

RACQ Fuel Price Report – December quarter 2023



5 January 2024

The RACQ fuel price report presents a summary of the fuel price trends in Queensland for the December quarter 2023.

Key points

- The average retail price of ULP in Brisbane increased in the December quarter 2023 to 199.8 cpl, from 198.2 cpl in the September quarter. The average price in the December quarter is a new record high for the Brisbane market.
- The indicative retail margin for ULP in Brisbane in the June quarter, at 23.0 cpl, was significantly higher than the margin in the September quarter, and the long-term average for the Brisbane market. This indicates that reductions in retail prices lagged the gradual reduction in wholesale prices in the December quarter.
- At 213.3 cpl, the average price of diesel for the December quarter 2023 was higher than in the September quarter 2023, and the average retail margin in the December quarter for diesel was 22.4 cpl, significantly above the average margin in the September quarter and above the long-term average margin. The December quarter average price remained well below the record average Brisbane price for diesel fuel in the December quarter 2022 of 227.7 cpl.
- Brisbane was the most expensive of the five largest capital cities to buy ULP. For diesel, Brisbane was the most expensive of the five largest capital cities. Canberra and Hobart were more expensive for diesel.
- Dalby was the cheapest Queensland regional centre to buy ULP in the December quarter at 181.0 cpl, and Miles had the next lowest price for ULP at 181.8 cpl. Miles was the cheapest location for diesel at 198.9 cpl, while Warwick had the second lowest average price at 203.8 cpl.
- Longreach, at 224.2 cpl, was the most expensive centre for ULP in the December quarter, and Longreach also had the most expensive diesel at 227.7 cpl, followed by Mt Isa at 221.0 cpl.
- Wholesale prices for both ULP and diesel fuel fell slightly in the December quarter. After wholesale prices for ULP and diesel had converged in the June quarter, the diesel average terminal gate price (TGP) rose above the TGP for petrol in the September quarter and maintained a gap of 14.2 cpl above the average TGP for ULP in the December quarter.
- Average retail ULP prices in Brisbane in the coming March 2024 quarter are likely to fall slightly reflecting an expected decline in the average crude oil price in Australian dollar terms in the next three months, and retail margins being below the peak in the December quarter.

