	7	6	8	4	1	3
2021	1	5	7	6	8	4	2	3
2020	1	4	7	3	8	5	6	2
2019	3	6	7	1	8	4	5	2
2018	1	4	6	7	8	3	5	2
2017	1	4	6	7	8	3	5	2

²⁵ Source: Informed Sources – Daily Price Charts

²⁶ Source: Informed Sources – Daily Price Charts

Understanding fuel type

There are now multiple fuel products on the market for consumers to choose from. These products range from regular standard 91 unleaded fuel, ethanol blended fuel (regular unleaded with 10% ethanol) through to Premium 98 as well as diesel and LPG. The 4 types of unleaded fuels available are each designed for a specific use and based on vehicle manufacturer specifications.

Excluding commercial sales of diesel and LPG sales in NSW, it is estimated that 8.2 billion litres of fuel was sold by retailers in 2023-24. The percentages are as follows:

Table 12: Estimated Retail Fuel in NSW 2023-24²⁷

Fuel type	Estimate retail sales in NSW billion litres	Per cent of total estimated sales
E10 unleaded	1.08	13.2
Regular unleaded	1.84	22.4
Premium 95 unleaded	0.81	9.8
Premium 98 unleaded	1.29	15.7
Diesel	3.18	38.8
Total	8.20	100.0

Overall there has been a 5.7% increase in fuel sales over the period 2010-11 to 2023-24, with premium sales rising 18.8%, diesel sales rising a staggering 90.9% while E10 unleaded and regular unleaded fuel sales have fallen 51.0% and 13.1%.

²⁷ Source various Australian Petroleum Statistics June 2024

Chart 16: NSW retail fuel sales in megalitres 2010-11 to 2023-24²⁸

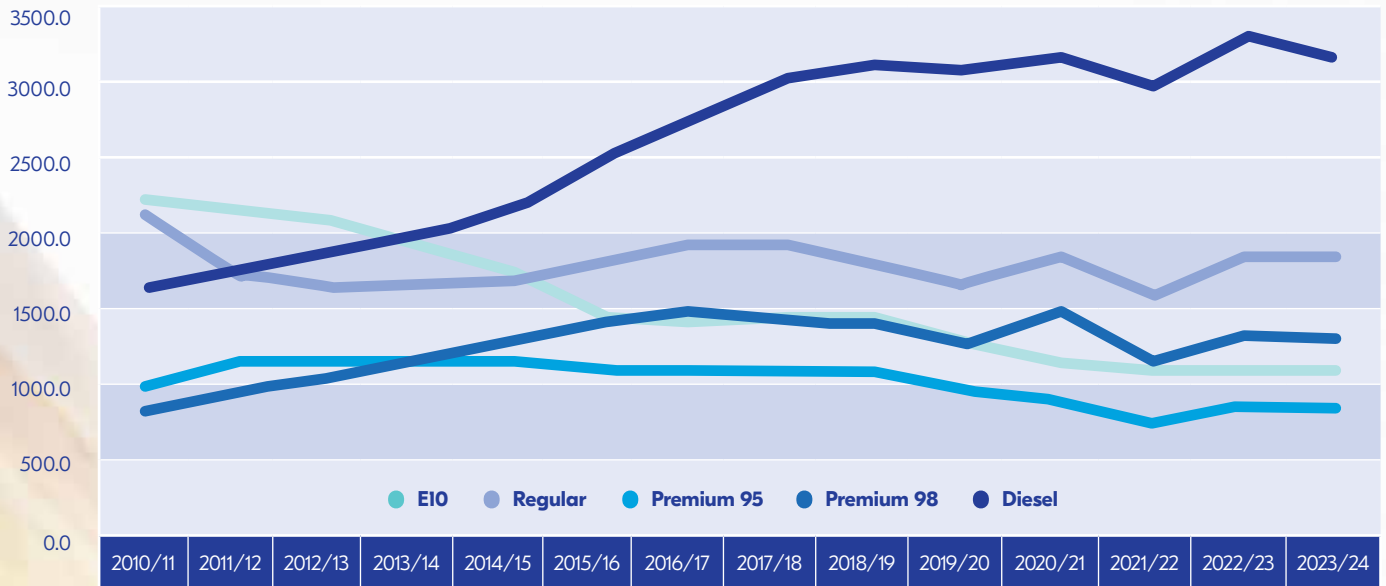


Chart 16 shows NSW retail sales since 2010-11. The increased uptake of diesel and premium unleaded fuels over the period 2010-11 to 2023-24 is due to more fuel efficient vehicles being sold in the market. Smaller diesel vehicles can be up to 20 to 30% more fuel efficient than equivalent unleaded models.

²⁸ Source various Australian Petroleum Statistics June 2024

Pricing strategies: Price differentials for unleaded fuel grades

Many motorists at the bowser are confronted with a price differential for premium fuel, yet when one examines the benefit of using a higher spec fuel, the increased marginal engine performance may not offset the marginal cost of buying premium fuel. If a motor vehicle is not required to run on premium fuel then the additional expense is not justified.

