Monthly Fuel Price Report – March 2022

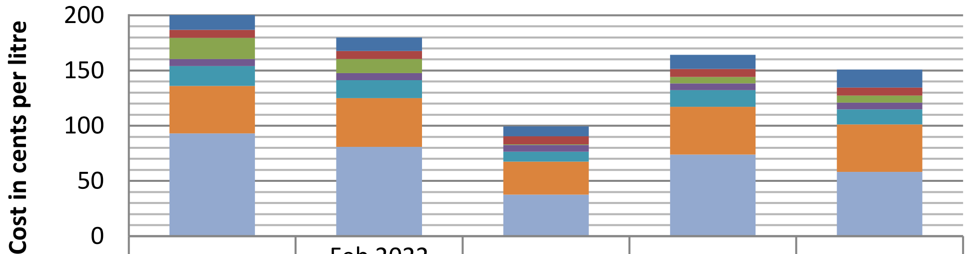
5 April 2022

The RACQ monthly fuel price report presents a summary of the fuel price trends in Queensland for March 2022.

Key points

- At 200.3 cpl, the average price of ULP in Brisbane for March 2022 hit a new monthly record high, 20.3 cpl higher than February 2022, the previous record high.
- At 210.5 cpl, the average price of diesel in Brisbane for March 2022 also hit a new monthly record high.
- Brisbane (with Sydney) was the joint second cheapest capital city to buy ULP, but the most expensive of the five large Australian capital cities to buy diesel.
- The average ULP price in regional Queensland was 199.3 cpl, 23.8 cpl higher than February.
- The average diesel price in regional Queensland was up 32.9 cpl, at 210.0 cpl.
- Record high ULP and diesel prices were observed in all SEQ and regional centres in March.
- Blackwater was the cheapest Queensland regional centre to buy ULP and diesel, at 186.6 cpl and 202.6 cpl, respectively.
- Mount Isa, at 214.8 cpl, was the most expensive regional centre to buy ULP, and Longreach had the most expensive diesel at 217.1 cpl.
- The record high prices observed in March 2022 were caused by record high oil prices, which in turn were caused by the Russian invasion of Ukraine.

ULP cost breakdown in Brisbane



	Mar 2022	Feb 2022 (2nd dearest)	Dec 2008 (cheapest)	Jan 2022 (3rd dearest)	2021 (last year)
Average Retail Price	200.3	180.0	99.5	164.2	150.8
Retail Margin	13.5	12.4	9.0	12.9	16.3
Wholesale Margin	7.2	7.2	7.2	7.2	7.2
Refinery Margin	19.3	12.9	0.6	5.8	6.2
Distribution and other costs	6.2	6.2	6.2	6.2	6.2
GST (Federal tax)	18.2	16.4	9.0	14.9	13.7
Excise (Federal tax)	42.8	44.2	29.8	43.3	42.9
Brent Crude Oil (A$ cpl)	93.1	80.8	37.6	73.9	58.2

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 March 2022. For comparison, the cost breakdown for last month, February 2022 – the second most expensive month, last year, November 2021 – the third most expensive month and December 2008 – the cheapest month observed in recent years (since 2008), is also displayed.

At 200.3 cpl, the average price of ULP in Brisbane for March hit a new record high. March's average was 20.3 cpl[1] greater than February.

The main RACQ pricing model assumes that oil is imported into Australia and refined locally – the onshore refining model. RACQ's alternate pricing model – the offshore refining model – assumes that fuel consumed in Queensland is refined in overseas refineries and imported into Australia as refined product. In this model, indicative importer margins replace refinery margins. Gross indicative importer margins on ULP in March were 6.1 cpl, 3.9 cpl higher than February.

Record high average ULP prices in SEQ

The daily and monthly average ULP prices across SEQ (and in regional centres) reached a new all-time record high in March 2022. The new record highs and previous records (prior to March 2022) are displayed below.

