

Annual Fuel Price Report 2020



The RACQ's Annual Fuel Price Report for 2020 provides an overview of fuel price movements during the year, with a focus on the key Brisbane capital city market.

Key Points

- Retail fuel prices in 2020 were substantially lower than 2019 prices as COVID-19 caused a massive reduction in demand for oil and refined products. This, coupled with the oil price war between Russia and Saudi Arabia, caused a substantial reduction in oil prices and retail fuel prices.
- The Brent Crude oil price hit an 18-year record low point of 18.6 US\$/bbl on 22 April 2020.
- The average price of regular 91 RON unleaded petrol (RULP) in Brisbane for 2020 was 124.9 cents per litre (cpl), 17.2 cpl lower than 2019 (at 142.1 cpl).
- Retail RULP prices in Brisbane hit an 11-year record low monthly average of 100.3 cpl in April.
- The average indicative retail margin for RULP sold in Brisbane for 2020, at 17.5 cpl, was the highest on record and 6.8 cpl higher than 2019.
- While retail margins were unusually high, refinery margins were unusually low. At 1.5 cpl, refinery margins were 4.5 cpl lower than 2019 (at 6.0 cpl).
- The indicative total margin on RULP sold in Brisbane in 2020 was 26.2 cpl, 2.3 cpl higher than 2019 (at 23.9 cpl).
- At 124.9 cpl, RULP sold in Brisbane was the most expensive of the large five capital cities, and the second most expensive of all capitals. Perth was the cheapest capital at 118.6 cpl, followed by Adelaide, Darwin, Sydney, Canberra and Melbourne at 119.6 cpl, 121.7 cpl, 124.1 cpl, 124.7 cpl and 124.8 cpl, respectively. Only Hobart, at 130.5 cpl, was more expensive than Brisbane.
- The average price of diesel in Brisbane in 2020 was 125.5 cpl, 21.0 cpl lower than 2019. Indicative retail margins, at 15.8 cpl, were 5.7 cpl higher than 2019. Like RULP, record high indicative retail margins were observed for diesel sold in Brisbane in 2020.
- At 125.5 cpl, diesel sold in Brisbane in 2020 was the third cheapest of the capital cities. Only Adelaide and Darwin, at 122.7 cpl and 124.4 cpl, respectively, were cheaper than Brisbane.
- Miles was the cheapest place to buy RULP in Queensland in 2020 (with an average of 112.3 cpl). Miles was also the cheapest Queensland centre for RULP (and diesel) in 2019, 2018 and 2017.
- Whitsunday/Proserpine was the cheapest place to buy diesel in Queensland in 2020 (at 118.4 cpl).
- RULP and diesel prices in most regional centres were relatively cheap compared to centres in SEQ.

Key Numbers

	Average Price in 2020	High Price (Date)	Low Price (Date)
RULP Brisbane (cpl)	124.9	171.4 (14/01/20)	88.4 (27/04/20)
E10 Brisbane (cpl)	122.7	169.1 (14/01/20)	85.8 (27/04/20)
PULP 95 Brisbane (cpl)	139.0	185.8 (14/01/20)	102.2 (27/04/20)
Diesel Brisbane (cpl)	125.5	150.4 (14-15/01/20)	115.5 (29/04/20)
LPG Brisbane (cpl)	83.7	92.3 (15/01/20)	80.5 (21/10/20)
Exchange Rate (A\$-US\$)	0.6909	0.7702 (31/12/20)	0.5571 (19/03/20)
Brent Crude (A\$/bbl)	61.8	98.7 (08/01/20)	29.4 (22/04/20)

Source: RACQ calculations using OPIS, Bloomberg and RBA data

Unleaded Petrol Price Movements and Price Breakdown in 2020

This report considers prices for three blends of unleaded petrol (as well as diesel and LPG). The properties of these blends are defined in the Australian fuel Quality Standards and related determinations¹. These blends are:

- Regular 91 RON Unleaded Petrol – RULP
- Ethanol blended petrol, RULP with up to 10% ethanol – E10
- Premium 95 RON Unleaded Petrol – PULP 95

The price of unleaded petrol sold in Brisbane is influenced by four key factors:

1. The cost of the crude oil
2. Fuel company distribution, transport and other costs
3. Government tax and excise
4. Fuel company margins – refinery, wholesale and retail margins

Figure 1 presents a price breakdown for RULP sold in Brisbane in 2020 and 2019, and the cheapest and dearest years in the last ten years (2016 and 2014).

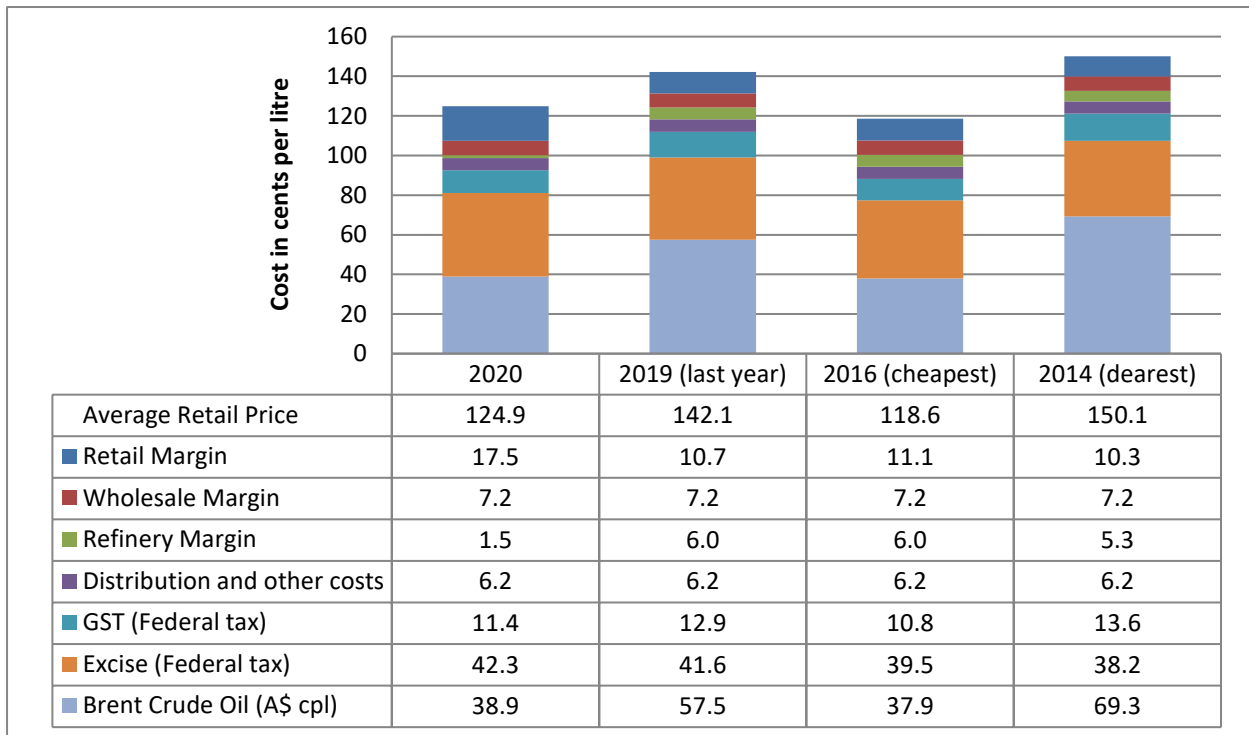


Figure 1: Price breakdown for Brisbane RULP Prices

The average price of RULP in Brisbane in 2020 was 124.9 cpl, 17.2 cpl lower than 2019 (at 142.1 cpl). The massive fall in retail ULP price Brisbane was due to the collapse in oil demand due to COVID-19 restrictions and the oil price war between Saudi Arabia and Russia. Indicative retail margins on RULP sold in Brisbane hit a record high of 17.5 cpl, 6.8 cpl higher than those observed in 2019. While retail

¹ <http://www.environment.gov.au/topics/environment-protection/fuel-quality/standards>

margins were unusually high, refinery margins were unusually low. The refinery margins decreased by 4.5 cpl compared with 2019. This decrease was due to the collapse in oil prices.

Figure 2 presents a price breakdown for E10, and Figure 3 for PULP 95, sold in Brisbane in 2020 and 2019, and the cheapest and dearest years in the last ten years (2016 and 2014).

