

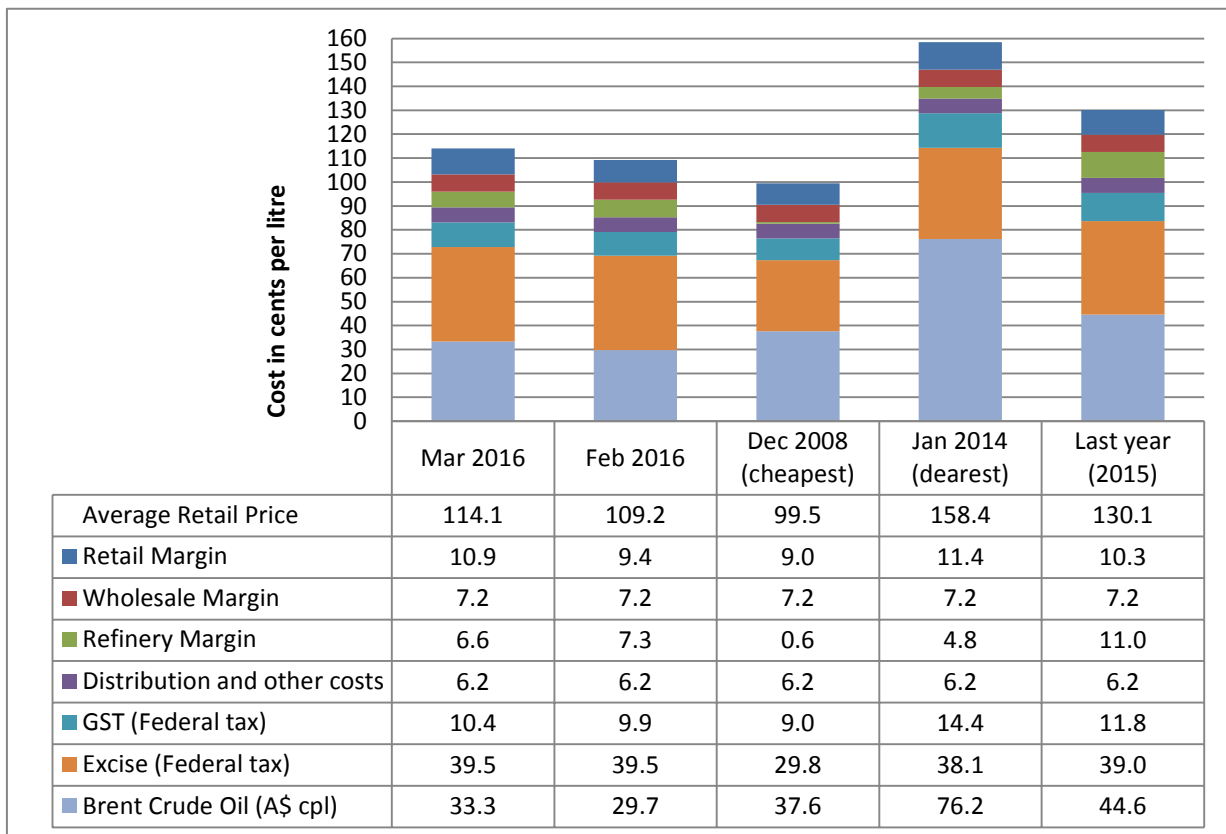
5 April 2016

The RACQ monthly fuel price report presents a summary of the fuel price trends in Queensland for March 2016.

**Key points**

- The average price of ULP in Brisbane was 114.1 cpl in March, 4.9 cpl higher than February.
- ULP sold in Brisbane was 7.8 cpl more expensive than Adelaide, 5.3 cpl more than Melbourne and 3.7 cpl more than Sydney.
- The average price of diesel in Brisbane was 113.1 cpl in March. Applying reasonable costs and margins, the price would have been 5.6 cents cheaper at 107.5 cpl.
- The diesel price in Brisbane was more expensive than Adelaide, Melbourne, Sydney, Canberra and Perth (by 8.6 cpl, 6.7 cpl, 5.6 cpl, 1.1 cpl and 0.7 cpl, respectively).
- Retailers in Moranbah were selling the cheapest ULP and diesel in Queensland (15.2 cpl and 19.7 cpl cheaper than Brisbane, respectively).
- Despite substantial falls in recent months in the Saudi CP, the retail price of LPG remained largely unchanged.