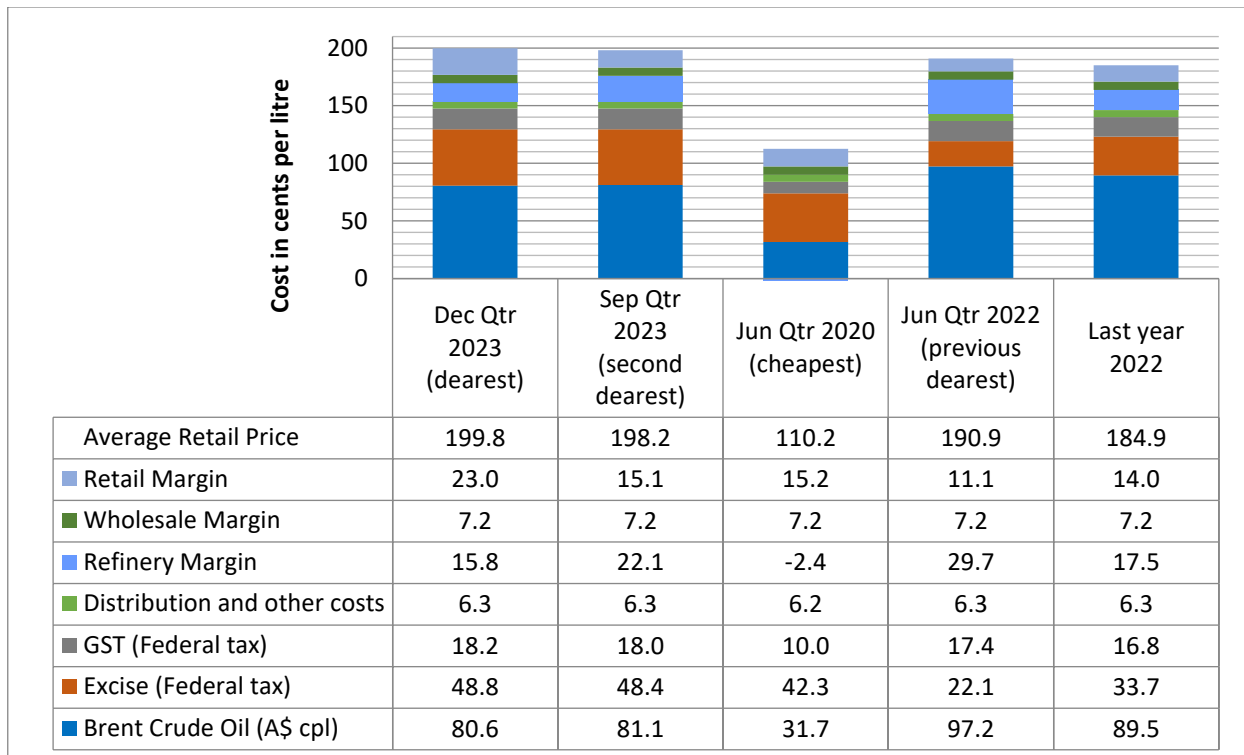
ULP cost breakdown in Brisbane

The average retail price of Regular ULP in Brisbane for the December quarter 2023 was 1.6 cpl higher than the September quarter 2023, and 8.9 cpl higher than the earlier record in the June quarter 2022.

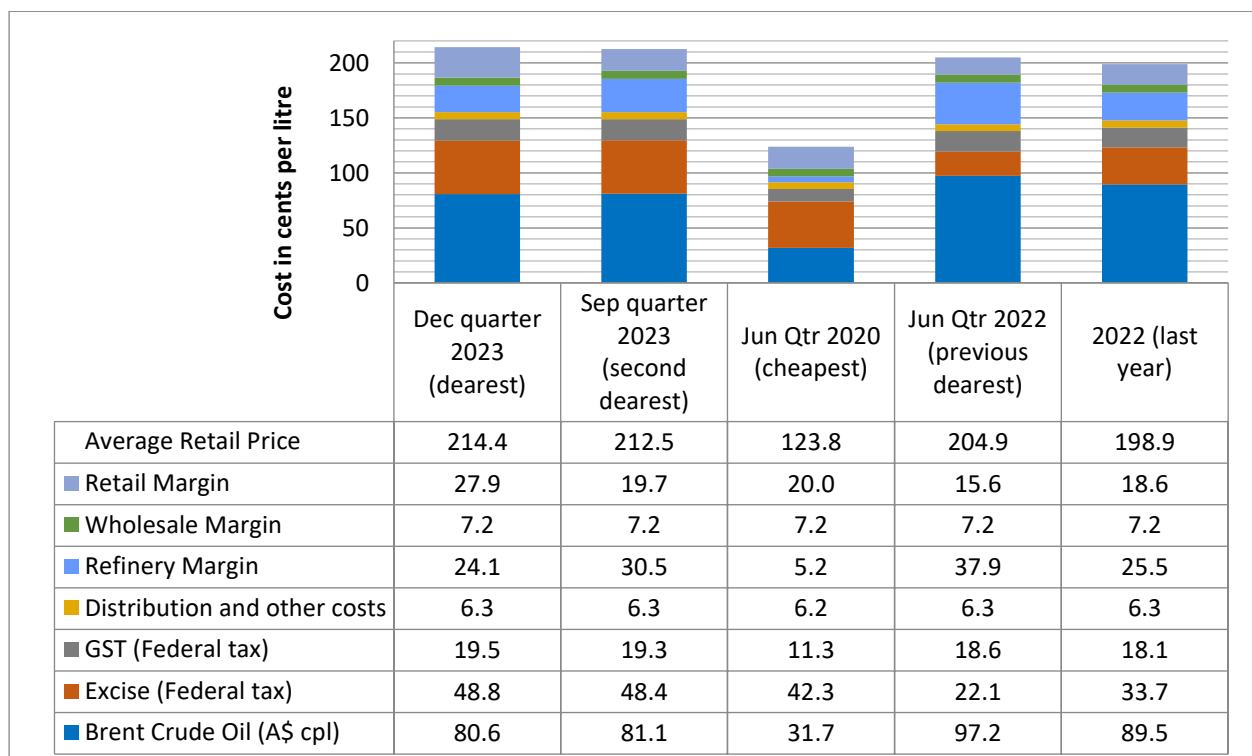
Indicative retail margins charged on ULP in Brisbane in the December quarter, at 23.0 cpl, were significantly higher than in the September quarter and were higher than the average margin in 2022 (14.0 cpl). Monthly average margins for ULP declined during the quarter, at 31.5 cpl in October, 20.4 cpl in November and 17.2 cpl in December.

Refinery margins were 15.8 cpl for ULP in the December quarter, declining from 22.1 cpl in the September quarter.

