

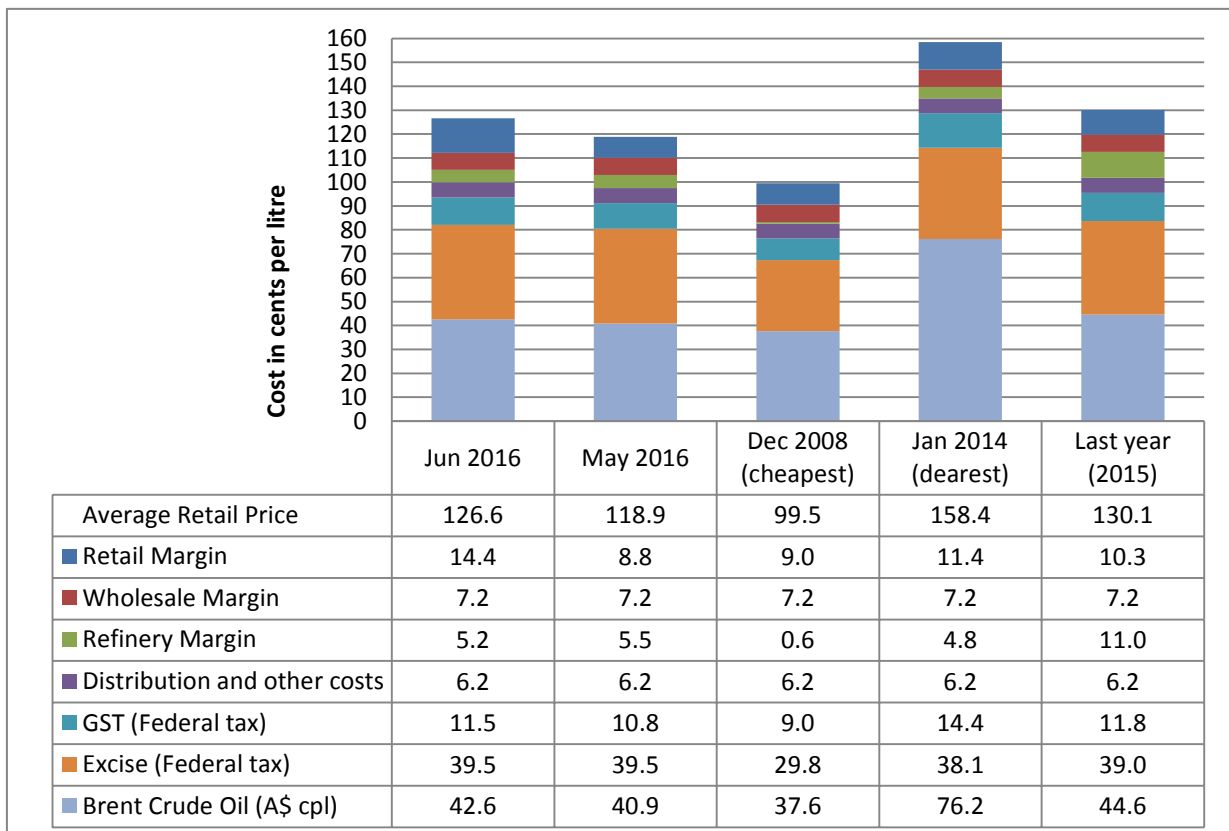
5 July 2016

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

Key points

- At 126.6 cpl, ULP sold in Brisbane was 7.7 cpl higher than May and indicative retail margins were 5.7 cpl higher, at 14.4 cpl.
- Brisbane was the most expensive capital city for ULP. ULP sold in Adelaide was 9.8 cpl cheaper than Brisbane and Darwin was 7.1 cpl cheaper. Perth, Melbourne, Hobart and Sydney were all between 3.5 and 1.2 cpl cheaper.
- The average price of diesel in Brisbane was 121.2 cpl in June, 7.1 cpl higher than May.
- Diesel sold in Adelaide, Sydney, Melbourne and Canberra was cheaper than Brisbane by 3.7 cpl, 3.7 cpl, 2.6 cpl and 0.4 cpl, respectively.
- Miles had the cheapest ULP in Queensland, while Moranbah had the cheapest Diesel (7.6 cpl and 7.2 cpl cheaper than Brisbane, respectively).
- The average price of LPG was largely unchanged at 65.0 cpl.
- The international benchmark price for LPG (for July) fell to a 12 year low of 21.4 cpl.