**ULP cost breakdown in Brisbane**



Note: 2008 prices included the 8.5cpl Queensland fuel excise subsidy

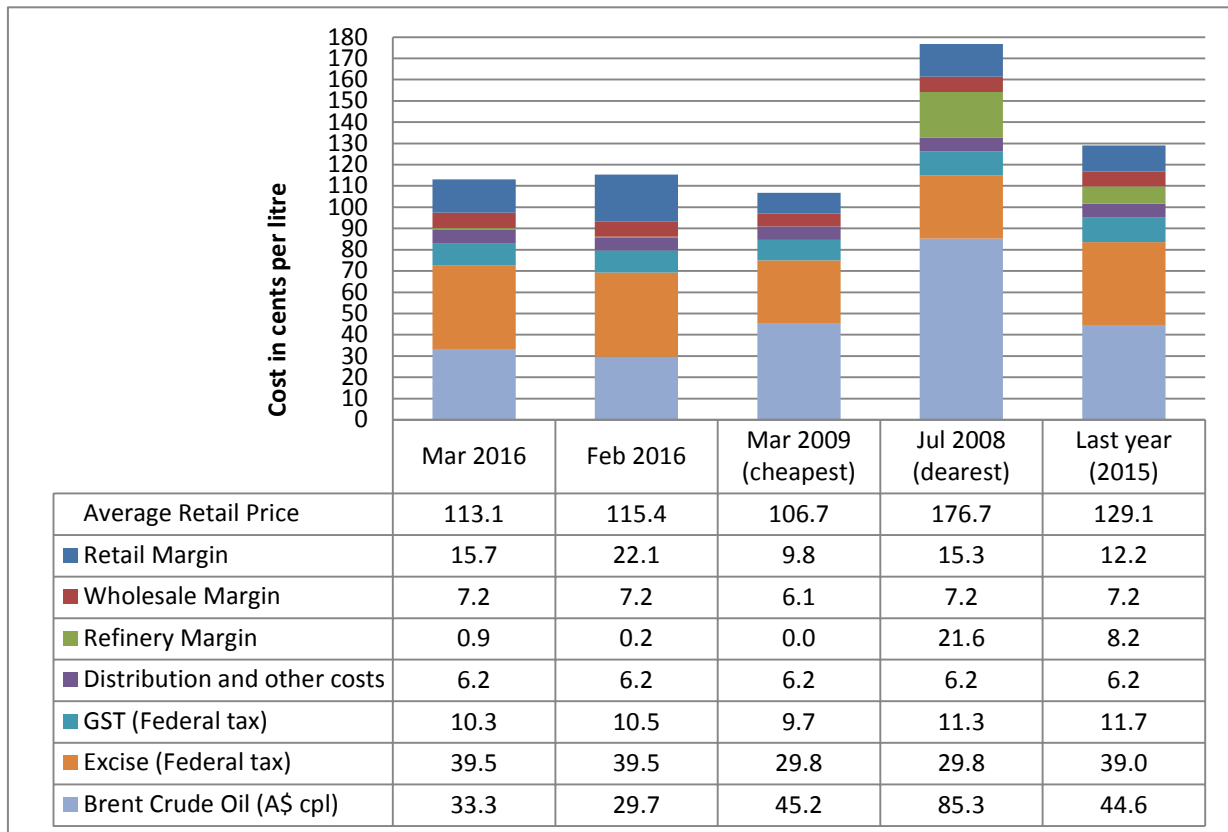
The chart above shows the cost breakdown for a litre of ULP sold in Brisbane for March 2016. For comparison, the cost breakdown for last month, last year, December 2008 - the cheapest month and January 2014 - the most expensive month observed in recent years (since 2008), is also displayed.

The average price of ULP in March was 114.1 cpl, 4.9 cpl higher than February.