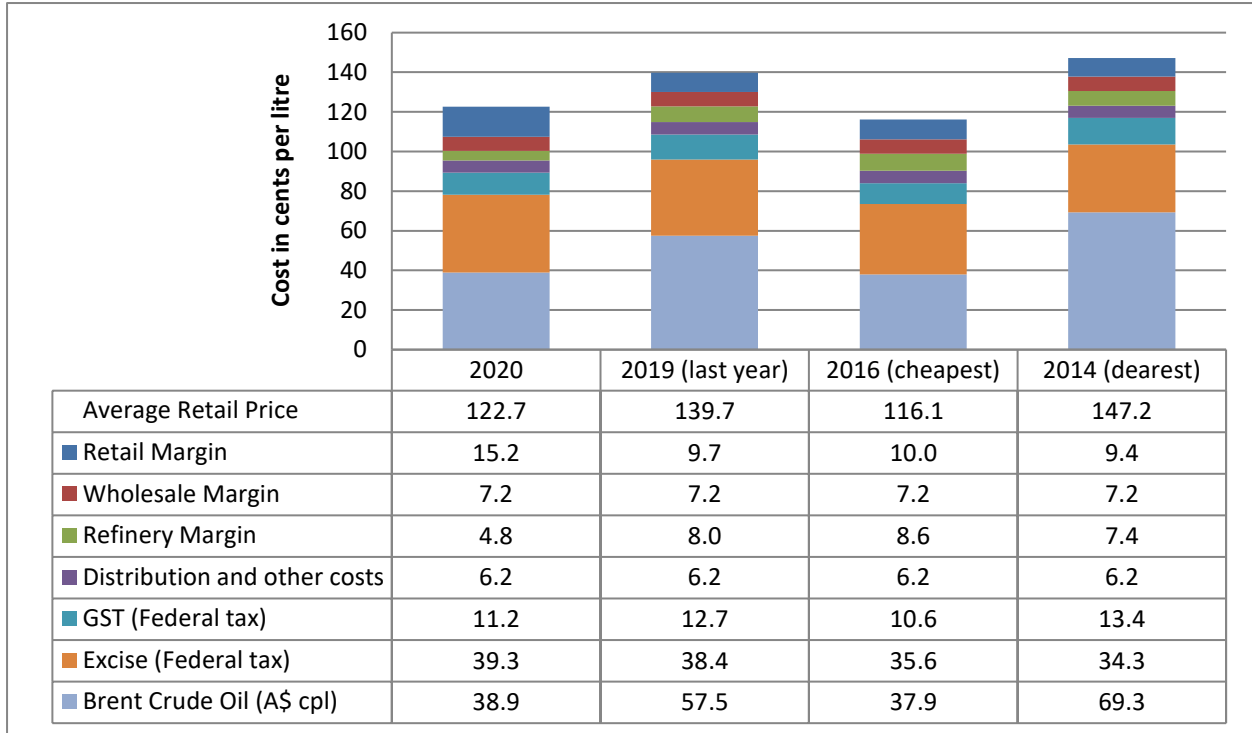


Figure 2: Price breakdown for Brisbane E10 Prices

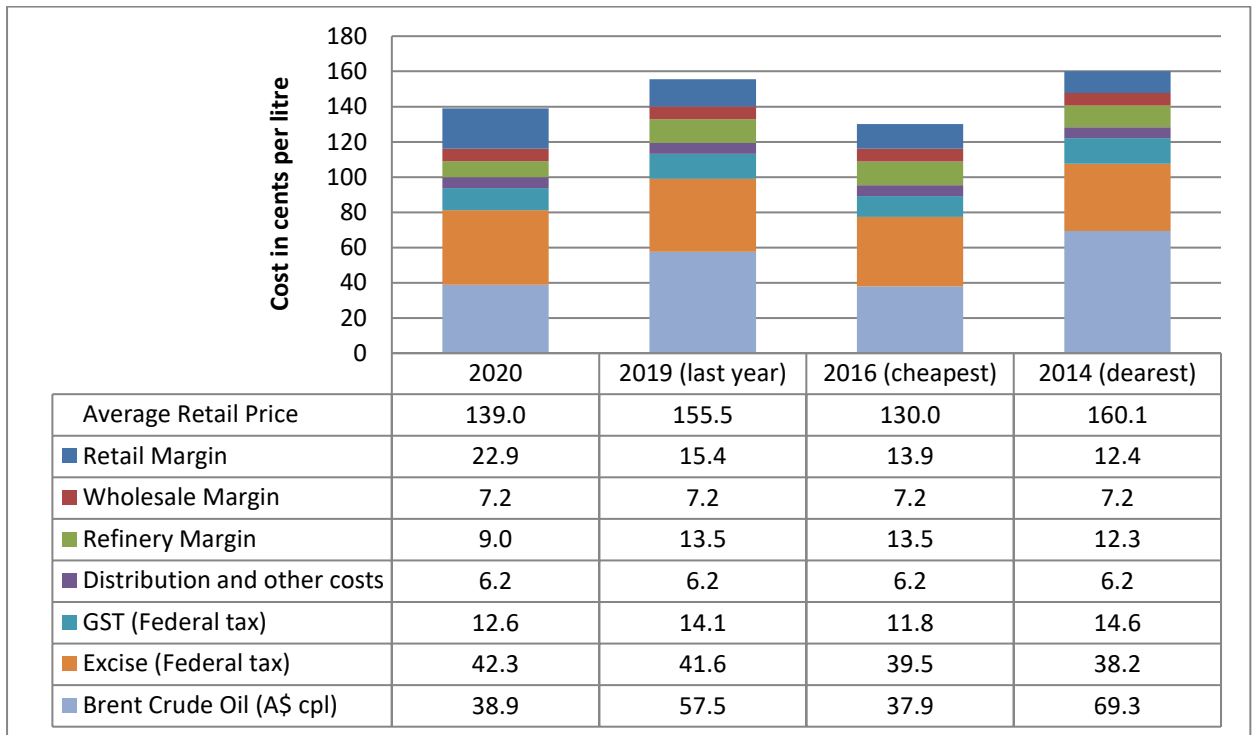


Figure 3: Price breakdown for Brisbane PULP 95 Prices

Table 1 summarises price differences in Brisbane PULP 95 and E10 compared to RULP.

Table 1: Price Differences Between E10 and RULP, and PULP 95 Prices

	E10 Price difference compared to RULP	RULP Price difference compared to PULP 95
2020	2.2	14.1
2019	2.4	13.1
2018	2.6	12.9
2017	2.5	12.2
2016	2.5	11.4
2015	2.6	11.1
2014	2.2	10.0
2013	2.4	10.7
2012	2.3	10.3
2011	2.1	11.6

Source: RACQ calculations using OPIS, Informed Sources, MotorMouth and FUELtrac, data

The E10 and PULP 95 price in Brisbane largely followed the trend set by the RULP price. The price difference between E10 and RULP in 2020 was 2.2 cpl, 0.2 cpl lower than 2019, and 0.4 cpl lower than 2018. Despite the cheaper price per litre, the lower energy content in E10 led to a higher cost per kilometre travelled (compared to RULP).

The price difference between PULP 95 and RULP increased in 2020 to 14.1 cpl, compared to 13.1 cpl in 2019 and 12.9 cpl in 2018.

At 15.2 cpl, indicative retail margins on E10 were 5.5 cpl higher than 2019, and retail margins on PULP 95, at 22.9 cpl, were 7.5 cpl higher. E10 retail margins were 2.3 cpl lower than RULP in 2020, and retail margins on PULP 95 were 5.4 cpl higher than RULP.

Like for RULP, indicative retail margins of E10 and PULP95 were at an all-time record high level.

Diesel Price Movements and Price Breakdown in 2020

This report presents the combined average price for all diesel blends and considers diesel as a single product. Unlike petrol, the Australian Fuel Quality Standards and related determinations¹ do not define so called “premium diesel” a separate distinct fuel type.

Figure 4 presents a price breakdown for diesel sold in Brisbane in 2020 and 2019, and the cheapest and dearest years in the last ten years (2016 and 2014).

The average price of diesel, at 125.5 cpl, in Brisbane in 2020 was 21.0 cpl lower than the average price in 2019. Retail margins fell in 2020, and at 15.8 cpl were 5.7 cpl higher than 2019. The refinery margins, at 3.8 cpl, decreased by 6.8 cpl compared with 2019. The decrease in refinery margins was due to the collapse in the oil price.

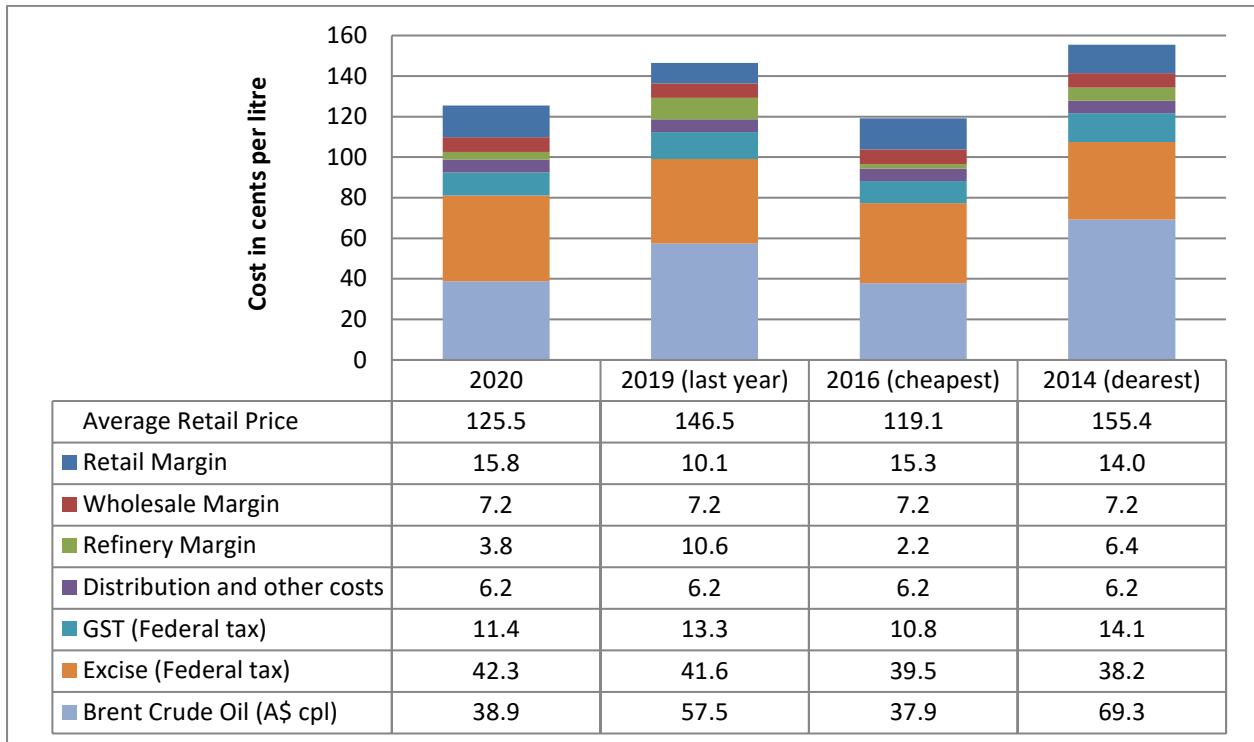


Figure 4: Price breakdown for Brisbane Diesel Prices

LPG Price Movements and Price Breakdown in 2020

Figure 5 presents a price breakdown for LPG (Liquefied Petroleum Gas) sold in Brisbane in 2020, 2019 (last year and the most expensive year), 2018 and 2015 (the second most expensive and the cheapest year in the last ten years).