ULP cost breakdown in Brisbane



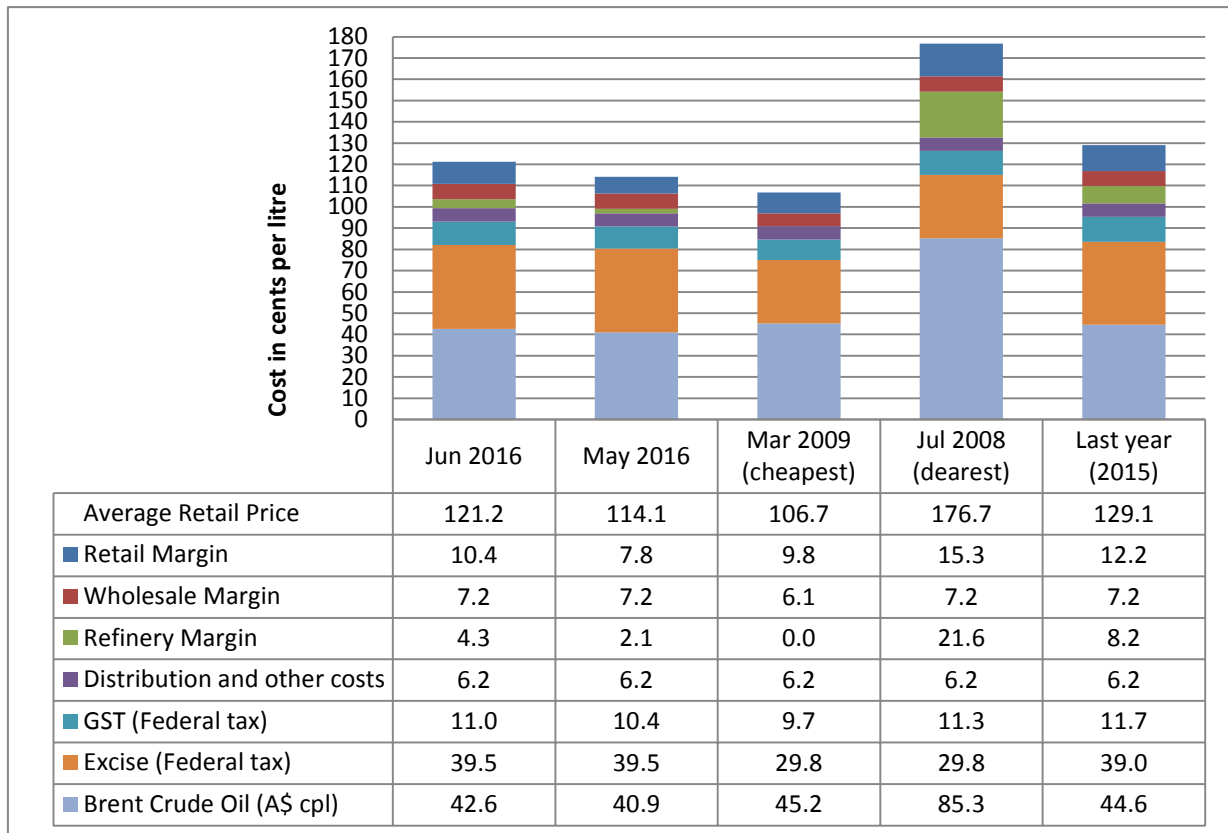
Note: 2008 prices included the 8.5cpl Queensland fuel excise subsidy

The chart above shows the cost breakdown for a litre of ULP sold in Brisbane for June 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 June was 126.6 cpl, 7.7 cpl higher than May. This price increase was due a substantial increase in retail margins rather than an increase in the oil price or the terminal gate price. Retail margins in June at 14.4 cpl were 5.6 cpl greater than May.

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 June 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.

