

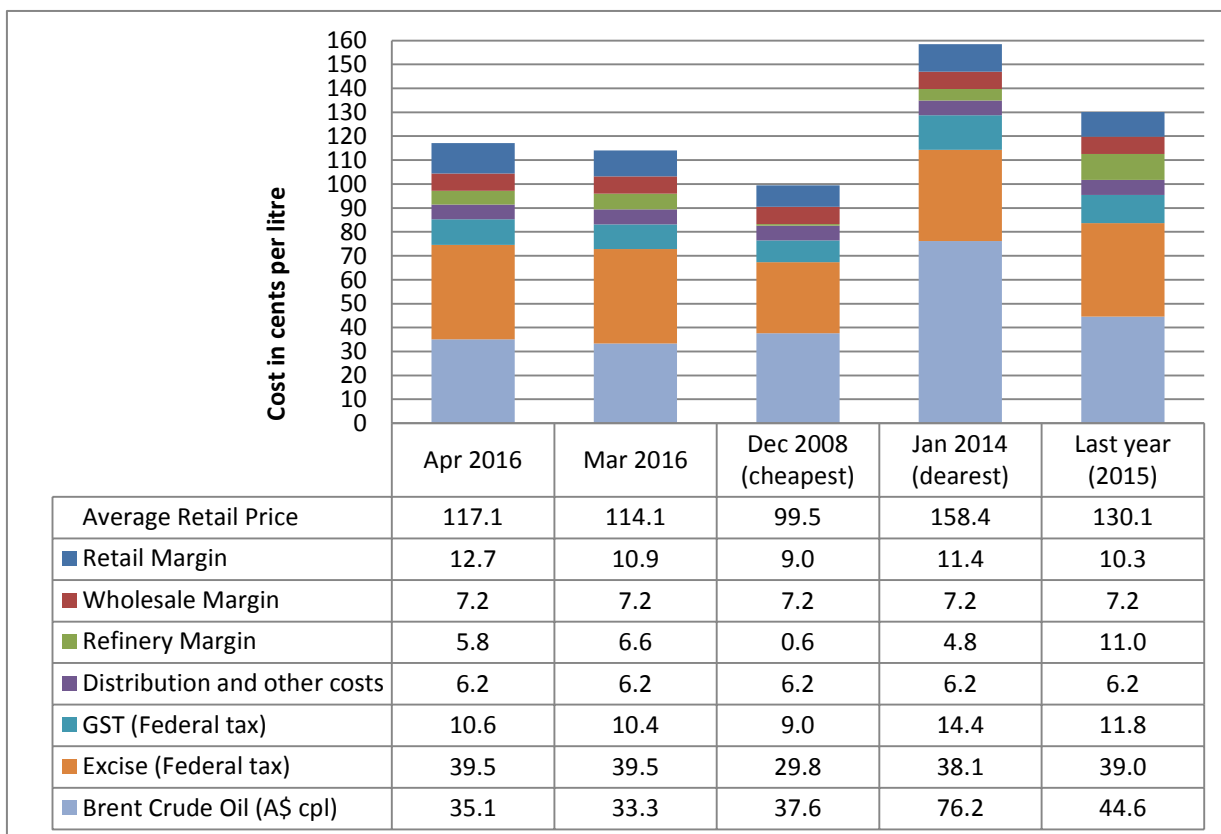
5 May 2016

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

Key points

- At 117.1 cpl, ULP sold in Brisbane was 3.0 cpl more than March.
- Brisbane was most expensive capital city for ULP. ULP sold in Sydney was 6.5 cpl cheaper, Perth 6.0 cpl, Adelaide 4.3 cpl, Canberra 3.6 cpl, Darwin 2.5 cpl, Melbourne 1.4 cpl and Hobart was 0.4 cpl cheaper than Brisbane.
- The average price of diesel in Brisbane was 112.6 cpl in April, 0.5 cpl lower than March.
- The diesel price in Brisbane was more expensive than Melbourne, Sydney, Adelaide and Perth (by 6.3 cpl, 6.3 cpl, 5.6 cpl and 0.5 cpl, respectively).
- Retailers in Moranbah were selling the cheapest ULP and Diesel in Queensland (15.6 cpl and 18.2 cpl cheaper than Brisbane, respectively).
- Cairns was the most expensive coastal centre for ULP, followed by the Sunshine Coast. ULP in Cairns was 15.2 cpl dearer than neighbouring Innisfail. ULP sold on the Sunshine Coast was 5.7 cpl dearer than Gympie.