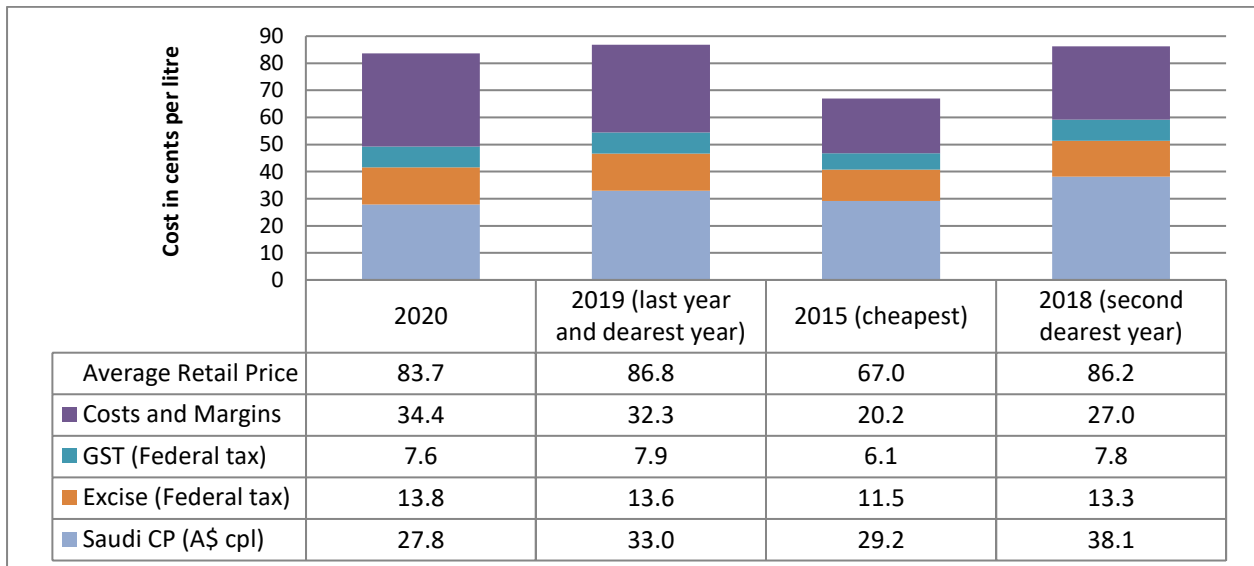


Figure 5: Price breakdown for Brisbane LPG Prices

Data on LPG pricing is limited compared to petrol and diesel. Subsequently, it is not possible to calculate retail, wholesale and refinery margins. The alternative measure calculates the difference between the international benchmark price (the Saudi Aramco Contract Price – the Saudi CP) and the pre-tax retail price. This measure captures all fuel company margins and costs.

LPG prices eased slightly in 2020 compared to 2019 due to a fall in oil prices and subsequently a fall in the Saudi CP. The average price of LPG sold in Brisbane, at 83.7 cpl, was 3.1 cpl lower than the record high price observed in 2019. At 86.8 cpl, the record high average LPG price observed in 2019 exceeded the previous record high of 86.2 cpl observed in 2018.

Despite a substantial fall in the Saudi CP, the average retail price of LPG remained elevated. This was due to an increase fuel company margins and costs. Fuel company margins and costs in 2020, at 34.4 cpl were the highest on record and 2.1 cpl higher than 2019 (at 32.3 cpl).

International Benchmark Prices

Oil and petrol are traded globally in very high volumes. Therefore, Australia is a price taker for all automotive fuels.

Table 2 summarises the annual average prices of Asia Pacific regional refined product benchmarks – Singapore MOGAS and GASOIL, the international crude oil benchmark – Brent and the North American crude oil benchmark – West Texas Intermediate (WTI).

Table 2: Summary of International Benchmark Prices

	Brent Crude Oil (A\$/bbl)	WTI Crude Oil (A\$/bbl)	MOGAS Price (A\$/bbl)	GASOIL Price (A\$/bbl)	Exchange Rate (A\$/US\$)
2020	61.8	56.8	69.6	71.7	0.6906
2019	91.4	82.1	104.2	112.4	0.6943
2018	95.5	86.5	111.4	120.0	0.7475
2017	71.3	67.4	88.9	86.7	0.7550
2016	60.0	58.4	75.2	71.1	0.7386
2015	71.3	64.6	91.7	87.9	0.7527
2014	110.2	103.3	122.2	125.7	0.9028
2013	112.6	101.2	123.4	129.6	0.9686
2012	107.5	90.8	119.1	124.8	1.0359
2011	107.4*	92.0	116.2	116.2	1.0315

Source: RACQ calculations using OPIS, U.S. Energy Information Administration, Bloomberg and RBA data

*Data limited to the third and fourth quarter of 2011

The Terminal Gate Price (TGP) - the key wholesale price for all liquid automotive fuels in the Australian market - is strongly correlated to Singapore wholesale prices and oil prices. For RULP the refined product benchmark is Singapore MOGAS and for diesel the benchmark is Singapore GASOIL.

The two most commonly used international crude oil benchmark prices are Brent and West Texas Intermediate (WTI). Brent is considered to be the global benchmark oil price and of greater importance in the Asia Pacific region. WTI is the North American benchmark and has limited relevance outside of the US, Canada and Mexico. Historically, Tapis crude oil was the Asia Pacific (and Australian) benchmark, although in recent years it has replaced by Brent. Brent is now the most relevant oil benchmark price for Australia.

Price Trends

Figure 6 displays the price trends for Brent crude oil price, the average Brisbane TGP (the local wholesale price) and the Brisbane retail price for RULP and diesel. These prices are all presented in Australian cents per litre (cpl). Brent and MOGAS are internationally traded products bought and sold in US dollars. In Figure 6 the US\$ price has been converted to Australian dollars.

Most of the difference between the price of MOGAS (or GASOIL for diesel) and the TGP is government fuel excise and GST. The remainder is refinery and wholesale margins, shipping and other costs. The difference between the TGP and the Brisbane retail price is largely the retail margin, and to a smaller extent, local transport costs. In 2020 the Brisbane TGPs for RULP and diesel were closely correlated with the Singapore MOGAS and GASOIL price.

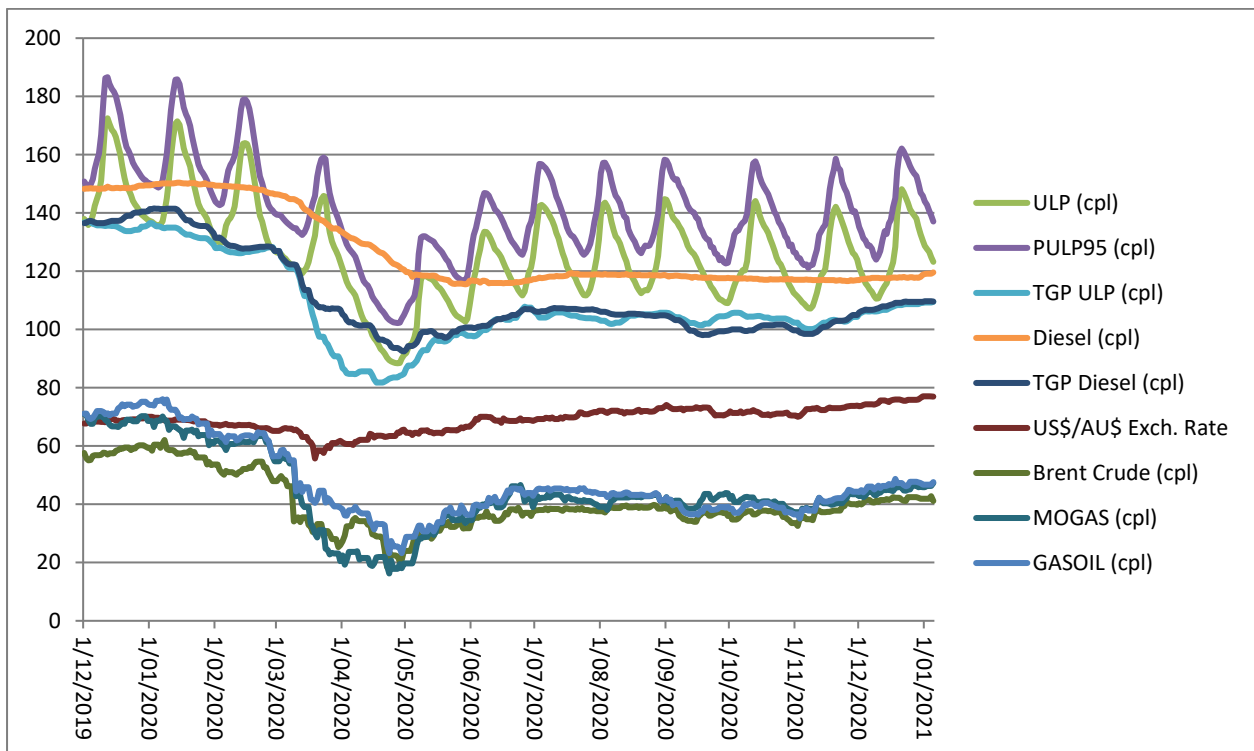


Figure 6: Brisbane RULP and Diesel TGP and Retail Price, Brent and MOGAS Price, and the US\$/A\$ Exchange Rate

Source: OPIS RBA and Bloomberg

Brisbane RULP retail prices during 2020 were at their lowest in April when the monthly average was 100.2 cpl, an 11-year record low. The second cheapest month was May when the monthly average was 108.0 cpl. Monthly average prices this low were last observed in December 2008 and January 2009 (when the average RULP price was 98.4 cpl and 102.8 cpl, respectively).

An 11-year record low daily average RULP price, of 88.4cpl, was observed in Brisbane on 27 April 2020. A daily average this low was last observed in December 2008. The average price on this day in Brisbane was 84.1 cpl lower than the record high of 172.5 cpl observed 4.5 months earlier on 12 December 2019. However, this comparison is not a true reflection of market movements as it compares a price from the expensive phase of the price cycle to a price from the cheap phase.