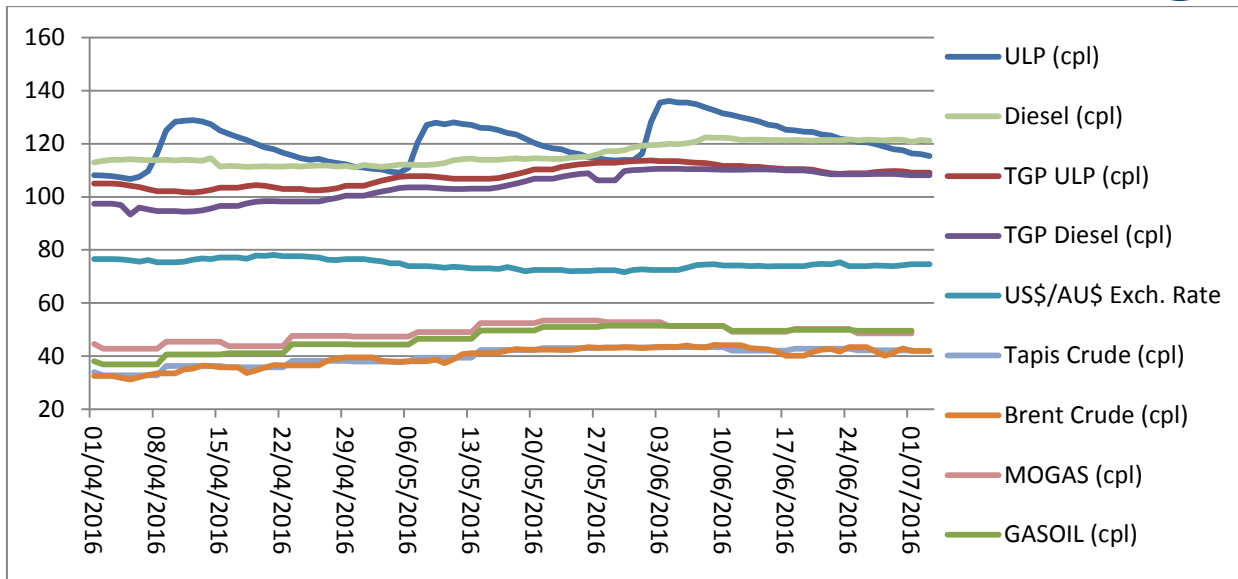
The average price of diesel in June was 121.2 cpl, 7.1 cpl higher than May. Most of this difference is due a 2.6 cpl increase in the retail margins and a 2.2 cpl increase in refinery margins.

Price trends

There was one price cycle observed in June 2016. The cycle started on 30 May, the average price then peaked on 4 June. Prices fell slowly throughout the rest of June and the cycle extended into July. At the time of writing there was no evidence of a price hike and the start of the next cycle.

Brent started June at A\$68.4/bbl (US\$49.3/bbl) and ended the month largely unchanged at A\$68.2/bbl (US\$50.6/bbl). The Brent price fell to a low of A\$63.8/bbl (US\$47.2/bbl) on 28 June following the UK referendum on EU membership (Brexit), before regaining some value to end the month flat. The Tapis price followed the trend set by Brent; however Singapore MOGAS and GASOIL prices softened in June.

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

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Adelaide	116.8 (1.9)	5.4 (0.0)	117.5 (6.0)	6.7 (1.5)
Brisbane	126.6 (7.7)	14.4 (5.6)	121.2 (7.1)	10.4 (2.6)
Canberra	126.3 (12.9)	14.6 (10.9)	120.8 (7.3)	10.0 (2.8)
Darwin	119.5 (6.0)	3.7 (4.0)	121.0 (3.6)	10.2 (-0.9)
Hobart	125.2 (6.2)	8.6 (4.4)	125.0 (5.5)	14.2 (0.9)
Melbourne	124.2 (9.7)	12.9 (7.7)	118.6 (9.5)	7.8 (4.9)
Perth	123.1 (9.5)	11.4 (7.6)	123.9 (9.5)	13.1 (4.9)
Sydney	125.4 (7.5)	13.6 (5.5)	117.5 (7.5)	6.7 (3.0)

* 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 June, at 126.6 cpl. Adelaide was 9.8 cpl cheaper than Brisbane and Darwin was 7.1 cpl cheaper. Perth, Melbourne, Hobart and Sydney were cheaper by between 3.5 and 1.2 cpl, and Canberra was 0.3 cpl cheaper than Brisbane.

Diesel sold in Adelaide, Sydney, Melbourne and Canberra was cheaper than Brisbane by 3.7 cpl, 3.7 cpl, 2.6 cpl and 0.4 cpl, respectively. Hobart, at 3.8 cpl more than Brisbane, was the most expensive capital.