City	Record High Daily Average Price	Observed	Previous Record High Daily	Observed	Record High Monthly Average Price	Observed	Previous Record High Monthly Average	Observed
Brisbane	218.8	16/03/22	191.4	15/02/22	200.3	Mar-22	180.0	Feb-22
Ipswich	216.6	17/02/22	188.2	15/02/22	201.6	Mar-22	178.1	Feb-22
Gold Coast	217.6	15/03/22	190.8	13-14/02/22	200.8	Mar-22	181.8	Feb-22
Sunshine Coast	206.8	15-16/03/22	188.2	16-18/02/22	195.8	Mar-22	177.3	Feb-22

In real terms (when prices are adjusted to account for inflation[2]) the average ULP price in Brisbane, 200.3 cpl, was slightly lower than the average for July 2008. The real average price of ULP for July 2008 (when expressed in March 2022 dollar values[2]) was 205.8 cpl. In real terms July 2008 saw the highest average ULP price, and March 2022 the second highest, observed in Brisbane since at least May 1998 (when RACQ records begin).

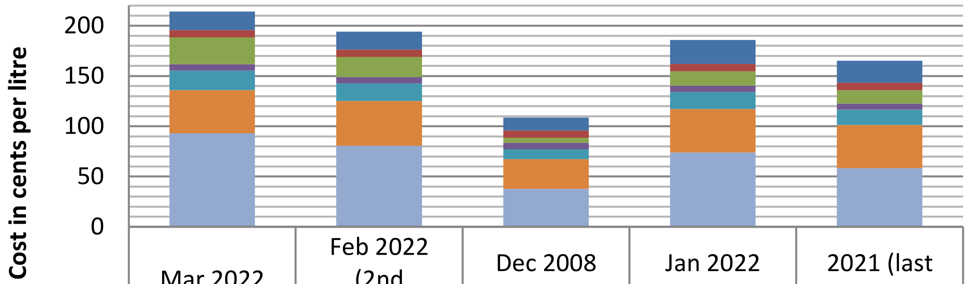
PULP 95 cost breakdown in Brisbane

The average PULP 95 price in Brisbane in March was 214.1 cpl – a new all-time record high, and 19.9 cpl greater than February.

The chart below shows the cost breakdown for a litre of PULP 95 sold in Brisbane in March 2022. For comparison, the cost breakdown for last month and the second most expensive month – February 2022, last year, January 2022 – the third most expensive month and December 2008 – the cheapest month observed in recent years (since 2008), is also displayed.

[1] Prices and price differences may not add up due to rounding

[2] Real prices were calculated from May 1998 to March 2022. The high real prices from July 2008 are likely to have been exceeded in period prior to 1998. This analysis used the ABS CPI index for December 2021, extrapolating the trend observed in FY21/22 Q2 into Q3. https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/dec-2021

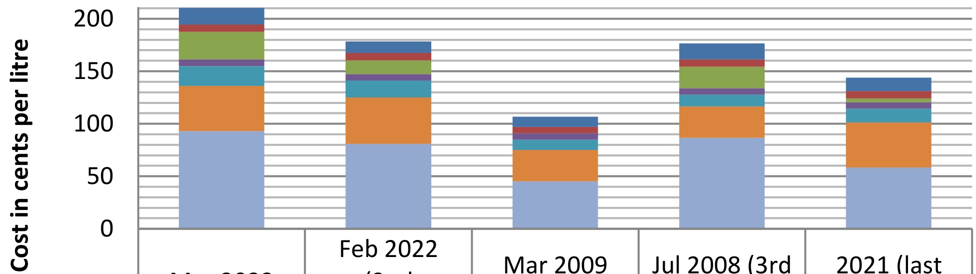


	Mar 2022	Feb 2022 (2nd dearest)	Dec 2008 (cheapest)	Jan 2022 (3rd dearest)	2021 (last year)
Average Retail Price	214.1	194.2	108.6	185.7	165.1
Retail Margin	18.6	18.0	12.8	23.7	22.0
Wholesale Margin	7.2	7.2	7.2	7.2	7.2
Refinery Margin	26.8	20.2	5.2	14.6	13.3
Distribution and other costs	6.2	6.2	6.2	6.2	6.2
GST (Federal tax)	19.5	17.7	9.9	16.9	15.0
Excise (Federal tax)	42.8	44.2	29.8	43.3	42.9
Brent Crude Oil (A$ cpl)	93.1	80.8	37.6	73.9	58.5

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

Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane for March 2022. For comparison, the cost breakdown for last month – second dearest, last year, March 2009 – the cheapest month and July 2008 – the third most expensive month observed in recent years (since 2008), is also displayed.



