

Review of wholesale and retail markets for fuel ethanol

Ethanol-blended petrol has become more widely available in NSW during 2017, with the number of nozzles dispensing E10, which contains 10% ethanol, now slightly higher than for regular petrol.

Releasing its draft report on wholesale and retail ethanol fuel markets for 2016-17, 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 2016 and June 2017.

Availability of E10 has increased since the NSW ethanol mandate was amended in January 2017, while sales of ethanol as a proportion of total NSW petrol sales has remained largely stable at around 2.4%. Retailers subject to the mandate must ensure that 6% of their total petrol sales is ethanol. However, the majority of retailers were exempted from fully meeting the mandate in the first half of 2017.

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 2016-17* are invited by 24 November 2017. A full copy of the report is available at ipart.nsw.gov.au.