Fuel prices across Queensland

Miles had Queensland's cheapest ULP in June 2016, 7.6 cpl cheaper than Brisbane. Moranbah was 7.3 cpl cheaper than Brisbane, and Dalby was 4.9 cpl cheaper. ULP sold in Goondiwindi, Maryborough, Charleville, Tully, Mareeba, Bundaberg, Warwick, Gladstone and Toowoomba was also cheaper than Brisbane. All other centres were more expensive than Brisbane.

Moranbah had the cheapest diesel in Queensland (7.2 cpl cheaper than Brisbane), followed by Emerald and Blackwater (3.6 cpl and 2.0 cpl cheaper than Brisbane, respectively). Kingaroy, Sunshine Coast, Charters Towers, Dalby, Ipswich, Maryborough, Mareeba, Bowen, Goondiwindi and Gold Coast were also cheaper than Brisbane. All the other centres were more expensive.

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



Locality	Average ULP Price (cpl)	Indicative ULP Retail Margin*	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	126.6 (7.7)	14.4 (5.7)	121.2 (7.1)	10.4 (2.6)
Gold Coast	127.2 (10.0)	14.7 (8.0)	120.8 (6.2)	9.6 (1.6)
Sunshine Coast	127.9 (7.5)	14.5 (5.5)	119.5 (7.3)	7.6 (2.7)
Atherton	128.6 (8.4)	13.7 (6.6)	nd	nd
Ayr	129.0 (5.9)	12.9 (4.2)	nd	nd
Biloela	127.7 (7.0)	11.7 (5.3)	122.4 (6.8)	10.7 (2.3)
Blackall	139.1 (0.7)	17.3 (-1.1)	125.8 (3.5)	8.0 (-1.0)
Blackwater	128.9 (2.0)	10.4 (0.3)	119.2 (8.0)	4.9 (3.5)
Bowen	127.5 (7.9)	11 (6.2)	120.5 (7.6)	8.4 (3.0)
Bundaberg	125.3 (8.2)	9.9 (6.2)	122.2 (9.7)	8.2 (5.1)
Cairns	129.7 (6.3)	15.1 (4.5)	128.3 (7.1)	17.7 (2.5)
Charleville	124.6 (4.9)	4.2 (2.9)	122.3 (8.8)	3.2 (4.3)
Charters Towers	127.6 (8.0)	11.0 (6.2)	119.6 (5.5)	7.4 (0.9)
Childers	127.2 (8.9)	9.6 (7.2)	nd	nd
Cloncurry	131.9 (1.7)	9.9 (0.0)	127.0 (3.9)	9.4 (-0.6)
Cunnamulla	145.7 (3.8)	25.7 (1.8)	144.0 (4.4)	25.3 (-0.1)
Dalby	121.7 (3.1)	8.0 (1.1)	119.9 (7.0)	7.6 (2.4)
Emerald	128.9 (5.9)	11.5 (4.1)	117.6 (8.9)	4.5 (4.4)
Gladstone	125.8 (12.4)	10.3 (10.6)	124.6 (10)	13.4 (5.4)
Goondiwindi	122.5 (1.8)	6.3 (-0.2)	120.7 (5.6)	5.8 (1.1)
Gympie	127.8 (8.1)	14.3 (6.1)	123.5 (7.9)	11.3 (3.4)
Hervey Bay	129.5 (6.9)	15.5 (5.0)	129.5 (4.9)	16.8 (0.3)
Ingham	127.8 (11.6)	12.2 (9.8)	122.0 (8.7)	10.4 (4.2)
Innisfail	127.0 (7.1)	11.7 (5.3)	125.4 (11.4)	14.0 (6.8)
Ipswich	130.8 (17.6)	18.2 (15.6)	120.0 (8.4)	8.8 (3.9)
Kingaroy	126.8 (9.3)	12.0 (7.3)	119.3 (7.0)	5.9 (2.4)
Longreach	133.1 (5.1)	8.8 (3.3)	126.4 (8.3)	6.4 (3.8)
Mackay	127.9 (10.9)	12.4 (9.2)	126.8 (11.5)	16.1 (7.0)
Mareeba	124.9 (8.2)	9.4 (6.4)	120.3 (3.6)	8.8 (-1.0)
Maryborough	123.7 (6.5)	9.4 (4.5)	120.2 (7.6)	7.3 (3.1)
Miles	119.0 (2.0)	1.1 (0.2)	122.8 (6.8)	8.9 (2.3)
Moranbah	119.3 (9.4)	0.8 (7.7)	114.0 (8.2)	0.3 (3.6)
Mt Isa	126.9 (7.7)	4.1 (5.9)	125.3 (3.4)	6.9 (-1.1)
Rockhampton	128.1 (13.2)	12 (11.4)	123.2 (9.7)	11.3 (5.2)
Roma	126.7 (6.6)	10.7 (4.6)	130.8 (8.9)	16.1 (4.3)
Toowoomba	125.9 (11.4)	12.6 (9.4)	123.7 (8.5)	11.8 (4.0)
Townsville	127.3 (9.6)	12.4 (7.8)	124.9 (8.4)	14.5 (3.8)
Tully	124.8 (7.2)	8.7 (5.4)	124.5 (10.1)	12.3 (5.5)
Warwick	125.5 (11.2)	12.0 (9.3)	123.0 (2.7)	10.9 (-1.9)
Whitsunday	nd	nd	130.9 (7.3)	18.9 (2.7)
Yeppoon	127.9 (12.6)	11.1 (10.8)	nd	nd