The price differential for premium grades of fuel against both regular and E10 blended fuel has increased at least 6-7 cents per litre over the past ten years.

When comparing the fuel supply chains cost for regular and premium 95 unleaded, as documented in Charts 2 and 3, the difference in the two grades allowing for a slightly higher GST calculation is an additional 12 cents per litre reflecting higher operating costs and margin.

Chart 17: Yearly Average Price Differentials for regular, premium 95 and premium 98 fuels against E10 Unleaded fuel since 2012²⁹



Chart 17 highlights the yearly price differentials against the E10 blended regular unleaded fuel price. Against the regular unleaded fuel the differential has remained around the 1.5 cents per litre mark since 2012.

²⁹ Source: various informed source data

Cost components of regular, premium and diesel fuels

Regular Unleaded fuel

The price of regular unleaded is made up of the following three costs:

1. International price of refined petrol known as Singapore Mogas 95 (Mogas 95)
2. Fuel taxes, comprising fuel excise and GST
3. Operating costs and margins

Based on 2023 Sydney averages for regular unleaded at 190.9 cpl –components are:

Cost categories for Diesel fuel

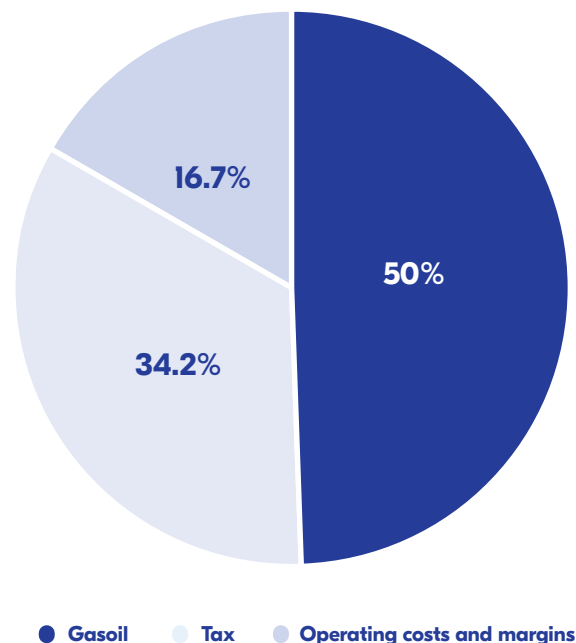
	Cents per litre
Mogas 95	93.6
Fuel Excise plus GST	65.4
Operating costs and margins	31.9
2023 Sydney Average for Regular Unleaded	190.9

Cost sub categories – Regular Unleaded fuel³⁰

Note - the cost estimate of transporting fuel to regional NSW can add on average a further 2 cpl to 5 cpl to the final retail price.

	Cents per litre
Mogas 95	93.6
Operating and wholesale margin	15.9
Fuel Excise	48.0
GST on wholesale	17.6
Terminal Gate Price	175.2
Operating and retail margin	14.3
GST on retail	1.5
2023 Sydney Average for Regular Unleaded	190.9

Chart 18: Percentage cost splits for Regular Unleaded fuel: Sydney market 2023³⁰



³⁰ Source: various - Platts, informed sources and fuel company websites

Premium Unleaded 95

The price of premium 95 unleaded is made up of three costs:

1. International price of refined petrol known as Singapore Mogas 97 (Mogas 97)
2. Fuel taxes, comprising fuel excise and GST
3. Operating costs and margins

Based on 2023 Sydney averages for premium 95 unleaded at 207.5 cpl –components are:

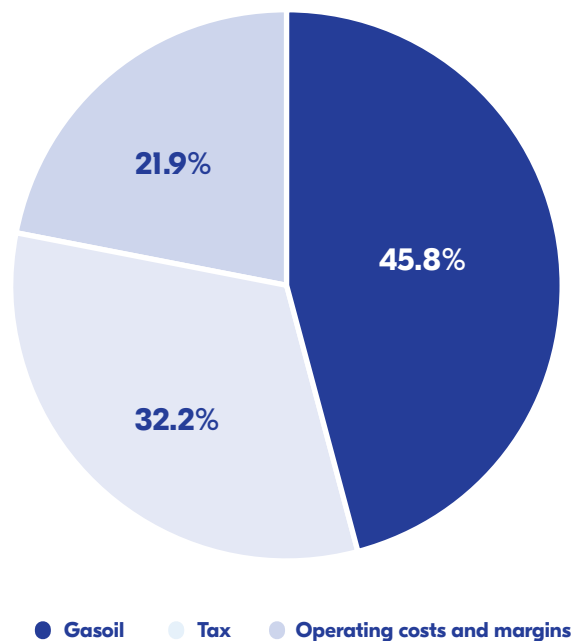
Cost categories for regular unleaded fuel

	Cents per litre
Mogas 97	95.1
Fuel Excise plus GST	66.9
Operating costs and margins	45.5
2023 Sydney Average for Regular Unleaded	207.5