ULP cost breakdown in Brisbane



PULP 95 cost breakdown in Brisbane

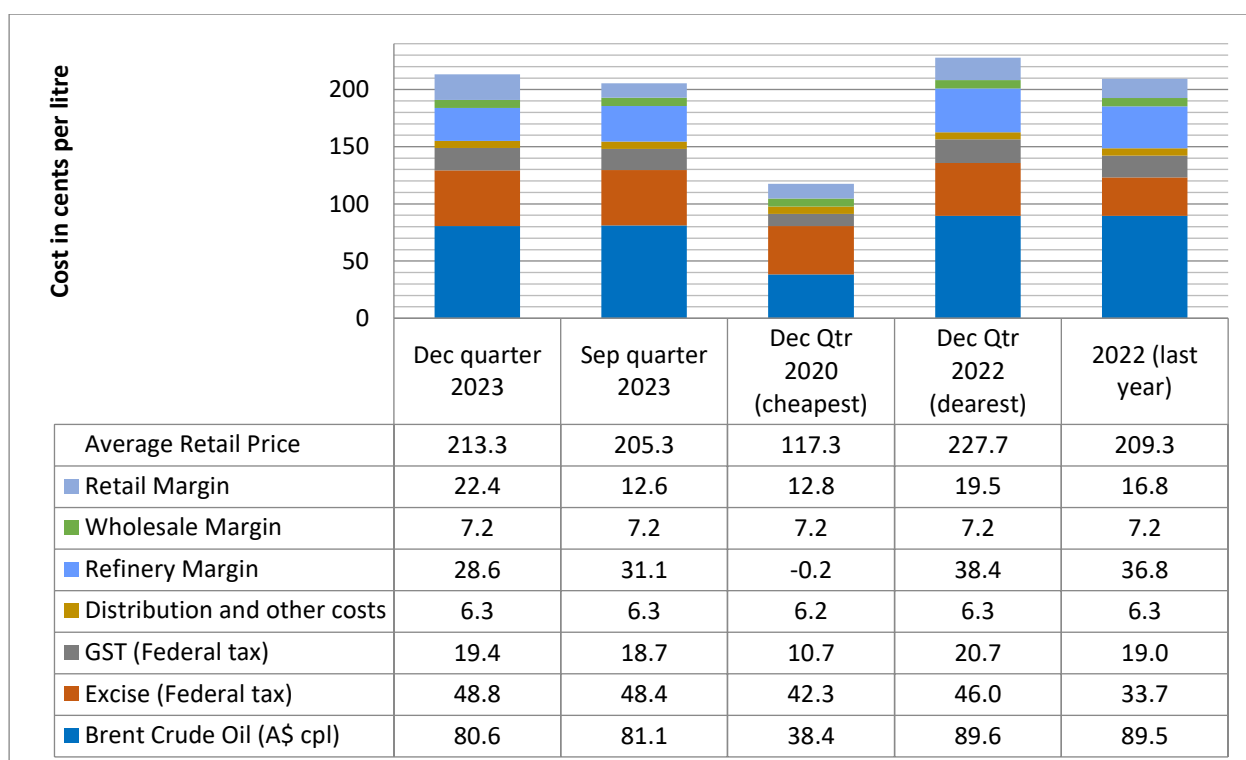


The charts above show the cost breakdown for a litre of Regular ULP (ULP) and Premium ULP (PULP 95) sold in Brisbane for the December quarter 2023. For comparison, the September quarter 2023, the June quarter 2022 (the previous most expensive quarter), the June quarter 2020 (the cheapest quarter in the last 10 years) and the 2022 annual average, are also displayed.

Diesel cost breakdown in Brisbane

The average retail price for diesel in Brisbane in the December quarter rose by 8.0 cpl, reflecting an increase in retail margins of 9.8 cpl, and a slight reduction in the average wholesale price. Reductions in retail prices for diesel lagged declining wholesale prices during the quarter, possibly reflecting a lower level of competition in the retail market and the high proportion of diesel fuel sold through on-going contracts. Average diesel prices in the December quarter remained below the highest quarterly price in the December quarter 2022.

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane in the December quarter 2023. For comparison, the June quarter 2023, the December quarter 2020 (the lowest price quarter in the last 10 years), the December quarter 2022 (the highest price quarter) and the 2022 yearly average are included.



