

IPART's draft report on ethanol market monitoring

The Independent Pricing and Regulatory Tribunal (IPART) is seeking comments on its draft report on monitoring the wholesale and retail markets for ethanol used in fuel blends like E10.

Ethanol-blended petrol has continued to become more widely available in NSW, with the number of nozzles dispensing E10, which contains 10% ethanol, higher than for regular unleaded petrol.

Releasing its draft report on wholesale and retail ethanol fuel markets for 2017-18, IPART found that E10 retail prices across New South Wales were on average 2.2 cents per litre lower than regular petrol prices between August 2017 and June 2018.

Sales of ethanol as a proportion of total NSW petrol sales were around 2.7%. This is less than the 6% that would need to be sold if all retailers were meeting the ethanol mandate,¹ on average across NSW.

IPART is required to monitor the retail market for E10 under the Biofuels Act 2007. IPART also determines a wholesale price for ethanol based on an estimated import price for ethanol.

IPART Chair Dr Peter Boxall said the annual review considers the competitiveness of the wholesale market for fuel ethanol and the retail market for E10. A competitive market delivers lower prices and greater choice for consumers.

"We have found that our approach to setting wholesale prices for ethanol provides scope for producers and wholesalers to negotiate lower prices, while retail prices for E10 remain competitive with prices for regular petrol," Dr Boxall said.

Comments on IPART's draft report Monitoring of wholesale and retail markets for fuel ethanol 2017-18 are invited by 12 November 2018. A full copy of the report is available www.ipart.nsw.gov.au.

¹ Retailers subject to the mandate must ensure that 6% of their total petrol sales is ethanol.