Cost sub categories – Premium 95 fuel³¹

	Cents per litre
Mogas 97	95.1
Operating and wholesale margin	25.9
Fuel Excise	48.0
GST on wholesale	16.9
Terminal Gate Price	185.9
Operating and retail margin	19.6
GST on retail	2.0
2023 Sydney Average Premium 95 Unleaded	207.5

Chart 19: Percentage cost splits for Premium 95 unleaded fuel: Sydney market³¹



³¹ source: various - Platts, informed sources fuel company websites

Diesel

The price of diesel is made up of three costs:

1. The international price of refined diesel known as GasOil
2. Fuel taxes comprising fuel excise and GST
3. Operating costs and margins

Based on 2023 Sydney averages for diesel at 201.4 cpl –components are:

Cost categories for Diesel fuel

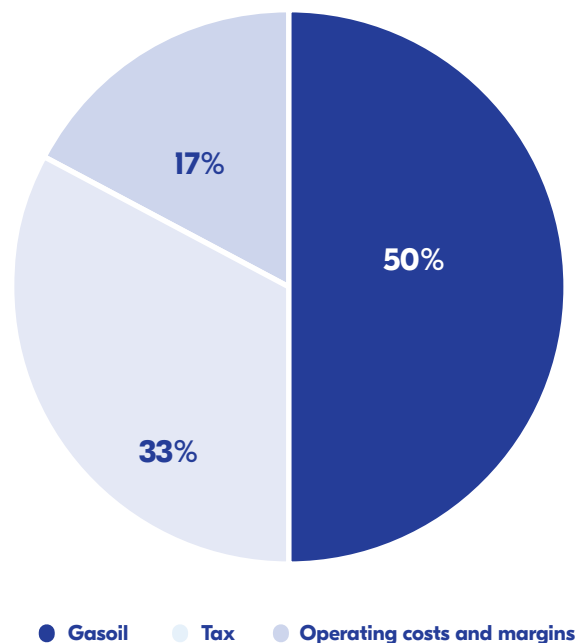
	Cents per litre
Gasoil	101.0
Fuel Excise plus GST	66.3
Operating costs and margins	34.0
2023 Sydney Average Diesel price	201.4

Cost Sub categories – Diesel³²

Note - the cost estimate of transporting fuel to regional NSW can add on average a further 2 cpl to 5 cpl to the final retail price.

	Cents per litre
Gasoil	101.0
Operating and wholesale margin	18.3
Fuel Excise	48.0
GST on wholesale	16.7
Terminal Gate Price	184.0
Operating and retail margin	15.8
GST on retail	1.6
2023 Sydney Average Diesel price	201.4

Chart 20: Percentage cost splits for Diesel: Sydney market³²



³² source: various - Platts, informed sources fuel company websites

Making cents of fuel

Giving power to the consumer

The NRMA has been a strong advocate for full price transparency in the retail fuel market, campaigning successfully for the introduction of real-time fuel prices to empower motorists.

In August 2016, the FuelCheck website was introduced by the NSW Government, requiring real-time fuel pricing by all major fuel retailers across the state. The My NRMA app was launched at the same time, allowing motorists to search for the cheapest fuel prices in their area which can represent as much as a 20-30 cents per litre cost saving. Since the launch of the My NRMA app, there has been 2.87 million downloads and 1.4 million members accessing the app.

The NRMA welcomed the expansion of FuelCheck to the ACT in November 2022. ACT motorists should have access to the same real-time information as their NSW counterparts so they are able to choose which fuel retailer they visit based on the availability of price information.

Alternative fuel sources

Environmental concerns, governments, vehicle manufacturers and technology companies are rapidly moving the automotive industry towards an electric and automated future. As trends around the world point to increasing numbers of electric vehicles on our roads, jurisdictions are putting in place strategies to phase out petrol and diesel vehicles.

With lower running costs, better electric vehicle (EV) model supply and falling prices, EVs are becoming a more attractive proposition to consumers. This will obviously impact the fuel source required to power vehicles in the future. Indeed, the traditional petrol station may not be a place to purchase fuel but rather to recharge.

Royal Dutch Shell announced in October 2017 that it has agreed to buy Dutch-based NewMotion, the owner of one of Europe's largest electric vehicle charging networks, marking the company's first deal in electric mobility as demand for cleaner vehicles is expected to soar.

With no Australian commercial vehicle manufacturing we are reliant on importing vehicles for personal and commercial use. As the push towards greater electrification worldwide continues, it's important that we plan and prepare for an expanded electric vehicle fleet in Australia.

The NRMA released its 'The Future is Electric', report in November 2017, followed by 'Recharging the Economy' in 2018, asking all governments to provide a platform to make electric vehicles more appealing to the buying public in Australia.

Our support of EVs is based on the recognition that we need to transition to cleaner forms of mobility, which will help in curbing climate change and ensuring choice for Australian consumers.





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