Fuel excise

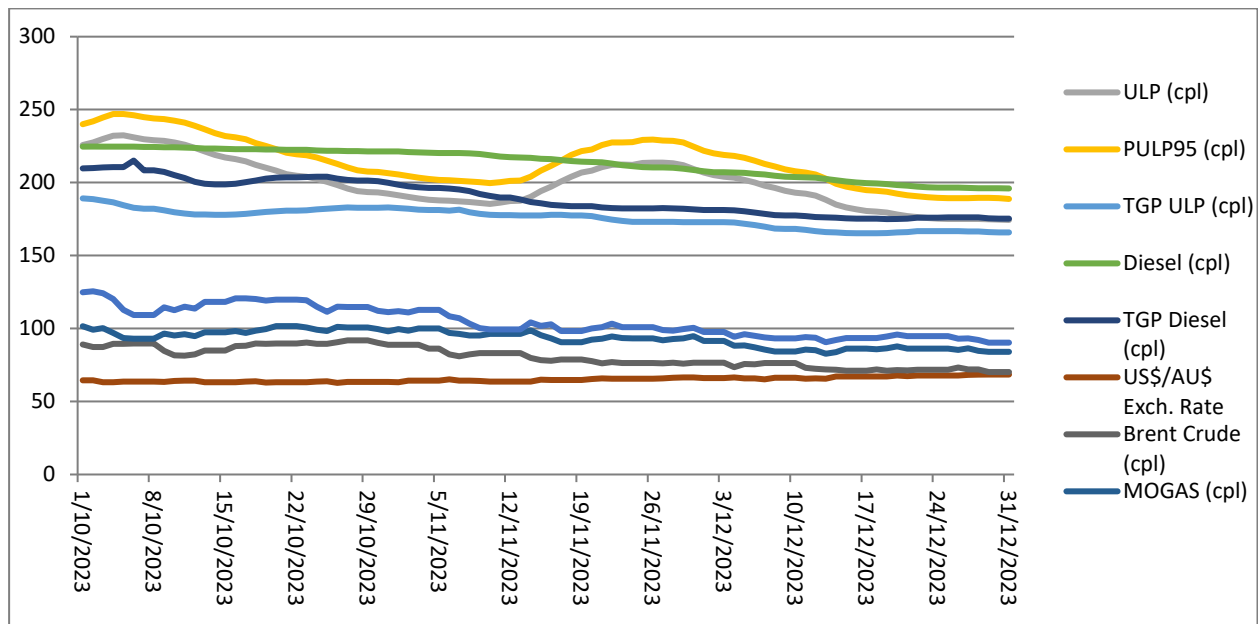
The next change in fuel excise will occur on 1 February 2024, based on changes in the consumer price index (CPI) in the second half of 2023. The excise rate would increase by 1.0 cpl to 49.8 cents per litre if the CPI increases by 2.0% in the second half of 2023.

Fuel price trends December quarter 2023

Two price cycles occurred in Greater Brisbane in the December quarter 2023. The first started on 26 September 2023 and lasted to 10 November 2023. The second cycle started on 11 November 2023, and was near completion on 31 December 2023.

Prices fell significantly from the peak in each of these cycles. In the first cycle, the average ULP price fell by 46.9 cpl, from a record 232.4 cpl on 5 October 2023 to a low of 185.5 cpl on 10 November 2023. In the second cycle, the average ULP price had fallen by 39.2 cpl from a peak of 213.6 cpl on 27 November 2023 to

174.4 cpl on 31 December 2023. These significant reductions reflected the very high margins at the peak prices in the cycle, and the gradual reduction in wholesale prices during the December quarter. At the time of writing (early January 2024), the Brisbane market was in the early stages of a price hike.



Comparison to other capital cities

Brisbane was the most expensive of the five largest capital cities for ULP in the December quarter 2023. Including all capital cities, only Canberra had a higher average price for ULP in the December quarter. For diesel, Brisbane was the most expensive of the five largest capital cities in the December quarter 2023. Canberra and Hobart were more expensive than Brisbane for diesel. In the December quarter 2023, Perth was the cheapest Australian capital city to buy ULP and Adelaide had the lowest average price for diesel.

The tables below present the average October, November and December quarterly prices and retail margins on ULP and diesel for Australian capital cities.