In January and February 2020, the Brisbane retail ULP price and TGP steadily decreased following the slight downward trend set by the Brent crude oil price and the Singapore MOGAS price. During this time, the novel coronavirus (now commonly known as COVID-19) was starting to dampen global trade and travel, but the effect on oil prices was limited. In March 2020, oil prices collapsed as COVID-19 took hold across the globe and the global pandemic was declared.

The price of Brent, MOGAS and GASOIL fell substantially in March and April, falling to a low point of 18.6 US\$/bbl (US\$ per barrel) or 29.4 A\$/bbl (A\$ per barrel) on 22 April 2020. At that point, the Brent price had fallen by over 70% compared to the price at the beginning of 2020, when it was selling for 65.1 US\$/bbl or 92.9 A\$/bbl.

In May, OPEC+ agreed to a new massive production cut (9.7 million barrels per day) and the Brent oil price started to steadily recover. In early July, Brent hit a price of about 50 US\$/bbl or 65 A\$/bbl, a value it maintained for the rest of 2020, ending the year at 51.0 US\$/bbl or 66.7 A\$/bbl.

The Brent crude oil price ended 2020 at 51.0 US\$/bbl or 66.7 A\$/bbl.

Record Low Prices in 2020

The demand collapse and price falls caused by the COVID-19 pandemic and the Saudi Arabia/Russia price war led to record low prices in many centres throughout Queensland. Prices this low were last observed in Queensland in late 2008 and early 2009 during the height of the Global Financial Crisis (the GFC). Typically, the low prices observed in 2020 were an 11-year record low.

A daily average price as low as the lowest RULP price (of 88.4 cpl, observed on 27 April 2020 in Brisbane) was previously observed in February 2005 (when the daily average ULP price fell to 78.6 cpl). Prior to February 2005 ULP prices of 80 cpl or below were routinely observed in Brisbane.

The absolute lowest daily average price observed in Queensland in 2020 was 84.1 cpl. This price was observed on the Gold Coast on 5 May 2020. This price was 4.3 cpl lower than the lowest daily average price observed in Brisbane, and 0.5 cpl lower than the lowest price observed in regional Queensland (of 84.6 cpl observed in Bundaberg).

In most other Queensland centres, prices as low as those observed in 2020 were last seen in December 2008 or January 2009. However, RACQ's pricing data from 2009 and earlier is incomplete and these records should be considered as indicative only. Additionally, diesel prices were not routinely collected in 2008 and 2009. In broad terms RULP and diesel retail prices are correlated and it is likely that diesel prices in December 2008 reached similar lows as those observed in the RULP market. However, it is not possible to accurately compare recent low diesel prices with the low prices likely to have been observed in 2008 and 2009.

Tables 3, 4 and 5 present a summary of the record low prices observed in Queensland since the onset of the GFC in 2008. These records are only for centres surveyed by RACQ. Prices in other centres may have exceeded the prices presented below.

Table 3: Summary of Record Low Fuel Prices

Record	2020 lowest price (cpl)	Date Observed	Previous lowest price (2008 – 2020, cpl)	Date Observed
Daily average RULP price in Brisbane	88.4	27 April 2020	87.9	December 2008 (exact date to recorded)
Monthly average lowest RULP price in Brisbane	100.2	April 2020	98.4	December 2008
Daily average diesel price in Brisbane	115.5	29 May 2020	nd	
Monthly average lowest diesel price in Brisbane	116.3	June 2020	nd	
Lowest RULP price in regional Queensland (daily average)	84.6	Several days in late Apr and May (observed in Bundaberg)	nd	
Lowest RULP price in regional Queensland (monthly average)	91.5	May 2020 (observed in Miles)	94.7	December 2008 (observed in both Toowoomba and Townsville)
Lowest diesel price in regional Queensland (daily average)	104.3	15 Nov 2020 (observed in Whitsunday/Proserpine)	nd	
Lowest diesel price in regional Queensland (monthly average)	105.4	Nov 2020 (observed in Whitsunday/Proserpine)	nd	

Source: RACQ calculations using OPIS and FUELtrac data

Note: in Tables 4 and 5 the number of days the absolute cheapest daily average was observed varies between centres. An increased number of days at the cheapest price is not an indication that this centre is cheaper, or that cheaper fuel was necessarily available for longer periods than other centres. The length of time the absolute cheapest price was available only provides a limited estimation of the stability of prices in each market. For example, the Biloela ULP market is very stable. The cheapest average ULP price in Biloela was 119.9 cpl and was observed on many days between April and December. Neighbouring Gladstone was substantially cheaper than Biloela throughout 2020. However, the absolute cheapest daily average RULP price in Gladstone (of 87.4 cpl) was only observed on two days (4 and 5 May 2020).

Table 4: Record Low Average RULP Prices

Centre	Record Low Daily Average Price (cpl)	Observed	Record Low Monthly Average Price (cpl)	Observed
Brisbane	88.4	27/04/2020	100.2	Apr-2020
Ipswich	85.9	1/05/2020	98.0	Apr-2020
Gold Coast	84.1	5/05/2020	102.3	Apr-2020

Sunshine Coast	92.2	4/05/2020	105.0	Apr-2020
Atherton	113.9	Many days in May, Jun and Jul	114.2	Jun-2020
Beaudesert	99.6	5/05/2020	106.2	May-2020
Biloela	119.9	Many days between Apr and Dec	119.9	May-2020
Blackwater	91.9	2-6/05/2020	99.9	May-2020
Bowen	99.9	Several days in late Apr and May	104.3	May-2020
Bundaberg	84.6	Several days in late Apr and May	94.0	May-2020
Cairns	105.8	23-24/05/2020	106.9	May-2020
Charters Towers	109.9	23-26/05/2020	112.3	May-2020
Childers	118.9	Many days in Oct, Nov and Dec	103.9	May-2020
Dalby	98.0	5/05/2020	107.1	May-2020
Emerald	133.6	20/10/2020	133.8	Jul to Nov-2020
Gladstone	87.4	4-5/05/2020	97.8	May-2020
Goondiwindi	86.0	4-5/05/2020	94.5	May-2020
Gympie	97.6	Several days in Apr and May	100.1	May-2020
Hervey Bay	108.9	Several days in Apr and May	109.1	May-2020
Ingham	103.7	5/05/2020	107.4	May-2020
Innisfail	104.9	Several days in May and Jun	108.2	May-2020
Kingaroy	95.9	7-10/05/2020	100.0	May-2020
Lockyer Valley	92.3	4/05/2020	103.1	May-2020
Longreach	131.9	Many days in Apr, May, Jun and Jul	131.9	May-2020
Mackay	99.6	5/05/2020	104.3	May-2020
Mareeba	122.7	Several days in Nov and Dec	123.1	Dec-2020
Maryborough	93.7	Several days in late Apr and early May	99.5	May-2020
Miles	87.0	17/05/2020	91.5	May-2020
Moranbah	97.9	Several days in late Apr and early May	102.0	May-2020
Mount Isa	142.7	Several days in late Oct and early Nov	142.8	Nov-2020
Rockhampton	94.9	7/05/2020	101.2	May-2020

Roma	106.1	5/05/2020	108.4	May-2020
Somerset	89.9	Several days in late Apr and early May	102.7	May-2020
Toowoomba	89.6	5/05/2020	102.3	Apr-2020
Townsville	99.9	12/05/2020	103.5	May-2020
Tully	105.9	Several days in late Apr and early May	108.8	May-2020
Warwick	103.5	3/05/2020	105.1	May-2020
Whitsunday/Proserpine	88.8	Several days in late Apr and early May	93.9	May-2020
Yeppoon	108.7	Several days in early May	108.9	May-2020

Source: RACQ calculations using OPIS and FUELtrac data

Table 5: Record Low Average Diesel Prices

Centre	Record Low Daily Average Price (cpl)	Observed	Record Low Monthly Average Price (cpl)	Observed
Brisbane	115.5	29/05/2020	116.3	Jun-2020
Ipswich	113.9	30/05/2020	116.7	Jun-2020
Gold Coast	115.8	30/05/2020	114.9	Jun-2020
Sunshine Coast	116.1	26/11/2020	116.9	Nov-2020
Atherton	119.6	Several days in May, Jun, Nov and Dec	119.7	Jun-2020
Beaudesert	115.9	26/11/2020	116.5	Nov-2020
Biloela	119.8	Several days in Nov and Dec	119.9	Dec-2020
Blackwater	121.1	20/11/2020	123.2	Dec-2020
Bowen	111.9	Several days in Nov	112.8	Nov-2020
Bundaberg	112.7	14-21/06/2020	113.5	Jun-2020
Cairns	118.0	27-30/11/2020	118.4	Nov-2020
Charters Towers	120.7	Several days in Sep, Oct, Nov and Dec	120.8	Nov-2020
Childers	118.9	Several days in Oct, Nov and Dec	118.9	Nov-2020
Dalby	118.6	2/12/2020	119.4	Dec-2020
Emerald	122.5	28-29/11/20	123.9	Dec-2020
Gladstone	111.0.	24/05/2020	111.9	May-2020

Goondiwindi	109.8	30/05/2020	112.4	Jun-2020
Gympie	112.8	19/05/2020	114.2	May-2020
Hervey Bay	116.9	Several days in late May and early Jun	117.3	Sep-2020
Ingham	121.9	Several days in early May	122.8	May-2020 and Jun-2020
Innisfail	120.9	Many days between May and Dec	120.9	Jun-2020 to Nov-2020 inclusive
Kingaroy	109.9	Several days in May	110.9	May-2020
Lockyer Valley	114.7	24-25/11/2020	115.5	Nov-2020
Longreach	123.7	1/10/2020 & 27/12/2020	125.4	Dec-2020
Mackay	116.7	Several days in early May	117.0	Oct-2020 and Nov-2020
Mareeba	119.5	28-29/05/2020	119.8	Oct-2020 and Nov-2021
Maryborough	112.8	Several days in Oct and Nov	113.0	Oct-2020 and Nov-2022
Miles	108.3	26/07/2020	109.9	Jul-2020
Moranbah	115.9	10-17/12/2020	116.2	Dec-2020
Mount Isa	116.7	30/05/2020	123.4	Dec-2020
Rockhampton	114.4	Several days in Nov and early Dec	114.7	Nov-2020
Roma	115.3	Several days in late Nov and Dec	115.4	Dec-2020
Somerset	110.0	24/05/20 and 14/06/20	111.7	Jun-2020
Toowoomba	116.4	26-30/05/20	117.3	May-2020
Townsville	115.2	18/08/2020	115.9	Nov-2020
Tully	119.3	19-20/11/20 and 2/12/20	119.6	Nov-2020
Warwick	111.9	21/06/2020	116.7	Jul-2020
Whitsunday/Proserpine	104.3	15/11/2020	105.4	Nov-2020
Yeppoon	109.0	2/12/2020	114.6	Dec-2020

Source: RACQ calculations using OPIS and FUELtrac data

Record High Prices in 2019

The record low prices observed in 2020 stand in stark contrast to the record highs observed in late 2019. A record high daily average RULP price of 172.5 cpl was observed in Brisbane on 12 December 2019. This exceeded the previous record of 169.0 cpl observed on 12 October 2018. However, the monthly average price for December 2019, at 150.0 cpl, fell short of the all-time record monthly high of 159.3 cpl (observed in October 2018).