The price of Brent oil in March 2016 was 33.3 cpl (A\$). This was lower than December 2008 (37.6 cpl A\$) when retail prices were cheapest. Due to higher margins and the 8.5 cpl Queensland fuel subsidy in place in 2008, the average retail price in March 2016 was higher than December 2008 despite the low crude oil price.

## Diesel cost breakdown in Brisbane



Note: 2008 and 2009 prices included the 8.5cpl Queensland fuel excise subsidy

The chart above shows the cost breakdown for a litre of diesel sold in Brisbane for March 2016. For comparison the cost breakdown for last month, last year, March 2009 - the cheapest month and July 2008 - the most expensive month observed in recent years (since 2008), is also displayed.

The average price of diesel in March was 113.1 cpl, 2.3 cpl lower than February. RACQ considers that this price was inflated. For example, replacing current costs and margins with reasonable fuel company costs and margins would see the average diesel price 5.6 cpl lower, at 107.5 cpl.

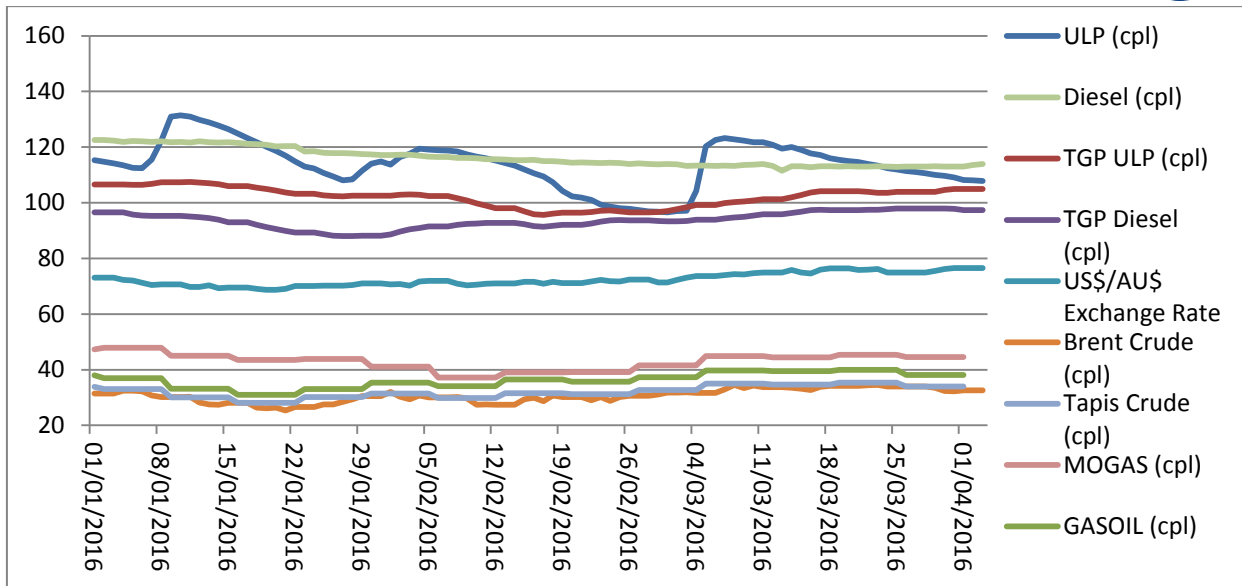
## Price trends

There was one price cycle observed in March 2016. The cycle started on 2 March, the average price then peaked on 7 March. Prices fell slowly throughout March and the average ULP price ended the month close to the average TGP. At the time of writing the Brisbane ULP market was in the cheapest phase of the cycle.

Brent started March at A\$50.4/bbl (US\$36.0/bbl) and ended the month at A\$54.0/bbl (US\$40.5/bbl). The trend observed in Brent price was also observed in the Tapis, MOGAS and GASOIL prices.

The strengthening oil price observed in March 2016 was due to a slight reduction in supply of oil, however demand also remained soft.

The graph below displays the average Brisbane retail ULP and diesel prices, the TGP, the daily Brent crude oil price, the weekly Tapis crude oil, the weekly MOGAS and GASOIL prices in cents per litre (A\$), and the US\$/A\$ exchange rate in A\$ cents per US\$.