City	Average ULP Price (cpl)				Indicative ULP Retail Margin			
	October	November	December	December quarter	October	November	December	December quarter
Brisbane	214.4	198.8	186.2	199.8	31.5	20.4	17.2	23.0
Adelaide	196.8	198.1	186.8	193.9	13.2	19.1	17.4	16.6
Canberra	209.4	203.2	188.7	200.4	27.2	25.6	20.5	24.4
Darwin	205.0	199.7	187.7	197.5	17.9	16.4	14.2	16.2
Hobart	206.3	193.6	187.2	195.8	16.8	9.4	12.2	12.9
Melbourne	200.5	201.1	189.3	196.9	17.8	23.1	20.9	20.5
Perth	195.3	191.7	181.9	189.6	13.0	13.5	13.4	13.2
Sydney	196.5	202.3	191.9	196.8	14.3	24.7	23.7	20.8

* The retail margin is the average retail price minus the average local TGP and local freight costs (assumed to be the same as Brisbane: 1.22cpl). The TGP varies between cities.

City	Average Diesel Price (cpl)				Indicative Diesel Retail Margin			
	October	November	December	December quarter	October	November	December	December quarter
Brisbane	223.1	215.8	201.0	213.3	17.7	26.6	22.8	22.4
Adelaide	218.3	206.6	187.1	204.0	13.1	17.6	9.2	13.2
Canberra	229.1	219.4	204.8	217.8	24.0	30.3	26.8	27.0
Darwin	222.9	214.7	196.7	211.4	14.9	22.4	15.5	17.6
Hobart	230.6	220.7	205.4	218.9	18.8	26.1	21.3	22.1
Melbourne	223.1	214.9	197.4	211.8	17.4	25.5	19.0	20.6
Perth	220.0	211.4	195.5	208.9	16.8	23.7	19.1	19.8
Sydney	222.8	214.6	199.9	212.4	17.6	25.5	21.9	21.6

* The retail margin is the average retail price minus the average local TGP and local freight costs (assumed to be the same as Brisbane: 1.22cpl). The TGP varies between cities.

Comparison of the SEQ metropolitan centres

The table below presents the average December quarter prices and retail margins on ULP and diesel for SEQ metropolitan centres. This analysis separates Brisbane into central, western, northern, southern, and bayside regions.

City	Average ULP Price (cpl)				Indicative ULP Retail Margin			
	October	November	December	December quarter	October	November	December	December quarter
Brisbane Inner	216.9	201.4	186.5	201.6	33.9	23.0	17.6	24.8
Brisbane West	219.9	204.8	190.5	205.1	36.9	26.3	21.6	28.2
Brisbane North	212.1	196.2	182.4	196.9	29.2	17.8	13.5	20.2
Brisbane South	213.6	194.6	182.5	196.9	30.7	16.1	13.6	20.1
BNE Bayside-Redlands	218.5	205.5	190.3	204.8	35.5	27.0	21.4	27.9
Logan	211.9	197.3	179.2	196.2	29.0	18.9	10.3	19.4
Ipswich	213.4	197.9	189.2	200.2	30.1	19.1	19.9	23.0
Moreton Bay	216.0	200.4	190.4	202.3	32.6	21.5	21.1	25.0
Gold Coast	206.1	194.1	185.4	195.2	22.3	14.9	15.8	17.7
Sunshine Coast	198.8	194.3	187.4	193.5	14.9	14.9	17.5	15.8

* The retail margin is the average retail price minus the average Brisbane TGP and varying local freight costs.

The Sunshine Coast was the cheapest centre in SEQ to buy ULP in the December quarter, with an average price of 193.5 cpl. Brisbane West was the most expensive area in SEQ in the December quarter at 205.1 cpl.

City	Average Diesel Price (cpl)				Indicative Diesel Retail Margin			
	October	November	December	December quarter	October	November	December	December quarter
Brisbane Inner	227.3	219.3	203.6	216.7	21.8	30.2	25.4	25.8
Brisbane West	225.3	219.0	206.7	217.0	19.8	29.8	28.5	26.0
Brisbane North	224.1	217.9	200.3	214.1	18.7	28.7	22.1	23.2

Brisbane South	222.8	215.6	200.8	213.0	17.4	26.4	22.6	22.1
BNE Bayside-Redlands	225.1	216.8	201.9	214.6	19.7	27.7	23.8	23.7
Logan	223.2	215.2	200.4	212.9	17.8	26.0	22.2	22.0
Ipswich	221.5	214.4	201.1	212.3	15.7	24.9	22.6	21.1
Moreton Bay	222.2	216.3	201.7	213.4	16.4	26.8	23.1	22.1
Gold Coast	222.9	216.1	203.1	214.0	16.7	26.2	24.2	22.4
Sunshine Coast	223.4	217.8	203.6	214.9	17.0	27.7	24.4	23.0

* The retail margin is the average retail price minus the average Brisbane TGP and varying local freight costs.

