

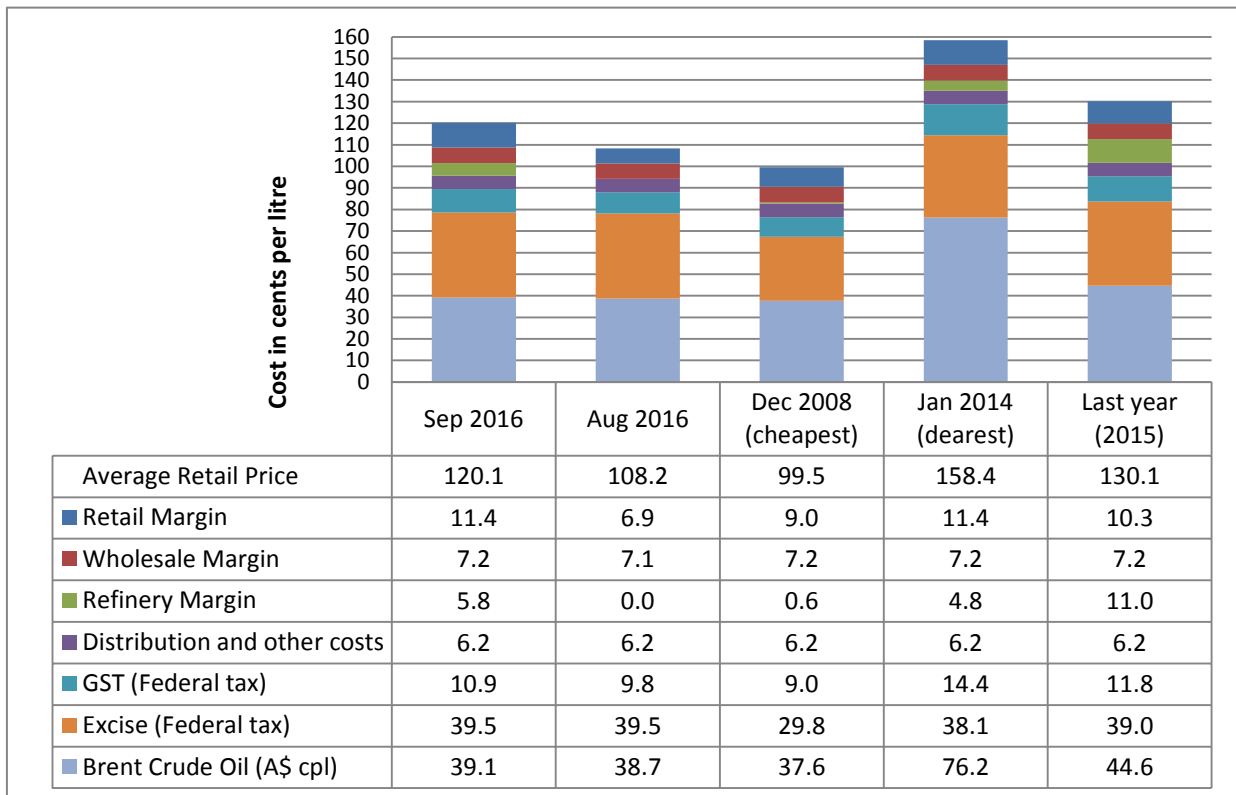
6 October 2016

The RACQ monthly fuel price report presents a summary of the fuel price trends in Queensland for September 2016.¹

Key points

- At 120.1 cpl, ULP sold in Brisbane was 11.9 cpl more than August and indicative retail margins were 4.5 cpl higher, at 11.4 cpl.
- After being the cheapest capital city for ULP in August, Brisbane was the second most expensive in September. This was partly due to the most expensive part of the price cycle falling in September, while the discounting and cheap phases fell in August. In September ULP sold in Darwin was 9.8 cpl cheaper than Brisbane and Perth was 9.1 cpl cheaper. Adelaide, Melbourne, Canberra and Sydney were cheaper by between 3.8 cpl and 2.6 cpl. Hobart was 0.6 cpl more expensive than Brisbane.
- The average price of diesel in Brisbane was 118.0 cpl in September. This was the same as August and 2.5 cpl lower than July.
- Diesel sold in Adelaide, Sydney, and Melbourne was cheaper than Brisbane by 6.2 cpl, 3.5 cpl and 3.2 cpl, respectively.
- Ayr had the cheapest ULP in Queensland, while Bowen had the cheapest Diesel (13.2 cpl and 6.7 cpl cheaper than Brisbane, respectively).
- The average price of LPG in Brisbane was largely unchanged at 64.8 cpl.

