

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 remains widely available in NSW, with more nozzles dispensing E10 than regular unleaded petrol, consistent with the aims of the ethanol mandate.

IPART found that similar to previous years, E10 retail prices across New South Wales were on average 2.3 cents per litre lower than regular petrol prices between July 2018 and June 2019.

Sales of E10 (which contains 10% ethanol) as a proportion of total NSW petrol sales were around 25% down from 27% last year. This is less than the 60% that would need to be sold if all retailers were meeting the ethanol mandate¹.

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 what it would cost for retailers to buy it from overseas.

IPART Chair Dr Paul Paterson said the review considers the competitiveness of both the retail market for E10 and the wholesale market for ethanol. A competitive market delivers lower prices and greater choice for consumers.

“Because there is competition in the retail market, prices of regular unleaded petrol limits the wholesale costs of ethanol. Our approach to setting wholesale prices for ethanol provides scope for producers and wholesalers to negotiate lower prices for ethanol,” Dr Paterson said.

Comments on IPART's draft report Ethanol market monitoring 2018-19 are due by 21 November 2019. 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. This means that around 60% of fuel sold needs to be E10, which is a 10% ethanol blended fuel.