

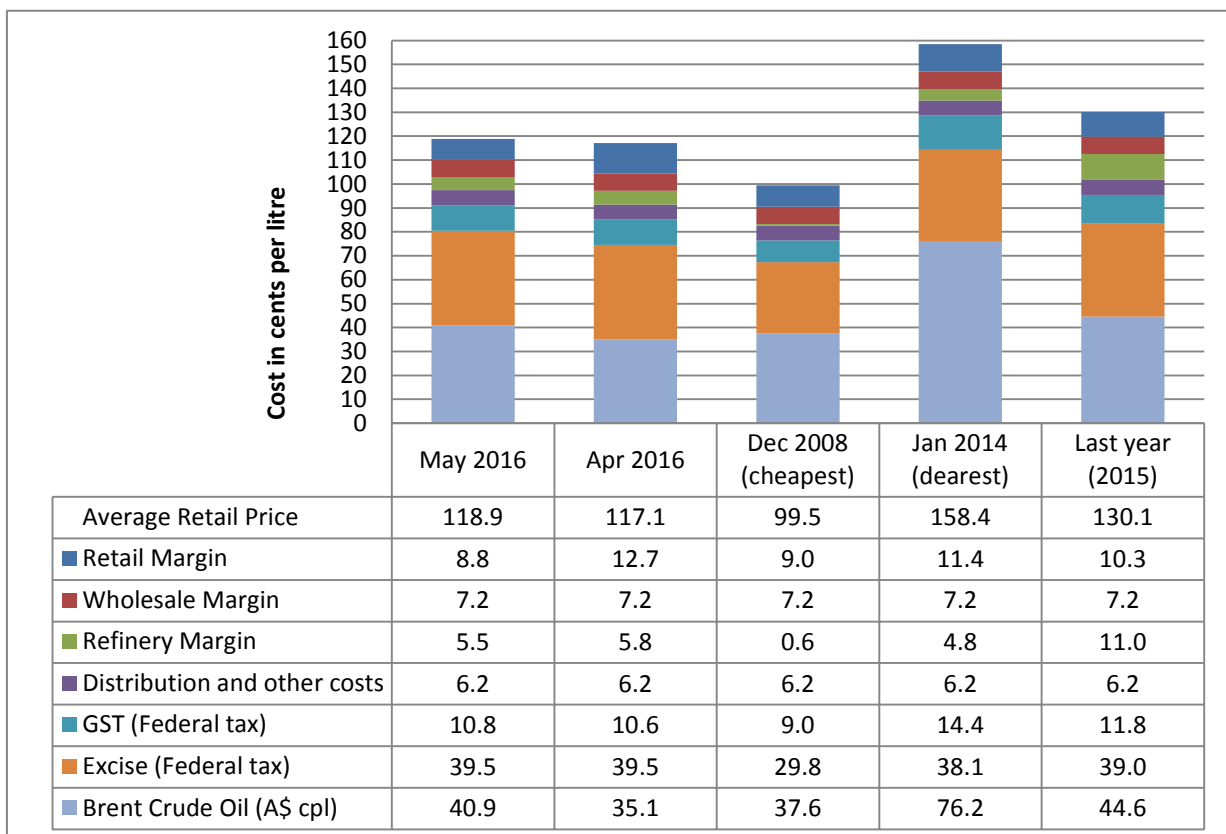
3 June 2016

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

**Key points**

- At 118.9 cpl, ULP sold in Brisbane was 1.8 cpl higher than April.
- Brisbane (with Hobart) was one of the two most expensive capital cities for ULP. ULP sold in Canberra and Darwin was 5.4 cpl cheaper than Brisbane, Perth was 5.3 cpl cheaper, Melbourne 4.4 cpl cheaper, Adelaide 4.0 cpl cheaper and Sydney 1.0 cpl cheaper.
- The average price of diesel in Brisbane was 114.1 cpl in May, 1.5 cpl higher than April.
- The diesel price in Brisbane was more expensive than Melbourne, Sydney, Adelaide and Canberra by 4.9 cpl, 4.1 cpl, 2.6 cpl and 0.7 cpl, respectively.
- Retailers in Moranbah were selling the cheapest ULP and Diesel in Queensland (9.0 cpl and 8.3 cpl cheaper than Brisbane, respectively).
- Cairns was the most expensive coastal centre. ULP in Cairns was 3.6 cpl dearer than neighbouring Innisfail.