* 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.

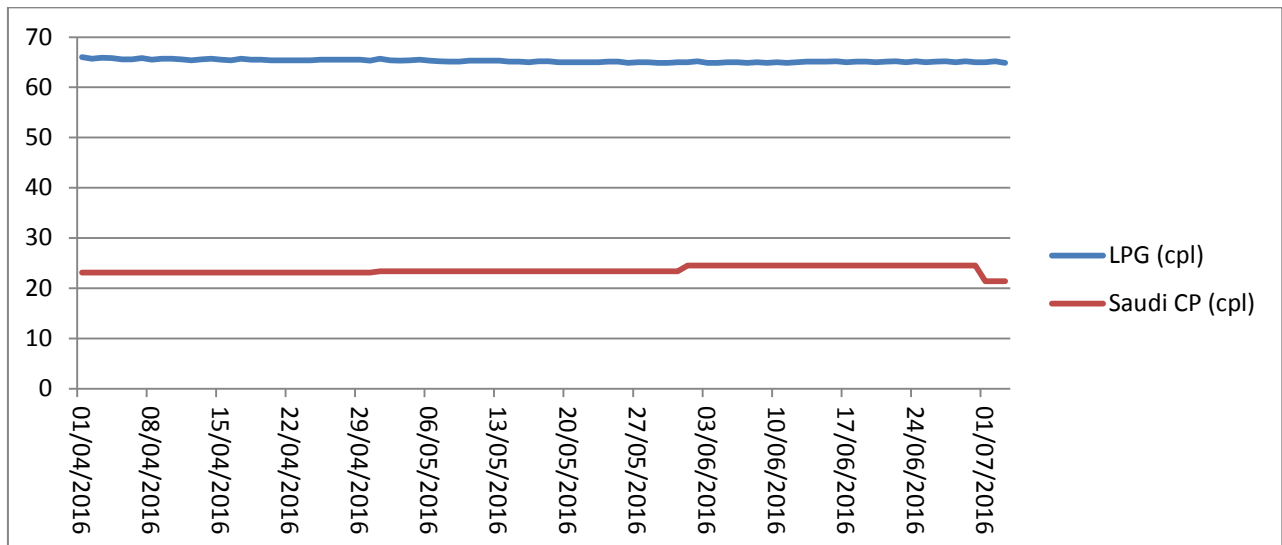


Liquid Petroleum Gas (LPG)

The average price of LPG in Brisbane decreased by 0.2 cpl in June to 65.0 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 June was 21.7 cpl, 1.2 cpl lower than May.

The Saudi CP for July 2016 is 3.1 cpl lower than June at 21.4 cpl. This is the lowest Saudi CP observed for 12 years. It was last this low in April 2004 (20.5 cpl), when the equivalent average retail price of LPG in Brisbane was 46.7 cpl (applying the current excise regime), or 32.5 cpl (applying the excise regime from 2004).

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



Outlook

Uncertainty following Brexit appears to have dampened the global economy and slowed the increase in the price of oil. The oversupply of oil that has dominated markets recently is likely to continue until at least the end of 2016. The strengthening price of crude oil observed prior to mid-June is likely to restart and continue into July, although price increases should be modest.

The next monthly fuel price report will be released in early August. 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.