Ipswich had the lowest average diesel prices in SEQ in the December quarter, with an average price of 212.3 cpl. Logan had the next lowest average price at 212.9 cpl. Brisbane West was the most expensive area for diesel in SEQ at 217.0 cpl.

Record High Retail Prices

A new record high daily average RULP price of 232.4 cpl was observed in Brisbane on 5 October 2023. Prior to August 2023, the previous record was 221.4 cpl, observed on 20 June 2022.

In September and October, the highest price charged at individual retail sites was also observed. From 26 September to early October, fuel companies hiked their retail RULP price to 237.9 cpl. By early October, up to 67% of sites in Greater Brisbane were selling RULP for 237.9 cpl. This price hike progressed until 5 October when the daily average price in Brisbane peaked at the record high of 232.4 cpl.

A new record high the monthly average price of 214.4 cpl was also observed in October 2023. This exceeded the previous record average price in September 2023 of 207.1 cpl.

The table below displays the record high daily average ULP prices in SEQ recorded in the December quarter. While diesel prices increased during the December quarter, average prices remained below record highs.

City	Record High ULP Price (cpl)	Observed
Greater Brisbane	232.4	5/10/2023
Brisbane Inner	236.1	5/10/2023
Brisbane West	236.6	5/10/2023
Brisbane North	235.0	5/10/2023
Brisbane South	233.4	5/10/2023
BNE Bayside/Redlands	235.1	3/10/2023
Logan	235.5	4/10/2023
Gold Coast	226.4	5/10/2023
Ipswich	226.6	4/10/2023

Fuel prices across Queensland

Dalby was the cheapest Queensland regional centre to buy ULP in the December quarter at 181.0 cpl, and Miles had the next lowest price for ULP at 181.6 cpl. Most regional centres also had the same or lower average price compared with Brisbane¹. At 224.2 cpl, Longreach was the most expensive centre for ULP in the December quarter. The other locations with a higher average price than Brisbane were Blackwater, Charters Towers, Cunnamulla, Emerald, Moranbah and Mt Isa.

Miles was the cheapest location for diesel at 198.9 cpl, while Warwick had the second lowest average price at 203.8 cpl. Beaudesert, Bowen, Bundaberg, Cairns, Childers, Dalby, Gladstone, Goondiwindi, Gympie, Hervey Bay, Lockyer Valley, Nambour, Roma, Somerset, Toowoomba, Townsville, and Whitsunday also had a lower average price than Brisbane. Longreach¹ was the most expensive regional centre for diesel at 227.7 cpl, followed by Mt Isa at 221.0 cpl.

The tables below present the average prices and retail margins on ULP and diesel for regional Queensland localities, and the Rest of Queensland average prices.

City	Average ULP Price (cpl)				Indicative ULP Retail Margin			
	October	November	December	December quarter	October	November	December	December quarter
Brisbane	214.4	198.8	186.2	199.8	31.5	20.4	17.2	23.0
Rest of Queensland	202.4	194.6	189.7	195.6	N/a	N/a	N/a	N/a
Atherton	205.8	199.2	188.0	197.7	17.0	15.1	13.5	15.2
Beaudesert	205.2	188.4	178.6	190.8	21.3	9.0	8.7	13.0
Biloela	204.8	199.7	194.7	199.7	15.7	13.1	21.2	16.7
Blackwater	201.9	201.4	200.9	201.4	10.9	12.8	25.3	16.3
Bowen	202.1	193.0	182.1	192.4	12.8	8.3	6.9	9.3
Bundaberg	192.2	181.9	174.9	183.0	5.2	-0.5	2.0	2.2
Cairns	197.1	185.1	175.6	185.9	9.2	1.9	1.9	4.3
Charters Towers	206.0	203.0	199.9	203.0	17.4	19.0	25.5	20.6
Childers	202.8	199.3	196.6	199.6	16.5	17.5	24.3	19.4
Dalby	193.5	178.1	171.3	181.0	8.3	-2.6	0.1	1.9
Emerald	219.4	218.0	214.0	217.1	27.5	28.5	37.6	31.2
Gladstone	199.4	185.6	169.0	184.7	11.8	0.4	-3.2	3.0
Goondiwindi	199.6	196.1	185.1	193.6	12.8	13.7	12.3	12.9
Gympie	195.3	189.6	182.0	189.0	10.7	9.4	11.4	10.5
Hervey Bay	199.9	196.6	185.5	194.0	13.8	14.9	13.5	14.1
Ingham	199.3	197.9	194.2	197.1	10.9	14.2	20.0	15.0
Innisfail	204.7	201.5	191.3	199.1	15.8	17.3	16.6	16.6
Kingaroy	199.8	196.4	178.3	191.4	14.6	15.7	7.1	12.5
Lockyer Valley	199.2	190.1	185.3	191.6	15.2	10.5	15.3	13.7
Longreach	226.3	224.5	221.7	224.2	29.6	30.2	40.4	33.4
Mackay	200.7	191.7	183.0	191.8	9.2	8.6	10.5	9.4
Mareeba	204.4	200.2	191.0	198.5	15.8	16.2	16.6	16.2