### Comparison to other capital cities

The table below presents the average March prices and retail margins on ULP and diesel for Australia's capital cities, with the change compared to February in parentheses.

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Adelaide	106.3 (1.0)	3.8 (-2.2)	104.5 (0.3)	7.1 (-3.9)
Brisbane	114.1 (4.9)	10.9 (1.6)	113.1 (-2.2)	15.8 (-6.5)
Canberra	114.4 (-1.7)	11.5 (-5)	112.0 (-1.0)	14.6 (-5.3)
Darwin	116.4 (-4.9)	9.6 (-8.1)	117.1 (-2.4)	16.0 (-6.7)
Hobart	117.3 (-4.0)	9.4 (-7.4)	118.0 (-2.1)	15.7 (-6.3)
Melbourne	110.4 (3.5)	8.0 (0.3)	106.4 (-2.8)	9.5 (-7.1)
Perth	111.0 (1.0)	8.1 (-2.3)	112.4 (-3.4)	15.0 (-7.5)
Sydney	108.8 (2.0)	5.9 (-1.3)	107.5 (-2.0)	10.1 (-6.2)

\* The retail margin is the average retail price minus the average local TGP and local freight costs (assumed to be the same as Brisbane: 1.12cpl). The TGP varies between cities.

Adelaide was the cheapest capital for ULP, 7.8 cpl cheaper than Brisbane. Sydney, Melbourne and Perth were 5.3 cpl, 3.7 cpl and 3.1 cpl cheaper than Brisbane, respectively. Hobart was the most expensive capital for ULP, 3.2 cpl more expensive than Brisbane.

Diesel sold in Adelaide, Melbourne, Sydney, Canberra and Perth was cheaper than Brisbane by 8.6 cpl, 6.7 cpl, 5.6 cpl, 1.1 cpl and 0.7 cpl, respectively. Hobart was the most expensive capital 4.9 cpl more expensive than Brisbane.

### Fuel prices across Queensland

Moranbah had Queensland's cheapest ULP in March 2016, 15.2 cpl cheaper than Brisbane. ULP sold in Innisfail, Mackay, Ayr, Warwick, Toowoomba, Bowen, Gladstone, Tully, Yeppoon, Ipswich, Maryborough, Rockhampton, Childers, Gold Coast and Gympie was also cheaper than Brisbane. All other centres were more expensive than Brisbane.

Moranbah also had the cheapest diesel in Queensland (19.7 cpl cheaper than Brisbane), followed by Bundaberg and Bowen (12.0 cpl and 11.7 cpl cheaper, respectively). Mackay, Yeppoon, Maryborough, Innisfail, Charleville, Gympie, Rockhampton, Charters Towers, Gladstone, Townsville, Childers, Tully, Ayr, Biloela, Kingaroy, Emerald, Miles, Goondiwindi, Dalby, Toowoomba, Blackwater, Ipswich, Sunshine Coast, Hervey Bay, Whitsunday, Ingham and Longreach were also cheaper than Brisbane. All the other centres were more expensive.



The table below presents the average March prices and retail margins on ULP and diesel for Queensland localities, with the change compared to February in parentheses.