**ULP cost breakdown in Brisbane**



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

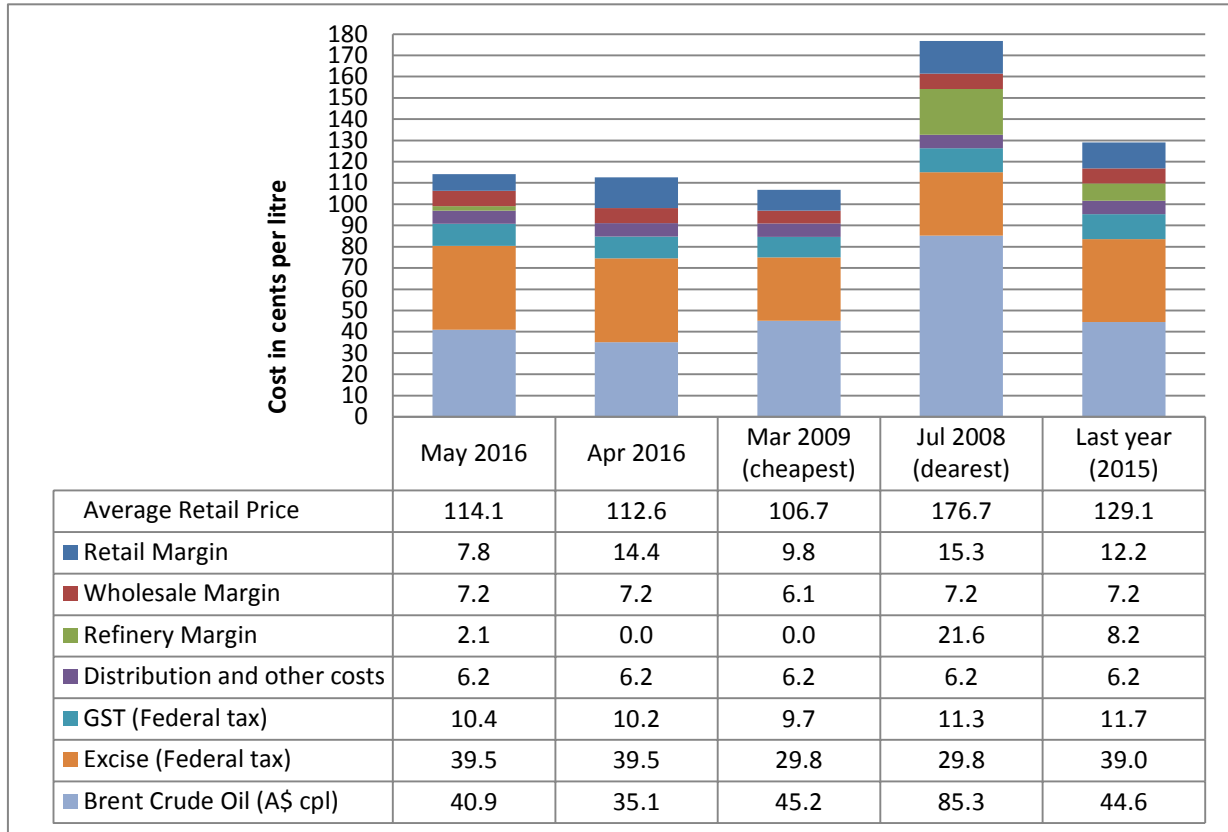
The chart above shows the cost breakdown for a litre of ULP sold in Brisbane for May 2016. For comparison, the cost breakdown for last month, last year, December 2008 – the cheapest month and January 2014 – the most expensive month observed in recent years (since 2008), is also displayed.