Record high daily average RULP prices were also observed in Ipswich, Sunshine Coast and Gold Coast, where the average RULP price spiked at 168.5 cpl, 173.5 cpl and 173.0 cpl respectively. These prices were observed between 12 December and 14 December 2019.

Diesel prices in Brisbane remained substantially lower than the all-time record daily average high price of 178.2 cpl observed on 15 July 2008 and the 10-year record high of 165.9 cpl observed on 20 October 2018.

Table 6 presents a summary of the record high prices observed in Queensland. These records are only for centres surveyed by RACQ. Prices in other centres may have exceeded the prices presented below.

A full list of record high prices is presented in Tables 18 and 19, at the end of this report.

Table 6: Summary of Record High Fuel Prices

Record	Record highest price (cpl)	Date Observed	Second highest price (cpl)	Date Observed
Daily average RULP price in Brisbane	172.5	12 December 2019	169.0	12 October 2018
Monthly average highest RULP price in Brisbane	159.3	October 2018	158.4	January 2014
Daily average diesel price in Brisbane	178.2	15 July 2008	165.9	20 October 2018
Monthly average highest diesel price in Brisbane	176.7	July 2008	164.7	October 2018
Highest RULP price in regional Queensland (monthly average)	178.9 ²	January to November 2014 (observed in Weipa)	174.1 ²	August 2013 (observed in Cloncurry)
Highest diesel price in regional Queensland (monthly average)	191.9 ²	July 2008 (observed in Charleville)	177.4 ²	January 2014 (observed in Cloncurry)

Source: RACQ calculations using OPIS and FUELtrac data

The Brisbane RULP Price Cycle

The price cycle in Brisbane (Ipswich, the Gold and Sunshine Coasts, and the other large Australian capital cities) was a saw-toothed pattern observed in retail price movements. The cycle starts on the “cheap day” – the cheapest day of the cycle and the day when the average retail price is closest to the average wholesale price. The average price of ULP then quickly increases to a new high price. At this time, prices at individual retail sites jump about 40 cpl from a cheap to a high price, until the majority of sites are selling ULP for a new high price. From the high point of the cycle, the average price slowly falls as fuel

² These prices were highest observed considering all the data available to RACQ. Data from these centres was not available to RACQ for recent years and these prices may have been exceeded during the October 2018 price spike.

companies progressively undercut their competitors until the average price again approached the wholesale price and another price hike is observed. RACQ assumes that a price cycle runs from cheap day to cheap day. The new price cycle starts on the first day when the average ULP price increases and the price cycle ends on the absolute cheapest day of the cycle.

Prior to 2011, the RULP price cycle was relatively stable in Brisbane. The cycle was consistently seven days long and the cheapest day to buy petrol generally fell on the same day each week. In 2011 the price cycle started to lengthen and continued to lengthen until 2015. From 2015 until 2018, while cycle length varied dramatically, the average cycle length was just over 33 days.

At 33.9 days, the average cycle length for 2020 was longer than 2019 (at 29.0 days), but consistent with 2015 to 2018. Figure 7 displays the cheap days observed in 2020 and Figure 8 the duration of each cycle. Both figures illustrate the cheap day and the price cycle length varied significantly in 2020.

There were 10 complete price cycles and two partial cycles observed in Brisbane during 2020, slightly fewer than 2019 when there were 12 complete cycles, but similar to 2018, 2017, 2016 and 2015 when there were 10 or 11 price cycles. In 2014, 2013 and 2012 there were 14, 23 and 29 cycles, respectively.

The first price cycle observed in Brisbane started on 4 December 2019 and ended to 5 January 2020. The last cycle started on 10 December 2020 and continued into January 2021.

As can be seen in Figure 7, 11 cheap days and subsequent price hikes were observed in 2020. Three cheap days fell on a Thursday, two fell on Sundays or Fridays, with one cheap day falling on each of the other days. In 2020 most cheap days and subsequent price hikes occurred in the second half of the week. In 2019 and 2018 cheap days and price hikes mostly occurred in the first half of the week. In 2017 the trend was for most cheap days and price hikes to start later in the week.

The average cycle length in 2020 was 33.9 days. This is longer than 2019 (when the average length was 29.0 days) but consistent with recent years, when the average cycle length for 2015 to 2018 was 33.1 days. Prior to 2015 cycles had been steadily increasing with an average cycle length of 22.8, 16.2 and 12.6 days respectively for 2014, 2013 and 2012. Figure 7 displays the timing and length of the price cycles in 2020. Each cycle is marked on the final day of the price cycle.

The longest cycle in 2020 lasted 45 days (ending on 27 April 2020) and coincided with the oil price collapse (due to COVID and the Saudi/Russian oil price war). The shortest lasted 26 days (ending on 20 August 2020) as oil price started to recover. The cycle length variability was slightly less than 2019 (44 to 21 days) and previous years. In 2018, 2017 and 2016 when 51 to 21-day long cycles were observed.

The level of price cycle variability reinforces the need for motorists to be regularly informed about fuel prices, so they can purchase petrol at the low end of the cycle, when it is cheapest.

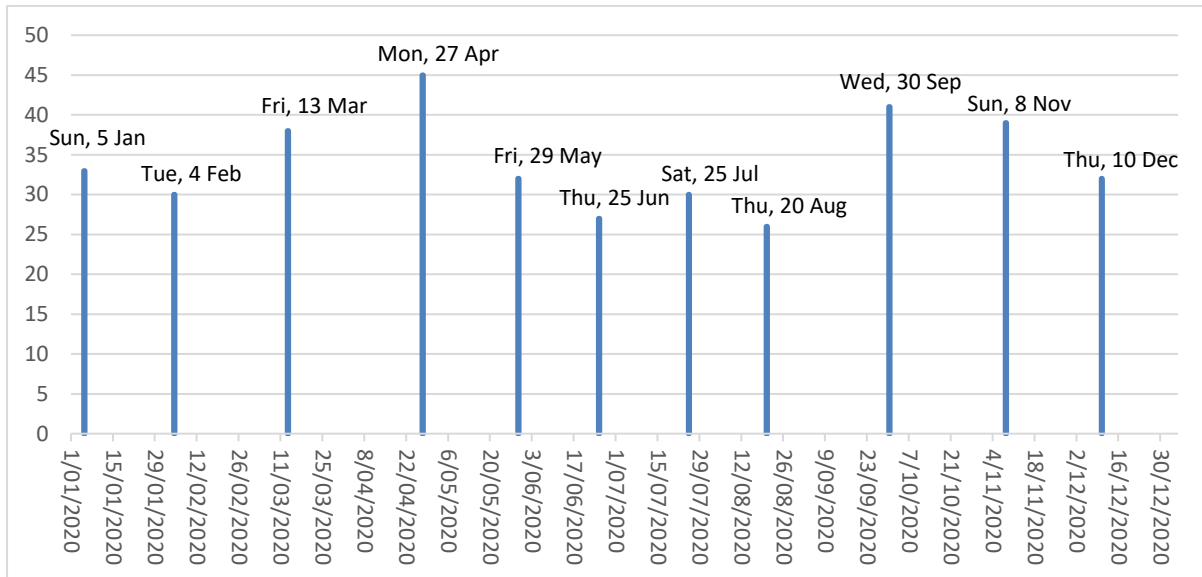


Figure 7: Length of the Brisbane Price Cycle 2020

Source: RACQ calculations using OPIS data

Comparison of Brisbane Prices to Other Capital City Prices

In 2020, RULP sold in Brisbane cost more than every other Australian capital city, except Hobart (at 130.5 cpl, 5.6 cpl dearer than Brisbane). Brisbane was more expensive than Perth, Adelaide, Darwin, Sydney, Canberra and Melbourne, by 6.3 cpl, 5.3 cpl, 3.2 cpl, 0.8 cpl, 0.2 cpl and 0.1 cpl, respectively.

Brisbane regained its place as the most expensive of five largest capital cities, as it had been every year since 2010 (when RACQ's current price monitoring regime started) except 2019. In 2019, Adelaide was marginally more expensive than Brisbane.

The average Brisbane indicative retail margin on RULP was 17.5 cpl, an all-time record high, and 6.8 cpl higher than those observed in 2019. It was 5.7 cpl higher than the margin of 11.8 cpl in 2018, and 5.3 cpl higher than the previous record high of 12.2 cpl observed in 2017 in Brisbane.

The average Brisbane indicative retail margin was higher than the capital city average of 15.3 cpl. The average retail margins in the capital cities also hit a new all-time record high (at 15.3 cpl), 3.1 cpl higher than the previous record high of 12.2 cpl observed in 2017.

Only Melbourne and Canberra returned a higher retail margin than Brisbane (at 17.9 cpl and 18.2 cpl, respectively). Indicative retail margins in Sydney were marginally lower than Brisbane at 17.4 cpl. Indicative retail margins in Darwin, Perth, Adelaide, Hobart and Sydney were lower than Brisbane, with an average for 2020 of 10.1 cpl, 12.2 cpl, 12.3 cpl, 16.9 cpl and 17.4 cpl, respectively.