	Mar 2022	Feb 2022 (2nd dearest)	Mar 2009 (cheapest)	Jul 2008 (3rd dearest)	2021 (last year)
Average Retail Price	210.5	178.3	106.7	176.7	143.8
Retail Margin	15.9	10.8	9.8	15.3	12.6
Wholesale Margin	7.2	7.2	6.1	7.2	7.2
Refinery Margin	26.2	12.9	0.0	20.2	3.6
Distribution and other costs	6.2	6.2	6.2	6.2	6.2
GST (Federal tax)	19.1	16.2	9.7	11.3	13.1
Excise (Federal tax)	42.8	44.2	29.8	29.8	42.9
Brent Crude Oil (A$ cpl)	93.1	80.8	45.2	86.7	58.2

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

The average price of diesel in March, at 210.5 cpl, was 32.2 cpl greater than February, and the record highest monthly diesel price observed in Brisbane.

Record high average diesel prices in SEQ

Many daily and monthly average diesel prices across SEQ (and regional centres) reached a new all-time record high in March 2022. The new record highs and previous records (prior to March 2022) are displayed below.

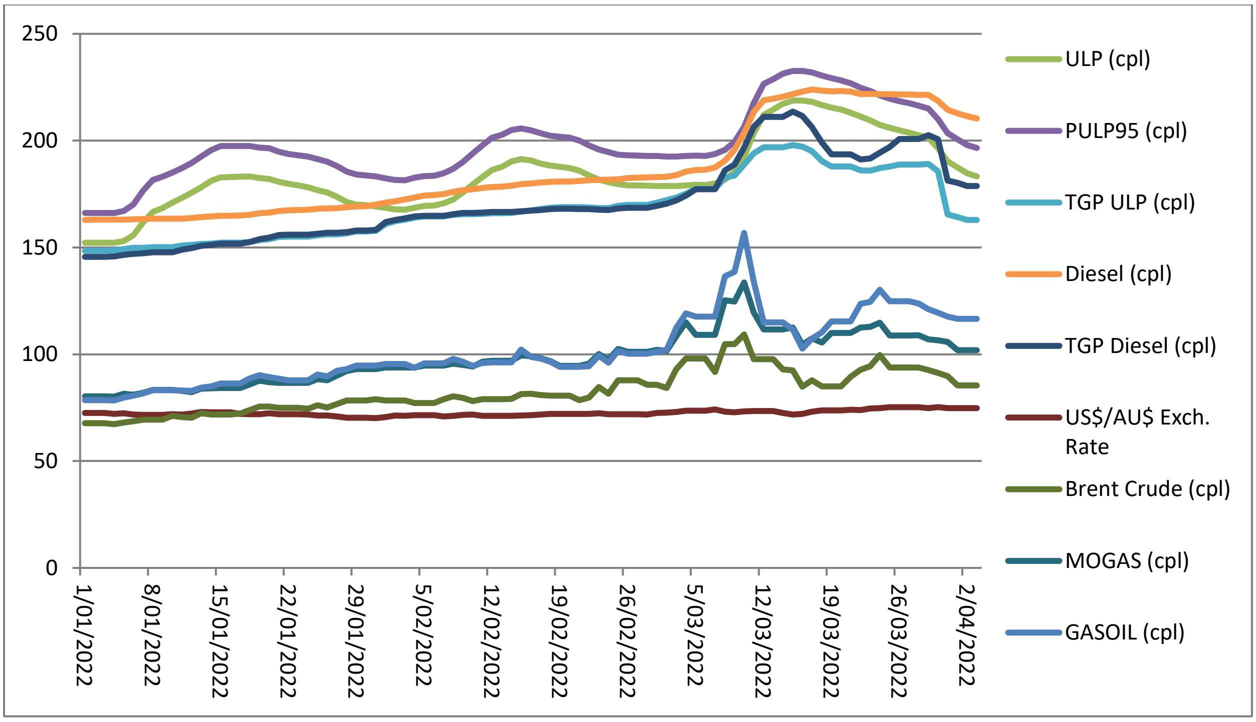
City	Record High Daily Average Price	Observed	Previous Record High Daily Average	Observed	Record High Monthly Average Price	Observed	Previous Record High Monthly Average	Observed
Brisbane	223.9	17/03/22	182.8	28/02/22	210.5	Mar-22	178.3	Feb-22
Ipswich	222.6	17/03/22	181.4	28/02/22	208.8	Mar-22	176.9	Jul-08
Gold Coast	224.9	17/03/22	183.8	27-28/02/22	221.5	Mar-22	179.6	Feb-22
Sunshine Coast	222.7	16-17/03/22	182.0	28/02/22	209.3	Mar-22	177.6	Jul-08