The average price of ULP in May was 118.9 cpl, 1.8 cpl higher than April.



The average price of Brent oil in May 2016 was 40.9 cpl (A\$), 3.3 cpl more than December 2008 (37.6 cpl A\$) when retail prices were cheapest. However, the average retail price in May 2016 was 19.4 cpl higher than December 2008. This was due to higher margins in May 2016 and the 8.5 cpl Queensland fuel subsidy in place in 2008.

### Diesel cost breakdown in Brisbane

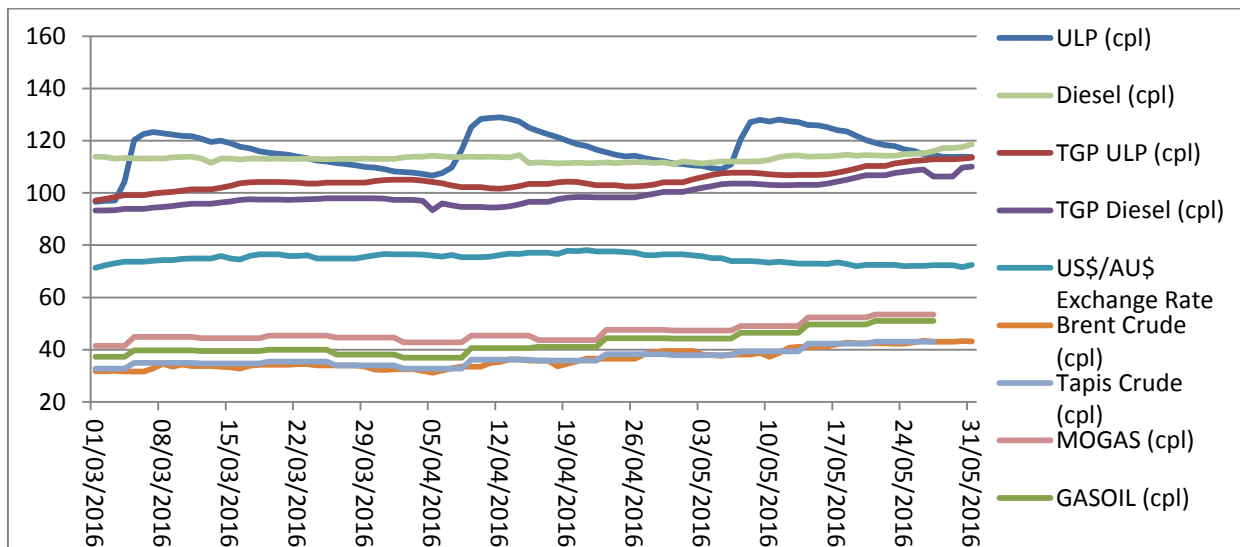


Note: 2008 and 2009 prices included the 8.5cpl Queensland fuel excise subsidy

The chart above shows the cost breakdown for a litre of diesel sold in Brisbane for May 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 May was 114.1 cpl, 1.5 cpl higher than April.

### Price trends





The graph above 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\$.

There was one price cycle observed in May 2016. The cycle started on 6 May, the average price then peaked on 9 May. Prices fell slowly throughout the rest of May and the cycle ended on 31 May.

Brent started May at A\$60.7/bbl (US\$45.9/bbl) and ended the month at A\$68.7/bbl (US\$49.8/bbl). The trend observed in Brent price was also observed in the Tapis, MOGAS and GASOIL prices. The strengthening oil price observed in May 2016 was due to an increase in confidence in the oil market.