The relatively high price of Brisbane RULP, but relatively low retail margins compared to Melbourne (and other capitals) was due to a higher average TGP in Brisbane compared to other large capitals.

The average Brisbane diesel price for 2020 was 125.5 cpl, the second cheapest price observed in the five large capital cities and the third cheapest considering all the capitals. Only Adelaide and Darwin, with an average diesel price of 122.7 cpl and 124.4 cpl, respectively, were cheaper than Brisbane. Sydney,

Melbourne, Perth, Canberra and Hobart were more expensive than Brisbane, by 0.2 cpl, 0.8 cpl, 1.5 cpl, 4.3 cpl and 15.4 cpl, respectively.

The average Brisbane retail margin on diesel was 15.8. cpl in 2020, 5.7 cpl higher than 2019 when the margin was 10.1 cpl. Like RULP, diesel margins hit a new all-time record high. The previous record was 15.2 cpl observed in 2016.

Diesel indicative retail margins in Brisbane were higher than Darwin and Adelaide, but lower than all other capital cities, and lower than the capital city average of 16.9 cpl. Darwin had the lowest average diesel retail margin of 10.9 cpl, followed by Adelaide at 12.8 cpl. Indicative retail margins in Sydney, Melbourne, Perth, Canberra and Hobart were greater than Brisbane at 16.1 cpl, 16.7 cpl, 17.6 cpl, 20.2 cpl and 25.1 cpl, respectively.

The average price of LPG in Brisbane, at 83.7 cpl was 3.1 cpl lower than the record high of 86.8 cpl observed in 2019. Brisbane was the second most expensive of the five large capital cities to buy LPG, second to Perth.

Melbourne, Adelaide, Sydney and Canberra were cheaper than Brisbane with an average LPG price of 64.7 cpl, 77.2 cpl, 79.0 cpl and 82.4 cpl, respectively. Perth, Hobart and Darwin were more expensive than Brisbane at 90.0 cpl, 97.8 cpl and 119.9 cpl, respectively.

Tables 7, 8, 9 and 10 display the average RULP, PULP 95, diesel and LPG retail prices for all Australian capital cities.

Table 7: Average RULP Prices for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Brisbane	147.9	142.0	128.2	100.2	108.0	122.1	126.3	126.3	124.1	125.4	122.5	126.5	124.9	142.1	143.9	130.0	118.6	130.1	150.1	147.9	145.4	142.5	127.6
Adelaide	151.9	140.7	112.0	104.2	106.7	117.8	122.2	120.0	118.1	112.0	112.8	116.4	119.6	142.7	140.3	126.1	114.0	126.9	144.6	144.1	141.7	138.9	123.6
Canberra	146.8	144.4	138.7	121.3	104.7	114.2	121.4	121.7	121.2	120.2	120.2	121.2	124.7	144.2	152.4	133.7	120.3	130.3	153.8	153.6	147.9	142.4	127.1
Darwin	140.5	136.7	132.7	123.3	112.3	111.8	118.9	118.1	117.4	117.3	115.9	115.8	121.7	139.3	152.4	134.6	119.4	132.2	169.1	165	157.9	149.7	133.5
Hobart	155.9	154.6	148.5	129.4	119.3	120.3	122.9	123.0	123.0	122.9	122.8	123.1	130.5	150.5	154.2	139.2	122.5	136	157.5	157.3	150.4	147.5	133.8
Melbourne	148.8	142.3	125.5	106.9	104.3	118.6	123.2	123.0	128.3	121.9	120.7	134.4	124.8	141.7	142.7	128.3	115.8	125.9	144.5	144.2	140.6	139.6	125.9
Perth	143.4	134.9	122.7	99.7	102.9	114.2	121.0	116.7	115.8	117.7	115.4	118.6	118.6	139.7	142.9	128.5	116.5	128.4	147.8	146.2	143.1	140.6	125.3
Sydney	147.6	143.0	130.8	103.0	108.0	119.9	123.6	120.1	120.1	123.5	124.0	126.2	124.1	141.0	141.2	126.2	115.7	128.7	145.4	145	141.5	141.8	125.6
Average	147.8	142.3	129.9	111.0	108.3	117.3	122.4	121.1	121.0	120.1	119.3	122.8	123.6	142.7	146.3	130.8	117.8	129.8	151.5	150.4	146.1	142.9	127.8

Source: RACQ calculations using OPIS data (2020, 2019 and 2018), Informed Sources data (2018, 2017 and 2016), MotorMouth data (2016 to 2012) and FUELtrac data (2011 and 2010)

Table 8: Average PULP 95 Prices for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014	2013
Brisbane	161.8	156.4	141.5	113.6	121.9	136.0	140.4	140.4	138.0	140.0	137.1	141.7	139.0	155.5	156.8	142.2	130.0	141.2	160.1	158.6
Adelaide	165.6	154.1	126.8	118.8	120.9	132.2	136.6	134.9	133.2	127.7	127.9	131.7	134.2	156.7	154.0	138.6	125.7	138.6	155.5	155.0
Canberra	161.4	159.9	155.4	137.6	120.7	130.4	138.1	139.1	138.6	137.1	137.6	138.4	141.1	158.8	165.5	146.0	131.5	140.8	163.8	163.5
Darwin	153.0	149.0	145.1	136.1	125.0	124.1	131.3	130.8	130.2	130.1	128.5	128.4	134.3	151.9	164.4	146.2	131.0	146.9	179.0	175.7
Hobart	170.6	170.1	163.4	145.5	135.1	135.1	138.2	138.5	138.3	138.1	138.1	139.3	145.8	164.8	166.9	149.9	133.5	146.9	168.3	168.3
Melbourne	161.8	155.1	139.3	122.1	118.6	132.7	137.1	137.2	143.7	135.8	135.7	149.0	139.0	155.2	155.4	139.9	126.8	136.5	154.8	154.6
Perth	156.7	148.4	136.2	113.5	116.4	127.9	134.8	130.8	129.9	131.7	129.4	132.7	132.4	153.3	156.2	141.0	128.0	139.3	158.2	156.7
Sydney	162.5	158.0	145.8	117.8	123.1	135.0	139.0	135.8	135.0	139.2	139.7	141.9	139.4	155.6	156.1	140.5	131.8	141.1	157.9	157.1
Average	161.7	156.4	144.2	125.6	122.7	131.7	136.9	135.9	135.9	135.0	134.2	137.9	138.1	156.5	159.4	143.0	129.8	141.4	162.2	161.2

Source: RACQ calculations using OPIS data (2020, 2019 and 2018), Informed Sources data (2018, 2017 and 2016) and MotorMouth data (2016 to 2013)

Table 9: Average Diesel Prices for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Brisbane	150.0	148.4	140.5	127.4	117.5	116.3	118.5	118.7	118.0	117.3	116.9	117.7	125.5	146.5	150.2	129.6	119.1	129.1	155.4	153.4	149.3	147.1	127.6
Adelaide	149.7	144.9	135.4	122.8	113.0	113.9	118.4	118.9	114.8	113.2	111.9	116.2	122.7	147.0	146.9	125.9	113.7	125.4	152.4	151.9	149.5	146.0	123.6
Canberra	155.3	152.7	145.8	128.0	120.3	121.2	122.4	122.5	122.1	121.8	122.0	123.6	129.8	152.7	153.1	131.8	118.9	128.3	157.0	154.0	150.5	147.7	127.1
Darwin	143.9	142.4	139.4	131.8	121.2	114.6	115.3	117.4	117.3	117.1	116.1	116.4	124.4	145.4	153.9	131.9	121.4	136.9	171.4	166.6	159.1	154.2	133.5
Hobart	162.3	161.5	155.5	141.1	134.8	133.8	135.4	135.3	134.2	132.8	131.9	132.3	140.9	159.2	157.1	137.5	122.9	137.1	164.0	159.1	154.8	153.3	133.8
Melbourne	149.2	147.4	141.3	128.3	118.9	117.9	118.8	119.2	119.1	118.6	118.0	119.4	126.3	146.7	149.7	128.8	115.3	123.9	151.2	149.7	146.0	144.2	125.9
Perth	149.2	147.6	142.3	130.9	120.6	119.1	120.1	119.8	119.1	118.5	117.8	118.7	127.0	147.1	152.4	131.0	120.7	133.3	157.8	154.0	150.5	146.3	125.3
Sydney	150.6	148.1	139.4	124.9	116.9	117.1	119.1	119.3	118.6	117.7	117.2	119.2	125.7	147.6	148.6	127.5	114.8	126.2	153.0	151.7	148.0	148.0	125.6
Average	151.3	149.1	142.4	129.4	120.4	119.2	121.0	121.4	120.4	119.6	119.0	120.5	127.8	149.0	151.5	130.5	118.4	130.0	157.8	155.0	151.0	148.4	127.8

Source: RACQ calculations using OPIS data (2020, 2019 and 2018), Informed Sources data (2018, 2017 and 2016), MotorMouth data (2016 to 2012) and FUELtrac data (2011 and 2010)

Table 10: Average LPG Prices for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014	2013	2012
Brisbane	90.5	91.4	89.9	83.6	81.0	81.1	81.1	80.9	80.8	80.7	81.6	81.8	83.7	86.8	86.2	77.0	68.2	67.0	82.5	75.3	75.6
Adelaide	86.2	87.8	85.0	76.3	72.3	74.6	76.5	75.1	72.8	71.5	74.0	74.3	77.2	80.2	88.0	77.4	66.4	64.4	81.5	76.6	75.0
Canberra	86.1	88.9	88.0	83.9	79.7	79.8	80.1	80.1	79.9	80.6	81.1	80.5	82.4	82.2	84.3	73.2	64.5	68.5	87.4	80.7	76.8
Darwin	120.0	119.9	119.9	119.9	119.9	119.9	119.9	119.9	119.9	119.9	119.9	119.9	119.9	115.4	117.3	111.1	111.0	112.7	115.8	111.2	104.2
Hobart	98.9	96.8	98.6	97.1	97.4	98.6	100.3	98.0	95.6	98.6	97.2	95.9	97.8	98.7	97.1	91.1	85.3	85.7	99.2	93.6	86.4
Melbourne	69.8	71.5	70.0	66.6	62.7	61.7	62.0	62.0	61.9	61.7	62.8	63.6	64.7	66.4	74.7	68.1	58.5	53.6	73.2	68.0	67.1
Perth	95.2	96.2	95.0	91.3	88.7	88.4	88.1	87.7	87.4	87.2	87.4	87.2	90.0	90.6	95.4	83.3	70.1	74.4	89.0	79.6	79.6
Sydney	84.1	85.6	84.1	80.1	76.3	76.8	76.6	76.1	77.5	75.4	77.8	78.1	79.0	78.0	81.6	71.4	60.2	62.7	79.5	74.6	71.8
Average	91.3	92.2	91.3	87.4	84.7	85.1	85.6	85.0	84.5	84.5	85.2	85.2	86.8	87.3	90.6	81.6	73.0	64.4	88.5	82.4	78.9

Source: RACQ calculations using OPIS data (2020, 2019 and 2018), Informed Source data (2018, 2017 and 2016) and MotorMouth data (2016 to 2012)

Tables 11 and 12 display the average RULP and diesel indicative retail margins for all Australian capital cities.