ULP cost breakdown in Brisbane



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

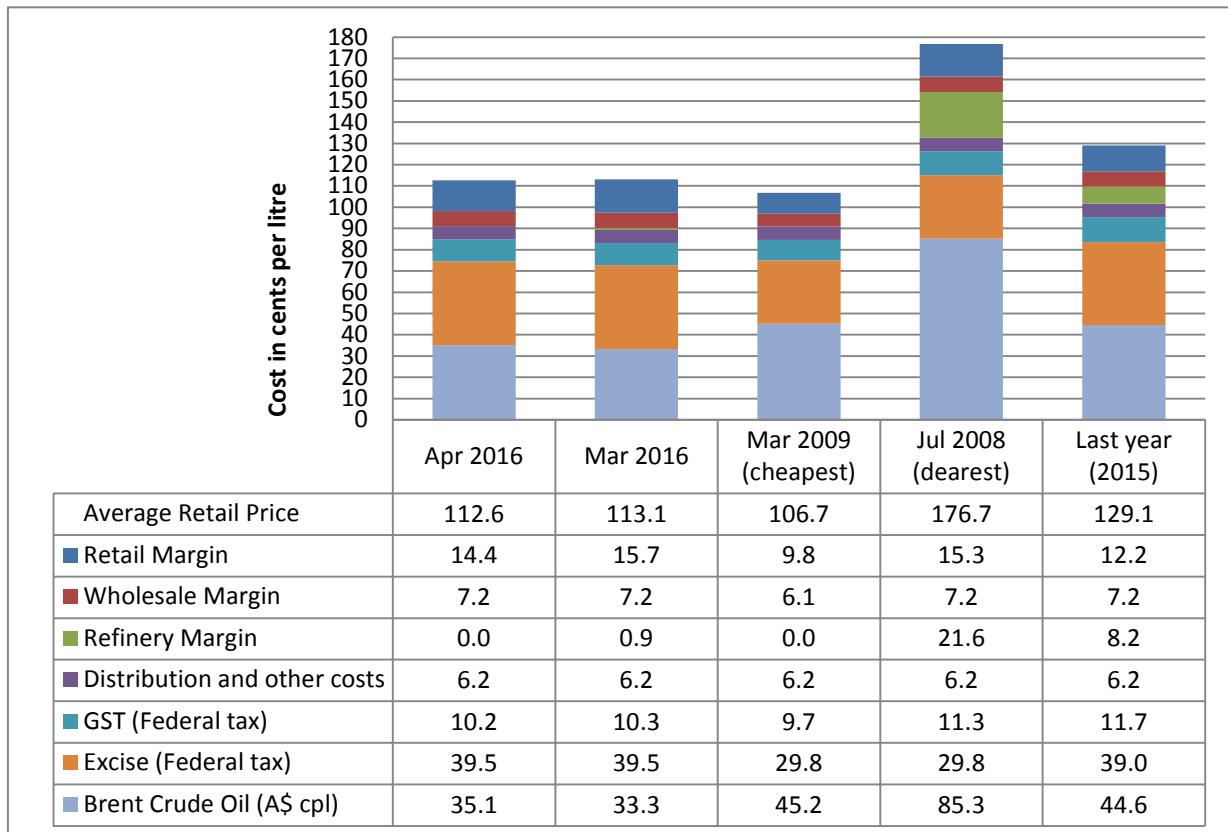
The chart above shows the cost breakdown for a litre of ULP sold in Brisbane for April 2016. For comparison, the cost breakdown for last month, last year, December 2008 – the cheapest month and January 2014 – the most expensive month observed in recent years (since 2008), is also displayed.

The average price of ULP in April was 117.1 cpl, 3.0 cpl higher than March.



The price of Brent oil in April 2016 was 35.1 cpl (A\$). This was lower than December 2008 (37.6 cpl A\$) when retail prices were cheapest. Despite the low crude oil price the average retail price in April 2016 was higher than December 2008. This was due to higher margins in April 2016 and the 8.5 cpl Queensland fuel subsidy in place in 2008.

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 April 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 April was 112.6 cpl, 0.5 cpl lower than March.