## Comparison to other capital cities

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

| City      | Average ULP Price (cpl) | ULP Retail Margin* (cpl) | Average Diesel Price (cpl) | Diesel Retail Margin* (cpl) |
|-----------|-------------------------|--------------------------|----------------------------|-----------------------------|
| Adelaide  | 114.9 (2.1)             | 5.5 (-3.7)               | 111.5 (4.5)                | 5.2 (-3.5)                  |
| Brisbane  | 118.9 (1.8)             | 8.8 (-3.9)               | 114.1 (1.5)                | 7.8 (-6.6)                  |
| Canberra  | 113.5 (-0.1)            | 3.7 (-5.8)               | 113.4 (0.5)                | 7.2 (-7.5)                  |
| Darwin    | 113.5 (-1.2)            | -0.3 (-7.0)              | 117.4 (0.6)                | 11.1 (-3.7)                 |
| Hobart    | 119.0 (2.3)             | 4.2 (-3.6)               | 119.5 (1.5)                | 13.3 (-1.7)                 |
| Melbourne | 114.5 (-1.2)            | 5.2 (-6.9)               | 109.2 (2.9)                | 2.9 (-5.7)                  |
| Perth     | 113.6 (2.5)             | 3.8 (-3.3)               | 114.4 (2.3)                | 8.1 (-5.8)                  |
| Sydney    | 117.9 (7.3)             | 8.1 (1.5)                | 110.0 (3.7)                | 3.7 (-4.3)                  |

\* 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 and Hobart were the most expensive capital cities for ULP in May, at 118.9 cpl and 119.0 cpl respectively. Canberra and Darwin were 5.4 cpl cheaper than Brisbane, Perth was 5.3 cpl cheaper, Melbourne 4.4 cpl cheaper, Adelaide 4.0 cpl cheaper and Sydney 1.0 cpl cheaper than Brisbane.

Diesel sold in Melbourne, Sydney, Adelaide and Canberra was cheaper than Brisbane by 4.9 cpl, 4.1 cpl, 2.6 cpl and 0.7 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 May 2016, 9.0 cpl cheaper than Brisbane. Ipswich was 5.8 cpl cheaper than Brisbane, and Gladstone was 5.5 cpl cheaper. ULP sold in Warwick; Toowoomba, Rockhampton, Yeppoon, Ingham, Mareeba, Mackay, Bundaberg, Miles, Gold Coast, Maryborough, Kingaroy, Townsville, Tully, Childers and Dalby was also cheaper than Brisbane. All other centres were more expensive than Brisbane.

At 123.5 cpl, ULP sold in Cairns was the most expensive of the coastal centres. After Cairns the next dearest coastal centres were Ayr at 123.1 cpl, Harvey Bay at 122.6 cpl and the Sunshine Coast at 120.3 cpl.

Moranbah also had the cheapest diesel in Queensland (8.3 cpl cheaper than Brisbane), followed by Emerald and Blackwater (5.4 cpl and 2.9 cpl cheaper than Brisbane, respectively). Ipswich, Sunshine Coast, Kingaroy, Bundaberg, Maryborough, Bowen, Dalby, Yeppoon, Ingham, Charleville, Rockhampton and Innisfail 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), 7.2 cpl dearer than neighbouring Innisfail.