Locality	Average ULP Price (cpl)	Indicative ULP Retail Margin*	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	114.1 (4.9)	10.9 (1.6)	113.1 (-2.2)	15.8 (-6.5)
Gold Coast	113.4 (5.3)	9.8 (2.0)	114.5 (-1.9)	16.7 (-6.2)
Sunshine Coast	115.4 (3.3)	11.0 (0.0)	112.1 (-1.2)	13.5 (-5.4)
Atherton	119.9 (-1.4)	13.8 (-5.1)	nd	nd
Ayr	103.7 (-2.2)	-3.7 (-5.9)	105.7 (8.1)	5.1 (3.9)
Biloela	118.0 (-4.2)	10.7 (-7.9)	106.9 (-3.5)	5.8 (-7.7)
Blackall	139.3 (-8.4)	nd	121.9 (-3.7)	nd
Blackwater	126.0 (-0.7)	16.1 (-4.4)	111.5 (-2.4)	7.8 (-6.6)
Bowen	108.1 (-6.8)	0.3 (-10.5)	101.4 (-3.6)	0.5 (-7.8)
Bundaberg	115.2 (-0.5)	8.7 (-3.8)	101.1 (0.2)	0.4 (-4.0)
Cairns	121.7 (-0.5)	15.8 (-4.2)	119.6 (-0.6)	20.1 (-4.9)
Charleville	118.0 (-1.2)	6.5 (-4.5)	103.6 (-6.1)	-2.0 (-10.3)
Charters Towers	119.6 (0.0)	11.8 (-3.8)	104.6 (-1.9)	3.6 (-6.1)
Childers	113.1 (-1.5)	nd	105.4 (-0.2)	nd
Cloncurry	127.8 (-2.3)	14.5 (-6.0)	122.5 (-4.1)	16.1 (-8.3)
Cunnamulla	141.4 (-3.2)	30.3 (-6.5)	134.8 (-3.4)	29.5 (-7.6)
Dalby	118.6 (0.1)	13.8 (-3.2)	111.1 (-0.5)	12.1 (-4.7)
Emerald	128.2 (-1.4)	19.5 (-5.2)	108.3 (-4.4)	5.7 (-8.6)
Gladstone	109.5 (-2.8)	2.7 (-6.5)	105.2 (-1.0)	4.6 (-5.2)
Goondiwindi	121.9 (-0.9)	14.6 (-4.2)	110.7 (-1.9)	9.2 (-6.1)
Gympie	113.5 (-1.1)	8.9 (-4.4)	103.7 (1.7)	4.9 (-2.5)
Hervey Bay	118.8 (-1.5)	13.7 (-4.8)	112.2 (-0.4)	13.0 (-4.6)
Ingham	114.7 (-4.3)	nd	112.5 (-2.0)	nd
Innisfail	100.0 (-19.6)	-6.6 (-23.3)	102.9 (-17.1)	2.7 (-21.4)
Ipswich	112.9 (3.3)	9.2 (0.0)	111.8 (-3.6)	14.0 (-7.9)
Kingaroy	116.9 (-2.7)	11.0 (-6.0)	108.1 (-2.0)	8.1 (-6.2)
Longreach	126.8 (-1.0)	11.2 (-4.7)	112.6 (-7.4)	3.2 (-11.7)
Mackay	102.4 (-5.6)	-4.3 (-9.3)	101.5 (-7.4)	1.7 (-11.6)
Mareeba	117.5 (-1.6)	10.8 (-5.3)	118.6 (-0.3)	18.2 (-4.5)
Maryborough	112.9 (-2.4)	7.6 (-5.7)	102.5 (-0.2)	3.1 (-4.4)
Miles	118.0 (-1.1)	nd	109.5 (0.2)	nd
Moranbah	98.9 (-7.6)	-10.9 (-11.3)	93.4 (-6.1)	-9.6 (-10.4)
Mt Isa	119.9 (-3.2)	5.8 (-7.0)	123.3 (-1.6)	16.1 (-5.9)
Rockhampton	113.0 (-2.0)	5.6 (-5.7)	103.9 (0.1)	2.7 (-4.2)
Roma	122.9 (-3.4)	15.7 (-6.7)	115.9 (-3.5)	14.6 (-7.7)
Toowoomba	107.3 (-5.1)	3.0 (-8.4)	111.2 (-2.8)	12.6 (-7.0)
Townsville	117.2 (-1.0)	11.0 (-4.7)	105.3 (-2.7)	6.0 (-6.9)
Tully	110.0 (-10.6)	nd	105.5 (-12.3)	nd
Warwick	107.2 (-5.2)	2.7 (-8.5)	113.7 (-2.3)	15.0 (-6.5)
Whitsunday	nd	nd	112.3 (-5.8)	nd
Yeppoon	112.3 (-7.4)	4.3 (-11.1)	102.3 (-1.4)	0.4 (-5.7)

\* The retail margin is the average retail price minus the average local TGP and local freight costs. The TGP and freight costs vary between cities. This indicative margin is calculated on the monthly average TGP and retail price. A time lag is not included in this calculation.