¹ RACQ does not monitor in all regional centres in Queensland. In discussing the cheapest or dearest centre, it is implied that this only refers to the centres listed in this report. Other centres may be more or less expensive.

Maryborough	201.0	196.1	202.0	199.7	15.3	14.9	30.3	20.2
Miles	197.4	178.6	169.2	181.8	10.7	-3.6	-3.4	1.2
Moranbah	209.0	207.4	195.9	204.0	15.2	22.0	21.1	19.4
Mount Isa	220.3	216.5	213.8	216.9	22.7	23.6	30.4	25.6
Nambour	195.1	190.9	181.0	189.0	11.2	11.5	11.1	11.3
Noosa	199.2	198.5	195.1	197.6	15.2	18.9	25.1	19.7
Rockhampton	204.6	194.4	179.6	192.8	15.7	8.0	6.2	9.9
Roma	200.7	199.7	198.5	199.6	12.3	15.8	24.2	17.5
Somerset	201.2	196.3	188.1	195.2	17.2	16.7	18.1	17.3
Toowoomba	196.3	191.0	199.4	195.6	12.0	11.3	29.1	17.5
Townsville	197.2	190.7	181.2	189.7	10.1	8.3	8.3	8.9
Tully	206.0	201.8	190.6	199.5	16.5	17.0	15.3	16.3
Warwick	202.8	194.1	183.6	193.5	18.2	13.9	13.0	15.0
Whitsunday	197.6	185.0	176.7	186.4	4.6	0.3	2.7	2.5
Yeppoon	201.9	194.5	181.1	192.5	12.5	7.6	7.2	9.1

* 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.

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Rest of Queensland	223.2	215.5	203.0	213.9	N/a	N/a	N/a	N/a
Atherton	226.2	219.0	203.2	216.1	17.5	26.6	21.8	22.0
Beaudesert	222.9	206.6	190.8	206.8	16.5	16.4	11.6	14.9
Biloela	223.9	219.1	210.5	217.8	12.1	26.4	29.2	22.6
Blackwater	227.1	221.3	206.5	218.3	13.4	26.6	23.2	21.1
Bowen	221.2	210.3	195.1	208.9	12.5	17.7	13.4	14.5
Bundaberg	220.1	213.5	203.0	212.2	10.7	20.4	20.8	17.3
Cairns	220.5	208.2	192.8	207.2	12.7	16.7	12.2	13.9
Charters Towers	220.9	219.7	204.8	215.1	12.9	27.8	23.8	21.5
Childers	222.2	213.5	196.7	210.8	13.3	20.9	15.2	16.5
Dalby	217.9	204.6	195.2	205.9	10.2	13.2	14.7	12.7
Emerald	227.2	220.0	203.9	217.0	12.6	24.4	19.7	18.9
Gladstone	219.9	208.9	190.3	206.4	9.6	17.5	10.4	12.5
Goondiwindi	219.9	213.6	192.8	208.7	10.6	20.6	10.8	14.0
Gympie	218.9	207.7	192.4	206.3	11.7	16.8	12.5	13.7
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Ingham	223.7	219.8	210.4	218.0	16.0	28.2	29.6	24.6
Innisfail	226.1	221.7	204.8	217.5	17.4	29.3	23.3	23.3
Kingaroy	224.9	220.3	203.6	216.2	17.3	28.9	23.1	23.1
Lockyer Valley	218.9	210.2	196.5	208.5	12.3	19.9	17.2	16.5
Longreach	233.7	230.7	218.7	227.7	14.2	30.3	29.6	24.7
Mackay	224.0	216.5	200.9	213.8	14.3	25.2	21.3	20.3
Mareeba	227.7	217.3	202.5	215.8	19.2	25.1	21.2	21.9
Maryborough	221.3	213.8	210.2	215.1	13.2	21.9	29.3	21.5