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

| Locality        | Average ULP Price (cpl) | Indicative ULP Retail Margin* | Average Diesel Price (cpl) | Indicative Diesel Retail Margin* (cpl) |
|-----------------|-------------------------|-------------------------------|----------------------------|--|
| Brisbane        | 118.9 (1.9)             | 8.8 (-3.9)                    | 114.1 (1.5)                | 7.8 (-6.6)                             |
| Gold Coast      | 117.2 (0.3)             | 6.6 (-5.4)                    | 114.7 (0.7)                | 8.0 (-7.3)                             |
| Sunshine Coast  | 120.3 (0.2)             | 9.0 (-5.6)                    | 112.2 (0.7)                | 4.8 (-7.3)                             |
| Atherton        | 120.2 (0.3)             | 7.1 (-5.5)                    | nd                         | nd                                     |
| Ayr             | 123.1 (8.8)             | 8.7 (3.0)                     | nd                         | nd                                     |
| Biloela         | 120.7 (2.5)             | 6.4 (-3.3)                    | 115.6 (4.7)                | 8.4 (-0.5)                             |
| Blackall        | 138.4 (-1.8)            | nd                            | 122.3 (-0.9)               | nd                                     |
| Blackwater      | 126.9 (0.6)             | 10.1 (-5.2)                   | 111.2 (1.3)                | 1.4 (-3.9)                             |
| Bowen           | 119.6 (8.4)             | 4.8 (2.6)                     | 112.9 (7.7)                | 5.3 (1.9)                              |
| Bundaberg       | 117.1 (2.2)             | 3.7 (-3.5)                    | 112.6 (9.1)                | 3.1 (1.00)                             |
| Cairns          | 123.5 (1.5)             | 10.7 (-4.3)                   | 121.2 (1.6)                | 15.2 (-4.2)                            |
| Charleville     | 119.7 (1.2)             | 1.3 (-4.6)                    | 113.4 (5.1)                | -1.1 (-3.0)                            |
| Charters Towers | 119.6 (-0.1)            | 4.8 (-6.0)                    | 114.1 (4.2)                | 6.5 (-1.7)                             |
| Childers        | 118.3 (4.5)             | nd                            | nd                         | nd                                     |
| Cloncurry       | 130.2 (2.4)             | 9.9 (-3.4)                    | 123.0 (2.2)                | 10.0 (-3.6)                            |
| Cunnamulla      | 141.9 (0.5)             | 23.9 (-5.2)                   | 139.6 (2.7)                | 25.4 (-5.3)                            |
| Dalby           | 118.6 (0.3)             | 6.9 (-5.5)                    | 113.0 (2.2)                | 5.1 (-5.9)                             |
| Emerald         | 123.0 (-4.8)            | 7.4 (-10.6)                   | 108.7 (3.0)                | 0.1 (-2.2)                             |
| Gladstone       | 113.4 (3.3)             | -0.4 (-2.5)                   | 114.6 (7.6)                | 7.9 (2.3)                              |
| Goondiwindi     | 120.7 (-0.1)            | 6.5 (-5.9)                    | 115.1 (5.2)                | 4.7 (-2.8)                             |
| Gympie          | 119.8 (5.2)             | 8.2 (-0.5)                    | 115.5 (10.1)               | 7.9 (2.0)                              |
| Hervey Bay      | 122.6 (3.1)             | 10.5 (-2.7)                   | 124.6 (7.2)                | 16.5 (-0.8)                            |
| Ingham          | 116.2 (1.6)             | nd                            | 113.3 (0.1)                | nd                                     |
| Innisfail       | 119.9 (13.2)            | 6.4 (7.4)                     | 114.0 (9.8)                | 7.2 (4.0)                              |
| Ipswich         | 113.1 (-2.5)            | 2.5 (-8.3)                    | 111.6 (1.4)                | 4.9 (-6.6)                             |
| Kingaroy        | 117.5 (0.6)             | 4.7 (-5.2)                    | 112.3 (3.7)                | 3.4 (-4.3)                             |
| Longreach       | 128.0 (0.7)             | 5.5 (-5.1)                    | 118.1 (4.4)                | 2.6 (-0.8)                             |
| Mackay          | 116.9 (12.5)            | 3.2 (6.7)                     | 115.2 (12)                 | 9.1 (6.6)                              |
| Mareeba         | 116.7 (-0.3)            | 2.9 (-6)                      | 116.8 (-1.1)               | 9.7 (-6.9)                             |
| Maryborough     | 117.2 (4.4)             | 5.0 (-1.4)                    | 112.6 (7.1)                | 4.2 (-1.0)                             |
| Miles           | 117.1 (-3.3)            | nd                            | 116.0 (4.5)                | nd                                     |
| Moranbah        | 109.9 (8.4)             | -6.9 (2.6)                    | 105.8 (11.4)               | -3.4 (5.9)                             |
| Mt Isa          | 119.3 (0.1)             | -1.8 (-5.7)                   | 121.9 (-1.0)               | 8.0 (-6.8)                             |
| Rockhampton     | 114.9 (1.6)             | 0.6 (-4.1)                    | 113.4 (6.8)                | 6.1 (1.6)                              |
| Roma            | 120.1 (-2.6)            | 6.0 (-8.3)                    | 121.9 (6.3)                | 11.7 (-1.8)                            |
| Toowoomba       | 114.5 (5.0)             | 3.2 (-0.7)                    | 115.1 (3.9)                | 7.7 (-4.1)                             |
| Townsville      | 117.7 (0.3)             | 4.6 (-5.5)                    | 116.6 (7.0)                | 10.7 (1.2)                             |
| Tully           | 117.7 (1.3)             | nd                            | 114.4 (6.7)                | nd                                     |
| Warwick         | 114.3 (7.6)             | 2.8 (1.8)                     | 120.3 (5.0)                | 12.7 (-3.0)                            |
| Whitsunday      | nd                      | nd                            | 123.6 (10.4)               | nd                                     |
| Yeppoon         | 115.3 (2.0)             | 0.3 (-3.8)                    | 113.2 (7.7)                | 5.2 (2.5)                              |