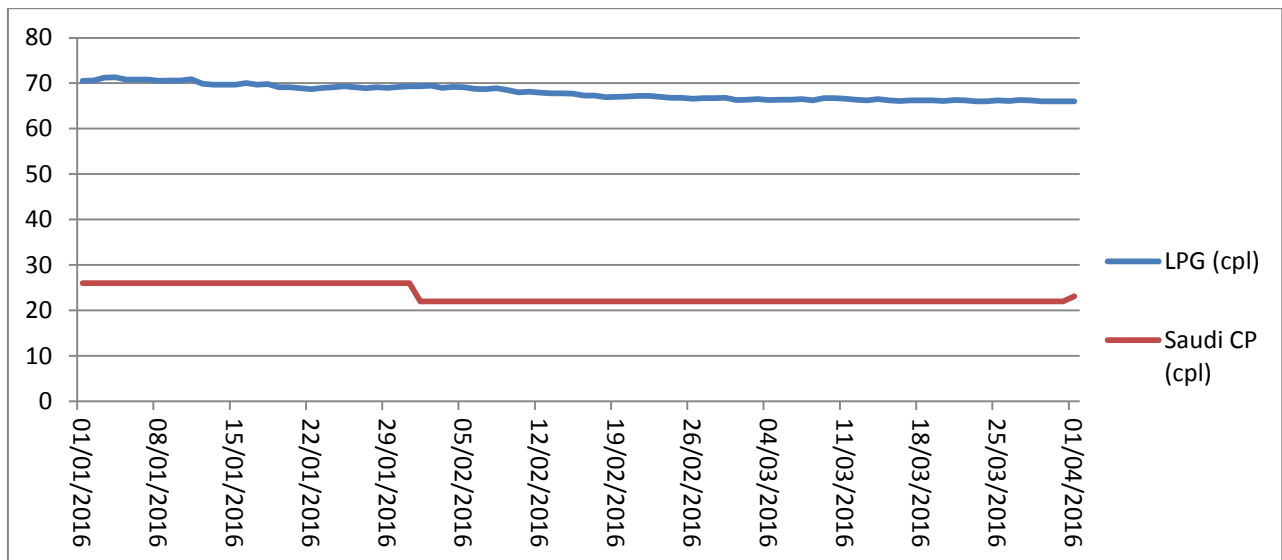


## Liquid Petroleum Gas (LPG)

The average price of LPG in Brisbane decreased by 1.5 cpl in March 2016 to 66.3 cpl. The average difference between the Brisbane retail LPG price (excluding excise and GST) and the international benchmark price – the Saudi Aramco Contract Price (the Saudi CP) – in March 2016 was 25.4 cpl, 1.3 cpl lower than February.

The Saudi CP for April 2016 is 1.1 cpl higher than March at 23.1 cpl. Despite this increase the April price is 2.9 cpl lower than January and 11.1 cpl lower than December. The March, February and January reductions are yet to flow through to the retail price of LPG in Queensland.

The chart below displays the retail price of LPG in Brisbane and Saudi CP.



## Outlook

The strengthening price of crude oil observed in March is likely to continue into April. Although price increases are likely to be modest. An oversupply of oil and weak demand are likely to dominate the oil market for some time yet.

In January 2016 the US Government ended its long imposed prohibition of oil exports. The oil export ban was imposed during the oil crisis of the 1970s. While it is uncertain if any crude has been exported from the US (as the export facilities would need to be developed), the price of Brent and WTI has converged as awareness grows that WTI will not remain land locked.

The next monthly fuel price report will be released in early May. For more information about recent movements in retail fuel prices, please view RACQ's Fair Fuel Price service at [www.racq.com.au](http://www.racq.com.au).

## Data sources

All data presented in this report are RACQ calculations using MotorMouth.com.au, FUELtrac, RBA, AIP, Bloomberg.com, BP, Viva Energy, Caltex, Mobil, United, Freedom and Puma data.