Miles	215.9	200.1	180.7	198.9	6.7	7.2	-1.3	4.2
Moranbah	226.4	223.6	208.3	219.4	14.5	30.1	26.4	23.7
Mount Isa	230.7	222.8	209.3	221.0	13.8	22.0	19.4	18.4
Nambour	222.6	216.9	197.0	212.1	16.2	26.7	17.8	20.3
Noosa	224.3	220.7	210.0	218.3	17.8	30.4	30.7	26.3
Rockhampton	224.0	217.3	201.0	214.1	12.4	24.7	19.8	19.0
Roma	219.2	208.9	197.9	208.7	8.4	14.4	14.3	12.4
Somerset	221.1	210.4	196.4	209.3	14.6	20.1	17.1	17.3
Toowoomba	219.3	212.5	198.8	210.2	12.6	22.0	19.3	18.0
Townsville	220.8	213.5	197.9	210.7	14.4	23.2	18.5	18.7
Tully	226.6	222.0	207.2	218.6	17.2	29.0	25.1	23.8
Warwick	216.7	205.4	189.3	203.8	9.6	14.6	9.4	11.2
Whitsunday	221.6	214.2	194.9	210.2	10.5	21.4	13.9	15.3
Yeppoon	223.4	218.1	201.5	214.3	11.3	25.0	19.9	18.7

* 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.

Oil markets and price outlook

The table below presents the average price of Brent crude oil in October, November and December 2023, in US\$/bbl (US\$ per barrel), A\$/bbl and A\$-cpl.

	October	November	December	December quarter
Brent crude oil US\$/bbl	89.21	82.92	77.75	83.30
Brent crude oil A\$/bbl	140.42	127.98	116.11	128.17
Brent crude oil A\$-cpl	88.31	80.49	73.02	80.61

The Russian invasion of Ukraine and the subsequent international sanctions against Russia had led to substantial volatility in global oil prices and a large price spike in the June quarter 2022. The international oil price fell in US dollar terms between the September quarter 2022 to the June quarter 2023, reaching an average of just under US\$78 in the June quarter 2023, and rose to US\$84 in the September quarter.

In the December quarter 2023, the average price fell fractionally to US\$ 83.30, initially increasing in October 2023 with concerns about the impact on oil supplies of the conflict between Israel and Hamas and returning to an average of \$78 per barrel in December. In Australian dollar terms, the international oil price decreased gradually from \$140 per barrel in October to \$116 per barrel in December, as a slight strengthening of the Australian dollar combined with the lower US dollar oil price. The quarterly average price of \$128 per barrel was fractionally below the average September quarter price of \$129 per barrel.

Oil production restrictions by OPEC+ members, especially Saudi Arabia and Russia, starting in July 2023 led to higher oil prices in the second half of 2023, with increased production by non-OPEC countries such as the United States partly offsetting the impact of the production cuts. These OPEC production cuts were in addition to reductions in production which followed reduced demand during the COVID 19 pandemic.

The Singapore benchmark prices for refined fuels fell significantly in late 2023, with MOGAS (unleaded petrol) declining by 17 cents per litre and GASOIL (diesel) declining by 34 cents per litre in the last quarter of 2023. These reductions have narrowed the gap between wholesale prices for petrol and diesel fuel which had opened up during the September quarter. This gap reflected stronger demand for diesel fuel and limited extra refining capacity. Asia Pacific refinery capacity was limited in 2023 due to combination of planned turnarounds (large-scale refinery maintenance) and unplanned refinery outages.

The latest forecasts for the average value of Brent crude oil in the first half 2024 by market analysts and the US Energy Information Administration are for an average of US\$ 84 per barrel, similar to the average price in the second half of 2023. This is based on the current production restrictions by Saudi Arabia and Russia remaining in place. With the Australian dollar expected to be slightly stronger in the March quarter than on average in the December quarter, this suggests the crude oil component of fuel prices will be lower in the March quarter.

The average retail margins for ULP and diesel in December quarter 2023 were unusually high, and margins for both were below the quarterly average by late December. Therefore, if average petrol and diesel margins in the current quarter are lower than their peak levels in the December quarter 2023, average retail ULP prices in SEQ in the March quarter 2024 would decline by up to 10 cents per litre from the December quarter average. Average prices in regional Queensland would also be slightly lower than the December quarter average. In SEQ, prices could vary significantly from the quarterly average as prices go through different stages of the cycle.

The next quarterly fuel price report will be released in April 2024.

Data quality and data sources

Prices, price differences, margins and differences in margins presented in this report may not add up due to rounding.

Data and analyses presented in this report supersedes all previous reports.

All data presented in this report are RACQ calculations using OPIS data.