Table 11: Average RULP Indicative Retail Margins for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014
Brisbane	13.4	13.8	18.7	15.0	12.5	18.0	20.6	21.2	19.6	20.1	19.3	18.0	17.5	10.7	11.8	12.2	11.0	9.9	10.0
Adelaide	17.7	12.6	2.9	19.3	11.8	14.0	16.8	15.2	13.6	6.4	9.4	7.9	12.3	11.6	8.3	8.6	7.1	7.8	5.2
Canberra	13.1	16.7	30.3	36.6	10.2	11.0	16.4	17.3	17.3	15.5	17.5	13.3	17.9	13.8	20.7	16.2	13.5	10.5	13.8
Darwin	2.3	4.3	19.3	34.6	14.1	3.4	8.8	8.1	8.1	7.2	7.9	2.7	10.1	3.9	16.2	12.8	12.2	10.1	25.8
Hobart	16.3	20.4	33.0	37.4	16.6	10.1	11.4	11.8	12.5	11.6	13.5	8.7	16.9	13.5	17.3	16.9	15.2	12.0	13.4
Melbourne	15.1	14.7	17.0	22.2	9.6	15.3	18.5	18.8	24.7	17.4	18.3	26.9	18.2	11.2	11.2	11.2	8.9	6.7	5.0
Perth	10.2	7.5	14.6	15.9	9.9	11.0	16.1	12.4	12.0	13.1	12.8	11.0	12.2	9.2	11.4	11.3	9.6	9.2	8.5
Sydney	13.9	15.3	22.4	18.2	13.4	16.7	18.6	15.7	16.2	18.8	21.3	18.3	17.4	10.7	9.4	8.7	8.8	9.0	5.5
Average	12.8	13.1	19.8	24.9	12.3	12.4	15.9	15.1	15.5	13.8	15.0	13.3	15.3	10.6	13.3	12.2	10.8	7.8	10.9

Table 12: Average Diesel Indicative Retail Margins for all Capital Cities

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020	2019	2018	2017	2016	2015	2014
Brisbane	10.3	18.6	24.9	27.7	18.4	11.6	10.6	12.5	16.5	15.7	14.6	8.4	15.8	10.1	14.1	14.1	15.2	12.2	13.9
Adelaide	9.9	14.8	20.0	23.0	14.1	9.1	10.6	12.5	13.0	11.2	9.3	6.7	12.8	10.5	10.4	9.9	9.8	8.3	10.7
Canberra	15.9	22.9	30.8	28.4	21.6	16.7	14.7	16.4	20.8	20.2	19.7	14.4	20.2	16.6	17.0	16.3	15.0	11.3	15.1
Darwin	1.0	8.8	20.6	29.1	20.2	5.9	3.3	6.8	11.5	11.3	9.2	2.8	10.9	5.3	14.0	12.6	17.6	17.2	26.6
Hobart	17.2	25.5	33.8	34.5	28.5	23.0	21.8	23.2	26.9	25.3	23.7	17.2	25.1	17.2	16.0	17.2	19.1	15.5	17.6
Melbourne	9.8	17.8	26.1	28.5	20.1	13.3	11.2	13.0	17.6	16.9	15.6	10.2	16.7	10.6	13.8	13.4	11.4	7.1	9.7
Perth	10.4	18.2	27.7	32.2	23.5	14.6	12.3	13.6	17.6	16.8	15.3	9.4	17.6	10.9	16.5	15.9	16.9	16.6	16.4
Sydney	11.1	18.3	24.4	25.3	18.2	12.6	11.4	13.2	17.3	16.1	15.0	10.0	16.1	11.4	12.5	12.0	10.8	9.3	11.2
Average	10.7	18.1	26.0	28.6	20.6	13.3	12.0	13.9	17.6	16.7	15.3	9.9	16.9	11.6	14.3	13.9	14.5	8.3	15.2

Regional Queensland

The average price for RULP across regional Queensland was 122.3 cpl, 18.4 cpl lower than the 2019 average of 140.7 cpl. This price was the weighted average price for all Queensland centres excluding the metropolitan SEQ centres (the Rest of Queensland Price)³. The Rest of Queensland average for diesel for 2020 was 126.3 cpl, 20.2 cpl lower than the 2019 average of 146.5 cpl. The LPG average was 88.6 cpl, 6.9 cpl lower than the 2019 average of 95.5 cpl.

The Rest of Queensland price was calculated using a different methodology in the 2016 and earlier Annual Reports. Therefore, the 2020 (2019, 2018 and 2017) prices cannot be compared to the indicative average Queensland prices presented in the 2016 and previous annual reports. The methodology used to calculate the average price for individual centres is unchanged and the historic record for these centres can be compared.

Tables 13, 14 and 15, respectively, display the average monthly price of RULP, diesel and LPG in major Queensland cities and towns. Tables 16 and 17 display the average monthly indicative retail margin for RULP and diesel in major Queensland cities and towns.

With an average RULP price of 112.3 cpl, Miles was the cheapest place to buy RULP in Queensland in 2020, as it was in 2019, 2018 and 2017. The Miles average RULP price was 12.6 cpl lower than the average price of 124.9 cpl in Brisbane. Bundaberg was the second cheapest centre at 113.1 cpl, and Whitsunday/Proserpine the third at 114.4 cpl. Gladstone, Maryborough, Goondiwindi, Somerset, Lockyer Valley, Kingaroy, Gympie, Townsville, Hervey Bay, Moranbah, Roma, Nambour, Rockhampton, Gold Coast, Ipswich, Bowen, Warwick, Childers, Sunshine Coast, Mackay, Ingham, Cairns, Dalby, Beaudesert and Yeppoon were also cheaper than Brisbane. Mount Isa, with an average RULP price of 146.8 cpl, was the most expensive⁴.

Whitsunday/Proserpine had the cheapest diesel in Queensland in 2020 at an average of 118.4 cpl, 7.1 cpl cheaper than the Brisbane price of 125.5 cpl. Miles had the second cheapest diesel in Queensland in 2020 (after it was the cheapest in 2019, 2018 and 2017) at an average of 121.3 cpl, 4.2 cpl cheaper than the Brisbane price of 125.5 cpl. Noosa, Gympie, Gladstone, Somerset, Bundaberg, Kingaroy, Nambour, Maryborough, Goondiwindi, Bowen, Ipswich, Rockhampton and Sunshine Coast were also cheaper than Brisbane. Like in 2019 and 2018, Longreach, with an average diesel price of 137.0 cpl, was the most expensive centre in Queensland⁴.

At an average of 81.4 cpl, Toowoomba had the cheapest LPG in Queensland during 2020, 2.3 cpl cheaper than Brisbane. The second cheapest centre was Gold Coast, with an average LPG price of 81.5 cpl, 2.2 cpl cheaper than Brisbane. Dalby, Warwick, Mareeba, Somerset and Goondiwindi were also cheaper than Brisbane. All other centres were dearer than Brisbane. Mount Isa recorded the most expensive LPG with an average price of 105.5 cpl⁴.

³ The Rest of Queensland price is the weighted average of all regional retail prices available to RACQ, weighted by the number of retailers in each centre.

⁴ RACQ does not have an exhaustive list of regional centres in Queensland. In discussing the cheapest or dearest centre in Queensland, it is implied that this only refers to the centres listed. There may be other centres, not listed, that are more or less expensive.

International Oil Prices

The average price of the global benchmark crude oil (Brent) in 2020 was 42.8 US\$/bbl or 61.8 A\$/bbl, 20.7 US\$/bbl or 32.6% lower than the 2019 average. Brent started the year at 65.1 US\$/bbl or 92.9 A\$/bbl. The highest Brent price for 2020 was observed early in the year on 8 January 2020, at 67.8 US\$/bbl or 98.7 A\$/bbl.

The Brent price steadily softened in January and February, ending February at 49.8 US\$/bbl or 76.3 A\$/bbl. The decline in oil prices was due to dampening oil consumption in China as they dealt with the first outbreak of the novel coronavirus that would cause the global COVID-19 pandemic.

In March governments around the globe, imposed travel restriction and lockdowns in an effort to contain or limit the spread of COVID-19. This led a massive reduction in demand of crude oil and refined products, most notably aviation fuel, and saw a rapid fall in oil prices. In response to fall in demand some OPEC members, most notably Saudi Arabia, called for the cartel and their allies to cut production in an attempt to bolster oil prices.

Meeting in early March OPEC/OPEC+ failed to reach an agreement to extend their production cut. Russia was unwilling to further cut their production, believing that the production cut was overly benefitting US shale oil producers. Following the collapse of the OPEC+ alliance Saudi Arabia announced it would flood the market with cheap oil, leading to a price war with Russia. In March, Saudi Arabia increased to maximum production and slashed their prices, leading to a massive oversupply of oil and the oil price collapse.