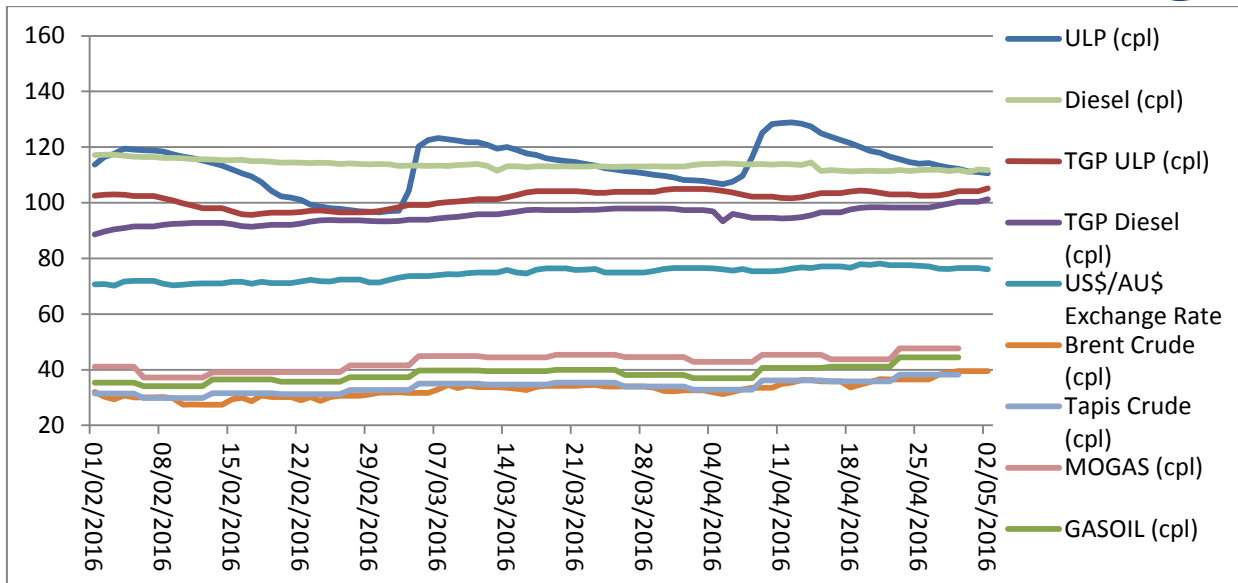
Price trends

There was one price cycle observed in April 2016. The cycle started on 6 April, the average price then peaked on 12 April. Prices fell slowly throughout the second half of April 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 April at A\$51.8/bbl (US\$39.6/bbl) and ended the month at A\$62.8.0/bbl (US\$48.0/bbl). The trend observed in Brent price was also observed in the Tapis, MOGAS and GASOIL prices.

The strengthening oil price observed in April 2016 was due to an increase in confidence in the oil market. There were rumours of deals and production freezes, all of which proved false. A slight reduction in supply of oil was observed in the first quarter of 2016 but demand also remained soft. A US Energy Information Agency (EIA) forecast suggests that supply and demand will balance out toward the end of 2016.

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 April prices and retail margins on ULP and diesel for Australia's capital cities, with the change compared to March in parentheses.

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Adelaide	112.8 (6.5)	9.1 (5.3)	107.0 (2.4)	8.7 (1.6)
Brisbane	117.1 (3.0)	12.7 (1.8)	112.6 (-0.5)	14.4 (-1.4)
Canberra	113.5 (-0.9)	9.5 (-2.0)	113.0 (0.9)	14.7 (0.1)
Darwin	114.6 (-1.8)	6.7 (-3.0)	116.7 (-0.4)	14.8 (-1.2)
Hobart	116.7 (-0.6)	7.8 (-1.6)	118.0 (0.0)	15.0 (-0.7)
Melbourne	115.7 (5.3)	12.1 (4.1)	106.3 (-0.2)	8.6 (-0.9)
Perth	111.1 (0.2)	7.2 (-1.0)	112.1 (-0.3)	13.9 (-1.1)
Sydney	110.6 (1.8)	6.6 (0.6)	106.3 (-1.2)	8.0 (-2.1)

* 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.

Brisbane was the most expensive capital city for ULP in April. Sydney was 6.5 cpl cheaper than Brisbane. Perth was 6.0 cpl cheaper, Adelaide 4.3 cpl cheaper, Canberra 3.6 cpl cheaper, Darwin 2.5 cpl cheaper, Melbourne 1.4 cpl cheaper and Hobart 0.4 cpl cheaper than Brisbane.

Diesel sold in Melbourne, Sydney, Adelaide and Perth was cheaper than Brisbane by 6.3 cpl, 6.3 cpl, 5.6 cpl and 0.5 cpl, respectively. Hobart was the most expensive capital 5.4 cpl more expensive than Brisbane.

Fuel prices across Queensland

Moranbah had Queensland's cheapest ULP in April 2016, 15.9 cpl cheaper than Brisbane. Mackay was 12.6 cpl cheaper than Brisbane, and both Innisfail and Warwick were 10.4 cpl cheaper. ULP sold in Toowoomba, Gladstone, Bowen, Maryborough, Rockhampton, Yeppoon, Childers, Ayr, Gympie, Ingham, Bundaberg, Ipswich, Tully, Gold Coast, Kingaroy and Mareeba was also cheaper than Brisbane. All other centres were more expensive than Brisbane.

