

Media release

Thursday, 16 March 2017

IPART seeks comment on ethanol market monitoring

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

Under the Biofuels Act 2007, IPART determines a wholesale price for ethanol based on an estimated import price for ethanol. IPART is also required to monitor the retail market for E10 and report on the effect of its determinations.

IPART Chair Peter Boxall said the ethanol pricing methodology was applied from 1 January 2017 following extensive consultation. It is intended to avoid distorting the wholesale ethanol market and support the development of further competition in ethanol production.

"This methodology encourages ethanol producers and fuel wholesalers to continue to negotiate wholesale ethanol prices below our reference price," Dr Boxall said

"Our proposed approach to monitoring will observe retail prices for E10 and consider any changes in the petrol and wholesale ethanol markets to ensure our pricing methodology remains appropriate," he said.

In monitoring the retail market for E10, IPART is also proposing to compare wholesale and retail margins on regular unleaded and E10, and will seek information from fuel wholesalers and ethanol producers.

A paper released by IPART today seeks feedback on a range of issues to be considered as part of the review and is seeking feedback until 28 April 2017.

IPART will release a draft report on its findings in October 2017 and will seek submissions before providing a final report to the Minister for Innovation and Better Regulation by December 2017.

A full copy of the Issues Paper is available at www.ipart.nsw.gov.au.