Concerns that global oil storages were approaching full capacity caused further falls in the oil price in late April. Storage concerns coupled with an idiosyncrasy of the North American oil market caused the West Texas Intermediate (WTI) benchmark to fall negative on April 20.

On April 20, the North American benchmark crude oil WTI fell into negative territory hitting a low of negative 37.6 US\$/bbl. The negative prices were partly due to the peculiar nature of WTI future contracts. These contracts expire on the 21st day of the month, at which point the contract holder is required to take possession of the oil at the Cushing oil facility in Oklahoma. The second factor that led to the negative prices was the limited availability of storage in North America. Faced with the prospect of being forced to take possession of the oil and being required to find some spare storage, the oil futures contracts became a liability and traders were forced to pay others to take them off their hands, and subsequently the benchmark fell into negative territory. The negative prices were limited to April 20, and prices returned positive the following day. This marked the low point for global oil prices. Benchmark prices steadily increased for the rest of April.

Brent crude oil prices hit an 18-year record low point of 18.6 US\$/bbl or 29.4 A\$/bbl on 22 April 2020. A Brent price of 18.6 US\$/bbl was last observed in January 2002.

On Friday April 10, OPEC+ agreed to the largest production cut in history, pledging to reduce output by 9.7 million barrels per day starting on May 1 and lasting until the end of June, with smaller cuts in the subsequent months.

In their June Oil Market Report, the International Energy Agency reported that global oil production in June fell to a nine-year low of 86.9 million barrels per day (mb/d). The fall was led by the US and Canada with production down by 14 mb/d since April.

Oil prices rose strongly in May and June, before stabilising in July. The increase was due to an increase in demand as governments across the globe lifted COVID-19 restrictions, coupled with a substantial drop in oil supply. The fall in supply was due to the production cuts agreed to by OPEC+ and cuts due to commercial considerations in other countries.

Between July and September, the price of Brent stabilised at about 43 US\$/bbl. The oil price softened in September as demand remained weak as countries struggled to contain the resurgent COVID-19 pandemic.

The oil price strengthened throughout the rest of 2020. Prices were buoyed on positive news of the effectiveness of potential COVID-19 vaccines. Vaccines are likely to deliver relief in 2021 and potentially see a return in demand for oil. However, it is expected that the COVID-19 pandemic is going to get worse before it gets better, and this is likely to lead to on-going weak demand for oil. It is yet to be seen if the vaccine optimism will continue to bolster prices in the face of the underlying fundamental of weak demand.

Prior to their meeting on 30 November and 1 December, the oil producer cartel and their allies (OPEC+), reduced the production increase planned for January 2021. OPEC+ is set to increase production by 0.5 million barrels per day (bpd) each month in 2021. However, in early 2021, Saudi Arabia announced a surprise unilateral cut of 1 million barrels per day, significantly bolstering oil prices.

The Brent crude oil price ended 2020 at 51.0 US\$/bbl or 66.7 A\$/bbl. At the time of writing the Brent price is 56.4 US\$/bbl or 72.6 A\$/bbl (observed on 13 January 2021).

There was a significant reduction in US shale oil production in 2020, with production falling below 5 million barrels per day (from a high of 13 million barrels per day, observed in January 2020). Additionally, the oil rig count in US and Canada fell to the lowest levels since records began in 1940. It is possible that shale oil production will never recover, and the extended period of low oil prices has critically damaged the US shale oil industry. In 2020, several shale oil companies filed for bankruptcy protection. In addition, the low oil price has led to questions about the on-going financial viability of offshore oil extraction.

Tensions in the Middle East and trade tensions between the US and China continued throughout 2020, however they were largely obscured in the media by COVID-19.

The year started with the US assassination of the high-ranking Iranian General Soleimani (on 3 January), and the subsequent Iranian retaliatory missile strike on US assets in Iraq. While the Brent oil price briefly spiked at 70 US\$/bbl, within a week of the attacks oil prices had reverted to their pre-attack levels.

At the beginning of 2020 it appeared that tensions in the Middle East would dominate oil markets in 2020. However, the onset of the COVID-19 changed the focus of governments around the globe. While tension continued throughout 2020 it was lessened as governments focused their attention on addressing the pandemic.

There were a few brief increases in oil prices observed when tension increased. However, these were mostly short-lived. Examples were rocket attacks on Saudi Arabia by Yemeni Houthi rebels, and the Iranian seizure of a South Korean oil tanker.

2020 ended with markets buoyed by the development, approval and rollout of several COVID-19 vaccines. However, at the same time several countries were re-imposing lockdowns as the number of COVID cases increased rapidly. COVID-19 is likely to continue to cause massive economic disruption well into 2021.

The incoming Biden administration in the US is likely to change US oil policy away from the strongly pro-oil policies of the Trump administration. It is likely that US oil production will be lower than was observed in the Trump years and subsequently this may place upward pressure on prices.

The prediction for 2021 suggests oil prices will continue to steadily strengthen as the COVID-19 pandemic is contained and economies return to some degree of normality. In their latest Short-Time Energy Outlook, the US Energy Information Administration predicted an average Brent price of 53.0 US\$/bbl for 2021.

Data Sources

All data presented in this report is RACQ derived work from calculations based on various sources. Sources including OPIS, FUELtrac, Informed Sources, MotorMouth, Australian Institute of Petroleum (AIP), Reserve Bank of Australia (RBA), Australian Bureau of Statistics (ABS), IRESS and Bloomberg.

The data presented in the report is the best available data at the time of publication. The data is presented in good faith, but RACQ cannot and does not guarantee its accuracy. The data presented in the report supersedes all previous reports.

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Table 18: Record High Average RULP Prices

Centre	Record High Daily Average Price (cpl)	Observed	Record High Monthly Average Price (cpl)	Observed
Brisbane	172.5	12/12/2019	159.3	Oct-18
Ipswich	168.5	12/12/2019	157.3	Oct-18
Gold Coast	173.0	12-13/12/2019	158.5	Oct-18
Sunshine Coast	173.5	14/12/2019	158.7	Oct-18
Atherton	164.6	23/10/2018	161.9	Oct-18
Biloela	166.6	19/10/2018	164.3	Oct-18
Blackwater	167.9	5/11/2018	162.3	Oct-18
Bowen	162.1	22/10/2018	160.2	Jan-14
Bundaberg	158.9	15/07/2008	157.4	Jul-08
Cairns	165.0	23/10/2018	162.4	Oct-18
Charters Towers	162.7	4/07/2008	157.1	Aug-13 and Jan-14
Dalby	162.2	20/02/2014	160.3	Apr-14
Emerald	167.9	23/10/2018	163.9	Oct-18
Gladstone	163.1	15/10/2018	160.5	Oct-18
Goondiwindi	167.9	25/10/2018	164.5	Oct-18
Gympie	160.7	21/10/2018	157.4	Oct-18
Hervey Bay	163.1	25/10/2018	161.3	Oct-18
Ingham	165.9	18/11/2018	159.9	Oct-18
Innisfail	164.2	27/10/2018	161.7	Oct-18
Kingaroy	162.3	27/10/2018	158.5	Oct-18
Longreach	169.9	13/10/2018	168.4	Feb-14
Mackay	163.8	15/10/2018	162.5	Oct-18
Mareeba	166.7	27/10/2018	163.5	Oct-18
Maryborough	160.2	4/07/2008	157.0	Aug-13
Miles	165.5	10/01/2014	164.4	Jan-14 and Mar-14
Moranbah	167.2	7/02/2014	165.7	Feb-14
Mount Isa	169.9	11/11/2018	167.1	Oct-18
Rockhampton	165.7	28/10/2018	163.0	Oct-18
Roma	166.7	23/07/2008	163.2	Jul-08
Toowoomba	160.7	21/10/2018	157.2	Oct-18
Townsville	163.4	23/10/2018	160.7	Oct-18
Tully	163.9	13/10/2018	159.9	Jan-14 to Aug-14
Warwick	161.9	24/10/2018	157.6	Oct-18
Yeppoon	164.7	21/10/2018	162.3	Oct-18

Source: RACQ calculations using OPIS and FUELtrac data

Table 19: Record High Average Diesel Prices

Centre	Record High Daily Average Price (cpl)	Observed	Record High Monthly Average Price (cpl)	Observed
Brisbane	178.2	15/07/2008	176.7	July-2008
Ipswich	178.7	16/07/2008	176.9	July-2008
Gold Coast	179.1	13/07/2008	177.7	July-2008
Sunshine Coast	179.7	15&17/07/2008	177.6	July-2008
Bowen	180.4	10/07/2008	178.6	July-2008
Bundaberg	179.9	20/07/2008	178.3	July-2008
Cairns	179.8	15/07/2008	178.0	July-2008
Caloundra	177.6	15/07/2008	175.1	July-2008
Charleville	192.9	13-28/07/2008	191.9	July-2008
Charters Towers	183.0	10/07/2008	180.7	July-2008
Cunnamulla	189.9	13/07/2008	187.1	July-2008
Dalby	180.0	15/07/2008	178.5	July-2008
Emerald	182.9	15-16/07/2008	179.7	July-2008
Gladstone	180.1	17/07/2008	178.9	July-2008
Goondiwindi	181.4	16/07/2008	179.3	July-2008
Hervey Bay	180.5	19/07/2008	178.8	July-2008
Kingaroy	180.8	15/07/2008	177.7	July-2008
Longreach	188.6	15/07/2008	185.9	July-2008
Mackay	177.8	4/07/2008	177.1	July-2008
Maryborough	179.6	1/07/2008	177.5	July-2008
Mt Isa	183.0	1/07/2008	181.2	July-2008
Rockhampton	183.4	19/07/2008	181.2	July-2008
Roma	183.7	15/07/2008	180.7	July-2008
Toowoomba	181.8	15/07/2008	179.2	July-2008
Townsville	181.0	16/07/2008	177.9	July-2008
Warwick	181.1	15/07/2008	178.4	July-2008

Source: RACQ calculations using OPIS and FUELtrac data