At 121.9 cpl, ULP sold in Cairns was the most expensive of the coastal centres. The neighbouring town of Innisfail was 15.2 cpl cheaper than Cairns, Mareeba was 5.0 cpl cheaper and Atherton was 2.0 cpl cheaper. After Cairns the next dearest coastal centre was the Sunshine Coast at 120.2 cpl, 3.1 cpl dearer than Brisbane and 5.7 cpl dearer than neighbouring Gympie.



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

Locality	Average ULP Price (cpl)	Indicative ULP Retail Margin*	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	117.1 (3.0)	12.7 (1.8)	112.6 (-0.5)	14.4 (-1.4)
Gold Coast	116.9 (3.5)	12.1 (2.3)	114.0 (-0.6)	15.3 (-1.4)
Sunshine Coast	120.2 (4.7)	14.6 (3.6)	111.5 (-0.6)	12.1 (-1.4)
Atherton	119.9 (0.0)	12.6 (-1.2)	nd	nd
Ayr	114.3 (10.3)	5.7 (9.1)	109.9 (3.9)	8.5 (3.1)
Biloela	118.2 (0.2)	9.7 (-1.0)	110.9 (3.7)	8.9 (2.9)
Blackall	140.2 (0.7)	nd	123.2 (1.2)	nd
Blackwater	126.3 (0.3)	15.3 (-0.8)	109.9 (-1.6)	5.4 (-2.5)
Bowen	111.1 (2.9)	2.2 (1.8)	105.2 (3.7)	3.5 (2.9)
Bundaberg	114.9 (-0.3)	7.3 (-1.4)	103.5 (2.3)	2.0 (1.5)
Cairns	121.9 (0.2)	14.9 (-0.9)	119.6 (0.0)	19.3 (-0.8)
Charleville	118.6 (0.6)	5.9 (-0.6)	108.3 (4.6)	1.9 (3.8)
Charters Towers	119.7 (-0.2)	10.7 (-1.4)	109.9 (5.1)	8.2 (4.3)
Childers	113.8 (0.7)	nd	107.4 (1.8)	nd
Cloncurry	127.7 (0.0)	13.3 (-1.1)	120.9 (-1.4)	13.7 (-2.3)
Cunnamulla	141.4 (0.0)	29.1 (-1.2)	136.9 (2.0)	30.8 (1.2)
Dalby	118.3 (-0.3)	12.4 (-1.4)	110.8 (-0.3)	11.0 (-1.1)
Emerald	127.8 (-0.4)	17.9 (-1.5)	105.7 (-2.4)	2.3 (-3.2)
Gladstone	110.1 (0.6)	2.1 (-0.6)	107.1 (1.8)	5.6 (1)
Goondiwindi	120.8 (-1.1)	12.4 (-2.3)	109.8 (-0.8)	7.5 (-1.6)
Gympie	114.5 (1.0)	8.8 (-0.2)	105.5 (1.7)	5.9 (0.8)
Hervey Bay	119.4 (0.7)	13.2 (-0.5)	117.4 (5.1)	17.3 (4.3)
Ingham	114.5 (-0.1)	nd	113.1 (0.6)	nd
Innisfail	106.7 (6.6)	-1.1 (5.4)	104.3 (1.4)	3.2 (0.5)
Ipswich	115.7 (3.0)	10.8 (1.8)	110.2 (-1.6)	11.5 (-2.4)
Kingaroy	116.9 (0.0)	9.9 (-1.2)	108.6 (0.5)	7.8 (-0.3)
Longreach	127.2 (0.4)	10.5 (-0.7)	113.7 (1.0)	3.5 (0.2)
Mackay	104.5 (1.9)	-3.4 (0.8)	103.2 (1.6)	2.6 (0.8)
Mareeba	116.9 (-0.6)	9.0 (-1.8)	117.8 (-0.8)	16.6 (-1.6)
Maryborough	112.8 (-0.1)	6.3 (-1.3)	105.5 (2.8)	5.2 (2.0)
Miles	120.4 (2.2)	nd	111.5 (2.0)	nd
Moranbah	101.5 (2.5)	-9.5 (1.4)	94.4 (1.1)	-9.3 (0.2)
Mt Isa	119.2 (-0.7)	3.9 (-1.8)	122.9 (-0.4)	14.8 (-1.3)
Rockhampton	113.3 (0.3)	4.7 (-0.9)	106.6 (2.7)	4.5 (1.9)
Roma	122.7 (-0.2)	14.4 (-1.4)	115.6 (-0.3)	13.5 (-1.1)
Toowoomba	109.5 (2.1)	3.9 (0.9)	111.2 (0.0)	11.9 (-0.8)
Townsville	117.4 (0.2)	10.1 (-1)	109.5 (4.0)	9.4 (3.2)
Tully	116.4 (6.1)	nd	107.7 (2.0)	nd
Warwick	106.7 (-0.5)	1.0 (-1.6)	115.3 (1.6)	15.7 (0.8)
Whitsunday	nd	nd	113.2 (1.1)	nd
Yeppoon	113.3 (1.0)	4.1 (-0.2)	105.5 (3.1)	2.8 (2.3)