Fuel excise

On 29 March, in the 2022 Federal Budget, the Treasurer cut fuel excise by 50% for six months. This measure was introduced on 30 March 2022 and is set to continue until 29 September. This has resulted in a new excise rate for ULP and diesel of 22.1 cpl. When combined with the GST foregone the cut equates to 24.3 cpl reduction in the wholesale price ULP and Diesel.

As excise is charged at the wholesale level, the excise reduction will be applied to new deliveries of fuel. Fuel held in stock at retail sites will be charged at the full excise rate (of 44.2 cpl).

Price trends



The last week of one cycle, and the majority of a second were observed in the Brisbane ULP market in March. The last week of the February price cycle fell in early March. This cycle ended at a low point of 179.2 cpl on 6 March 2022. The second cycle started on 7 March, average retail ULP prices increased for the next 10 days and peaked at 218.8 cpl on 16 March (a new record high). Prices then slowly fell throughout the rest of March and into early April. At the time of writing the Brisbane ULP market was in the discounting phase of the cycle.

The average price of Brent in March 2022 at 148.0 A$/bbl or 93.1 cpl, was 19.5 A$/bbl greater than that observed in February (128.5 A$/bbl or 80.8 cpl).

Comparison to other capital cities

Brisbane was the joint second cheapest of the capital cities for ULP, sharing second place with Sydney. Only Perth was cheaper than Brisbane for ULP. For diesel Brisbane was the most expensive of the five largest capital cities. Only Darwin, Canberra and Hobart were most expensive than Brisbane for diesel.

In March, Perth was the cheapest Australian capital city to buy ULP and diesel.

The table below presents the average March prices and retail margins on ULP and diesel for Australian capital cities, with the change compared to February in parentheses.

City	Average ULP Price (cpl)	Indicative ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	200.3 (20.3)	13.4 (1.1)	210.5 (32.2)	15.9 (5.1)
Adelaide	201.5 (29.0)	14.2 (9.7)	209.1 (32.8)	15.2 (6.2)
Canberra	202.3 (24.9)	15.6 (5.6)	214.0 (33.4)	19.5 (6.1)
Darwin	203.5 (20.1)	12.8 (1.8)	213.5 (29.6)	16.2 (3.6)
Hobart	212.4 (25.1)	19.6 (5.5)	218.9 (31.3)	18.5 (3.9)
Melbourne	201.3 (24.5)	14.6 (5.2)	208.1 (31.5)	14.2 (4.8)
Perth	198.2 (19.7)	11.4 (1.1)	207.3 (30.7)	14.0 (4.6)
Sydney	200.3 (21.5)	13.6 (2.3)	208.9 (31.7)	14.4 (4.4)

* The retail margin is the average retail price minus the average local TGP and local freight costs (assumed to be the same as Brisbane: 1.04cpl). The TGP varies between cities.

Comparison of the SEQ metropolitan centres

The Sunshine Coast was the cheapest centre in SEQ to buy ULP in March, with an average price of 195.8 cpl. Second was Moreton Bay and third was Brisbane North at 198.2 cpl and 198.6 cpl, respectively. Brisbane Bayside/Redlands was the most expensive area in SEQ at 205.0 cpl. The average ULP price rose by about 20 cpl in all SEQ centres compared to February.

Ipswich was the cheapest SEQ centre to buy diesel in March at 208.8 cpl. The Sunshine Coast was second at 209.3 cpl. Like ULP, Brisbane Bayside/Redlands was the most expensive area in SEQ to buy diesel at 212.4 cpl. Average diesel prices increased by more than 30 cpl in all SEQ centres compared to February.

The table below presents the average March prices and retail margins on ULP and diesel for SEQ metropolitan centres, with the change compared to February in parentheses. This analysis separates Brisbane into inner/west, northern, southern, and bayside regions.