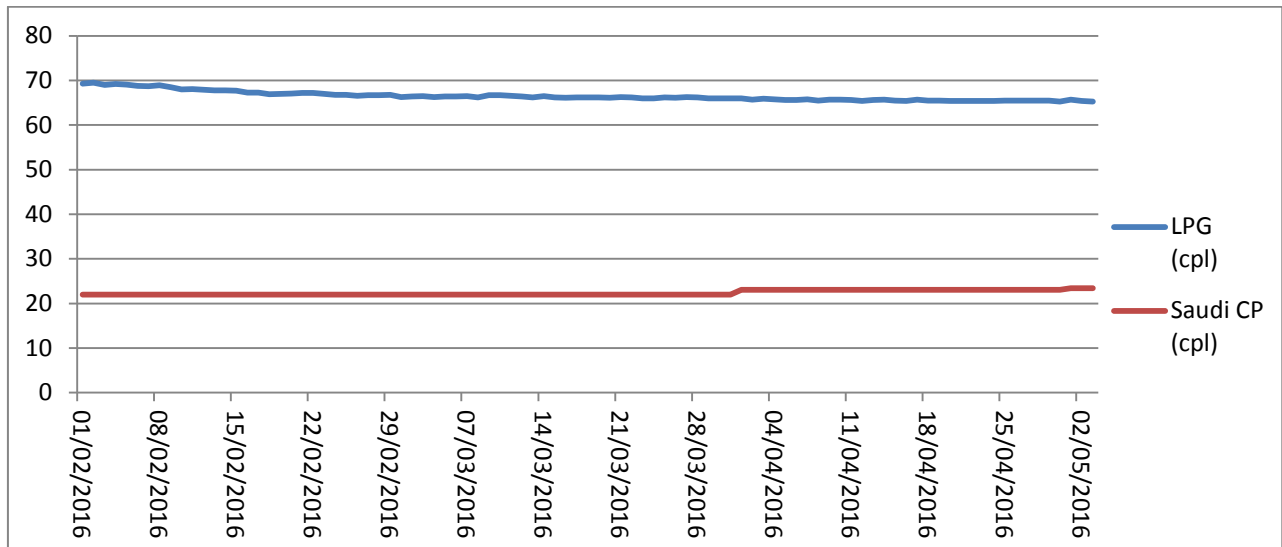
\* The retail margin is the average retail price minus the average local TGP and local freight costs. The TGP and freight costs vary between cities. This indicative margin is calculated on the monthly average TGP and retail price. A time lag is not included in this calculation.



## Liquid Petroleum Gas (LPG)

The average price of LPG in Brisbane decreased by 1.2 cpl in May 2016 to 65.2 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 May 2016 was 22.9 cpl, 0.7 cpl lower than April.

The Saudi CP for June 2016 is 0.3 cpl higher than May at 24.5 cpl. The chart below displays the retail price of LPG in Brisbane and Saudi CP.



## Outlook

The strengthening price of crude oil observed in May is likely to continue into June, although price increases should 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 July. 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.