* 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.



Moranbah also had the cheapest diesel in Queensland (18.2 cpl cheaper than Brisbane), followed by Mackay and Bundaberg (9.4 cpl and 9.1 cpl cheaper than Brisbane, respectively). Innisfail, Bowen, Gympie, Maryborough, Yeppoon, Emerald, Rockhampton, Gladstone, Childers, Tully, Charleville, Kingaroy, Townsville, Goondiwindi, Ayr, Blackwater, Charters Towers, Ipswich, Dalby, Biloela, Toowoomba, Sunshine Coast and Miles were also cheaper than Brisbane. All the other centres were more expensive.

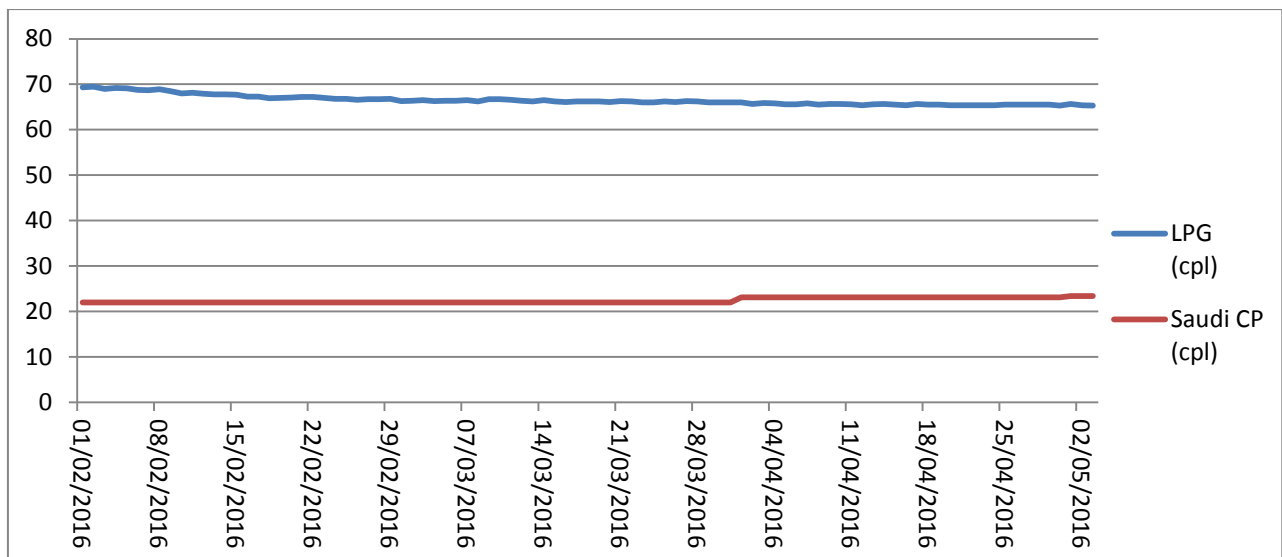
Cairns was the most expensive coastal centre for diesel (as well as ULP), 15.3 cpl dearer than neighbouring Innisfail and 1.8 cpl dearer than Mareeba.

Liquid Petroleum Gas (LPG)

The average price of LPG in Brisbane decreased by 0.3 cpl in April 2016 to 66.6 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 April 2016 was 23.6 cpl, 1.8 cpl lower than March.

The Saudi CP for May 2016 is 0.3 cpl higher than April at 23.4 cpl. Despite recent increases the Saudi CP for April is 10.8 cpl lower than December. However the retail LPG price is only 3.4 cpl lower. The fuel companies have bolstered their margins with the 7.4 cpl difference rather than passing this saving on to consumers.

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



Outlook

The strengthening price of crude oil observed in April is likely to continue into May, 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.

The next monthly fuel price report will be released in early June. For more information about recent movements in retail fuel prices, please view RACQ's Fair Fuel Price service at 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.