City	Average ULP Price (cpl)	Indicative ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane Inner/West	202.1 (18.7)	15.2 (-0.6)	212.3 (31.7)	17.7 (4.6)
Brisbane North	198.6 (19.7)	11.7 (0.4)	211.6 (32.1)	16.9 (5.0)
Brisbane South	198.8 (20.2)	11.9 (0.9)	211.0 (33.3)	16.4 (6.2)
Brisbane Bayside/Redlands	205.0 (21.4)	18.1 (2.2)	212.4 (31.2)	17.7 (4.1)
Logan	199.8 (20.2)	13.0 (1.0)	210.6 (32.4)	15.9 (5.3)
Ipswich	201.6 (23.6)	14.4 (4.3)	208.8 (32.0)	13.9 (4.9)
Moreton Bay	198.2 (17.7)	10.9 (-1.5)	209.6 (31.7)	14.7 (4.6)
Gold Coast	200.8 (19.0)	13.3 (-0.2)	211.5 (31.9)	16.2 (4.8)
Sunshine Coast	195.8 (18.6)	8.1 (-0.7)	209.3 (32.0)	13.8 (4.9)

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

Fuel prices across Queensland

The average price of ULP across regional Queensland in March was 199.3 cpl, 23.8 cpl higher than February. The average diesel price was 210.0 cpl, 32.9 cpl higher than February.

A new all-time record high monthly average ULP and DSL price was observed in all regional centres monitored by RACQ.

Blackwater, with an average ULP price of 186.6 cpl, was the cheapest centre to buy ULP in March. Nambour was second cheapest with an average ULP price of 193.2 cpl. Bundaberg, Whitsunday, Roma, Noosa, Biloela, Miles, Warwick, Toowoomba, Gympie, Maryborough, Ingham, Hervey Bay, Lockyer Valley, Mackay, Somerset, Kingaroy, Yeppoon, Goondiwindi, Townsville, Gladstone, Dalby, Bowen and Beaudesert were also cheaper than Brisbane[3]. At 214.8 cpl, Mount Isa was the most expensive centre for ULP.

Blackwater also had the cheapest diesel in Queensland in March, at 202.6 cpl. Mount Isa at 203.0 cpl, was second cheapest. Bundaberg, Somerset, Toowoomba, Lockyer Valley, Miles, Biloela, Nambour, Goondiwindi, Gympie, Gladstone, Whitsunday, Hervey Bay, Moranbah, Maryborough, Roma, Beaudesert, Noosa, Yeppoon, Tully, Atherton and Dalby were also cheaper than Brisbane. Longreach[3] was the most expensive regional centre for diesel at 217.1 cpl.

The table below presents the average March prices and retail margins on ULP and diesel for Queensland localities, with the change compared to February in parentheses. The March average for all centres was a new record high.

Locality	Average ULP Price (cpl)	Indicative ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	200.3 (20.3)	13.4 (1.1)	210.5 (32.2)	15.9 (5.1)
Atherton	202.2 (24.8)	11.9 (6.6)	210.3 (32.7)	12.7 (7.0)
Beaudesert	200.2 (23.6)	12.5 (4.4)	209.5 (32.4)	14.1 (5.3)
Biloela	195.9 (23.7)	5.8 (4.8)	207.9 (34.2)	10.8 (7.9)
Blackwater	186.6 (12.0)	-5.2 (-7.0)	202.6 (22.6)	3.8 (-3.6)

[3] 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.

Bowen	200.0 (28.8)	8.9 (10.6)	210.9 (35.5)	13.2 (9.9)
Bundaberg	194.2 (25.3)	3.9 (6.0)	205.5 (32.2)	7.5 (5.1)
Cairns	202.6 (24.2)	13.2 (6.0)	212.3 (32.9)	15.4 (7.2)
Charters Towers	201.0 (26.3)	10.6 (8.0)	211.1 (34.0)	14.0 (8.5)
Childers	200.5 (26.2)	10.7 (7.0)	210.9 (33.1)	13.4 (6.0)
Dalby	199.5 (24.3)	10.7 (5.1)	210.5 (32.4)	13.9 (5.3)
Emerald	200.5 (25.6)	8.0 (6.7)	212.3 (35.7)	12.7 (9.5)
Gladstone	199.5 (25.2)	10.6 (6.3)	208.2 (32.9)	12.3 (6.6)
Goondiwindi	199.3 (24.2)	9.1 (4.9)	208.1 (31.7)	10.2 (4.6)
Gympie	196.8 (24.2)	8.4 (5.0)	208.2 (31.3)	12.1 (4.2)
Hervey Bay	198.5 (26.0)	8.9 (6.8)	208.7 (32.2)	11.3 (5.1)
Ingham	198.1 (25.2)	7.9 (7.0)	213.5 (34.2)	16.6 (8.7)
Innisfail	201.9 (24.5)	11.6 (6.3)	211.7 (33.8)	14.0 (8.2)
Kingaroy	198.9 (27.4)	10.1 (8.2)	210.7 (36.3)	14.2 (9.2)
Lockyer Valley	198.6 (26.4)	10.8 (7.2)	207.7 (33.8)	12.1 (6.7)
Longreach	211.1 (25.4)	14.4 (6.5)	217.1 (32.3)	13.4 (6.1)
Mackay	198.7 (23.9)	9.2 (4.9)	211.4 (34.0)	15.2 (7.8)
Mareeba	204.0 (23.8)	13.9 (5.6)	214.6 (33.8)	17.1 (8.1)
Maryborough	197.1 (26.0)	7.9 (6.7)	209.3 (34.0)	12.3 (6.9)
Miles	195.9 (25.9)	5.8 (6.7)	207.8 (35.7)	9.9 (8.6)
Moranbah	200.5 (24.2)	9.1 (5.3)	208.8 (31.6)	10.6 (5.4)
Mount Isa	214.8 (26.3)	16.7 (8.1)	203.0 (26.7)	-1.7 (1.2)
Nambour	193.2 (19.9)	5.5 (0.7)	208.1 (32.0)	12.6 (4.9)
Noosa	195.9 (16.7)	8.0 (-2.5)	210.0 (32.9)	14.4 (5.8)
Rockhampton	200.5 (25.8)	10.6 (6.9)	211.8 (33.8)	14.9 (7.5)
Roma	195.8 (27.5)	4.3 (8.3)	209.4 (35.6)	10.2 (8.5)
Somerset	198.7 (24.9)	10.9 (5.7)	206.4 (33.3)	10.8 (6.2)
Toowoomba	196.6 (17.2)	8.5 (-2.1)	207.6 (31.5)	11.8 (4.4)
Townsville	199.5 (24.0)	10.4 (5.8)	212.0 (33.3)	16.3 (7.8)
Tully	202.0 (24.0)	11.1 (5.8)	210.2 (31.5)	12.0 (5.8)
Warwick	196.3 (27.1)	7.9 (7.8)	210.7 (34.6)	14.6 (7.5)
Whitsunday	194.3 (24.2)	3.6 (5.2)	208.6 (34.2)	11.1 (8.0)
Yeppoon	199.1 (22.0)	8.7 (3.1)	210.1 (31.6)	12.7 (5.3)

* The retail margin is the average retail price minus the average local TGP and local freight costs. The TGP and freight costs vary between cities. This indicative margin is calculated on the monthly average TGP and retail price.

Oil markets and price outlook

The Russia invasion of the Ukraine and the subsequent international sanctions against Russia have caused substantial volatility in global oil prices and large price spikes.

The price increases caused by the war in Ukraine, came on top of the on-going production cut put in place by the OPEC+ oil producer cartel to bolster prices during COVID, as well as the increase in demand as countries removed COVID restrictions. All these factors placed upward pressure on oil prices in March.

Counteracting these were several factors placing downward pressure on prices. Renewed COVID lockdowns in China have placed much of the country under strict movement restrictions and substantially reduced demand for fuel. This in turn caused a substantial fall in the global oil prices.

Additionally, to counteract the lost Russian oil production due to sanctions, the US has made a record large release of oil from their strategic reserves which again led to a substantial reduction in oil prices.

The recent decreases in the oil price, when they flow through to Queensland prices, will shave about 5 cpl off the price of wholesale fuel (TGPs).

Looking forward it is difficult to predict oil price movements as there remains massive uncertainty as the war in Ukraine continues. However, oil prices in early April appeared to be stabilising at between 100 and 110 US$/bbl.

Assuming a relatively stable oil price, retail ULP prices in regional Queensland should sit at about 180 cpl in the larger centres. In SEQ the average ULP price is likely to fall to about 165 cpl on the cheapest days and hit 195 cpl on the most expensive.

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.