ULP cost breakdown in Brisbane



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

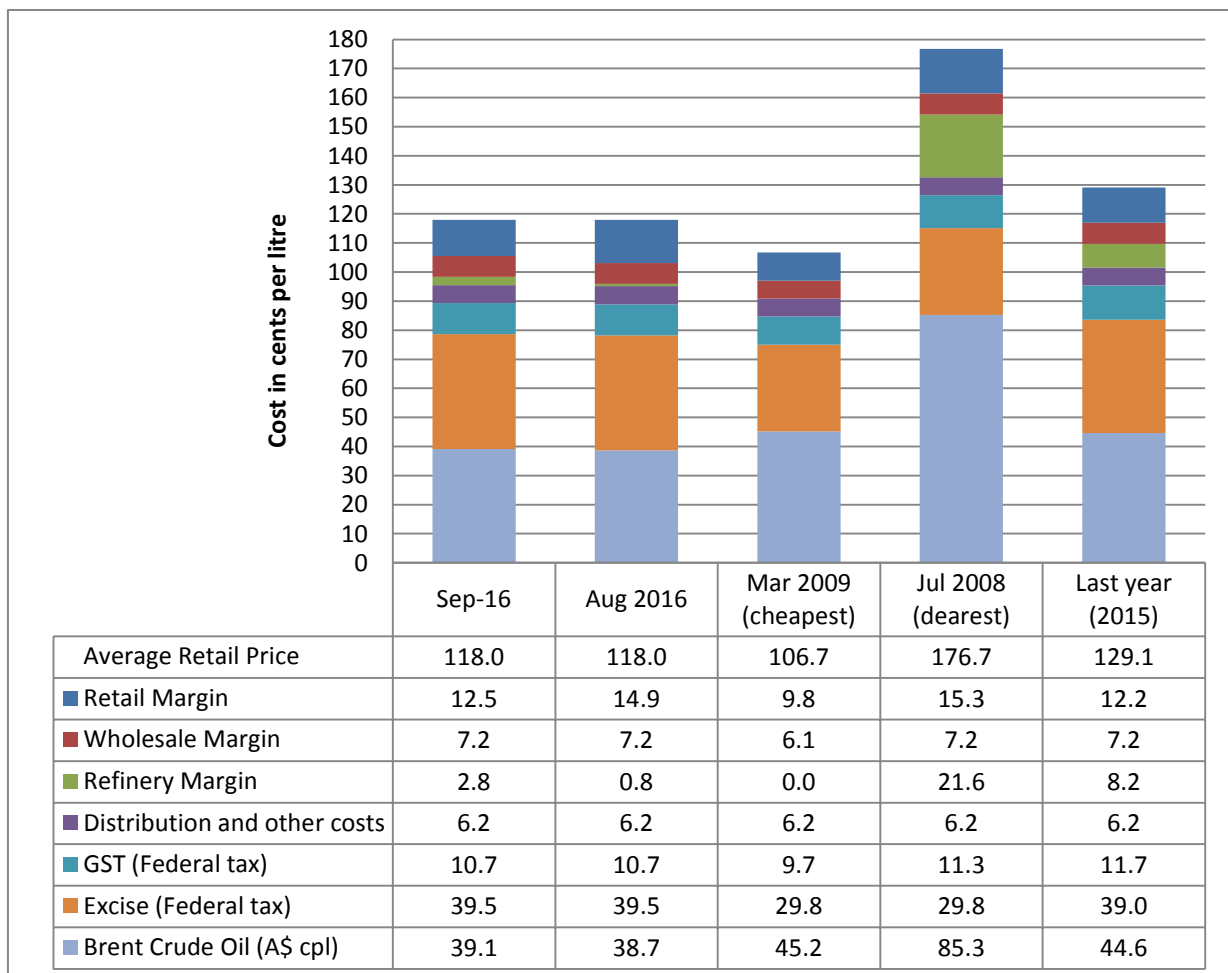
¹ On 22 September 2016 there was a slight change to the boundary that defines the Brisbane, Gold Coast and Sunshine Coast areas. It appears to have had minimal impact on prices.



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

The average price of ULP in September was 120.1 cpl, 11.9 cpl more than August. The increase in September was largely due to the timing of the price cycles. August included an extended period of highly discounted petrol prices, while September included the expensive peak-cycle prices.

Diesel cost breakdown in Brisbane



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

The chart above shows the cost breakdown for a litre of diesel sold in Brisbane for September 2016. For comparison the cost breakdown for last month, last year, March 2009 - the cheapest month and August 2008 - the most expensive month observed in recent years (since 2008), is also displayed.

The average price of diesel in September was 118 cpl. This was the same as August and 2.5 cpl lower than July. Indicative retail margins dropped in September by 2.4 cpl, as retailers held diesel prices steady despite an increase in the wholesale price.

Price trends

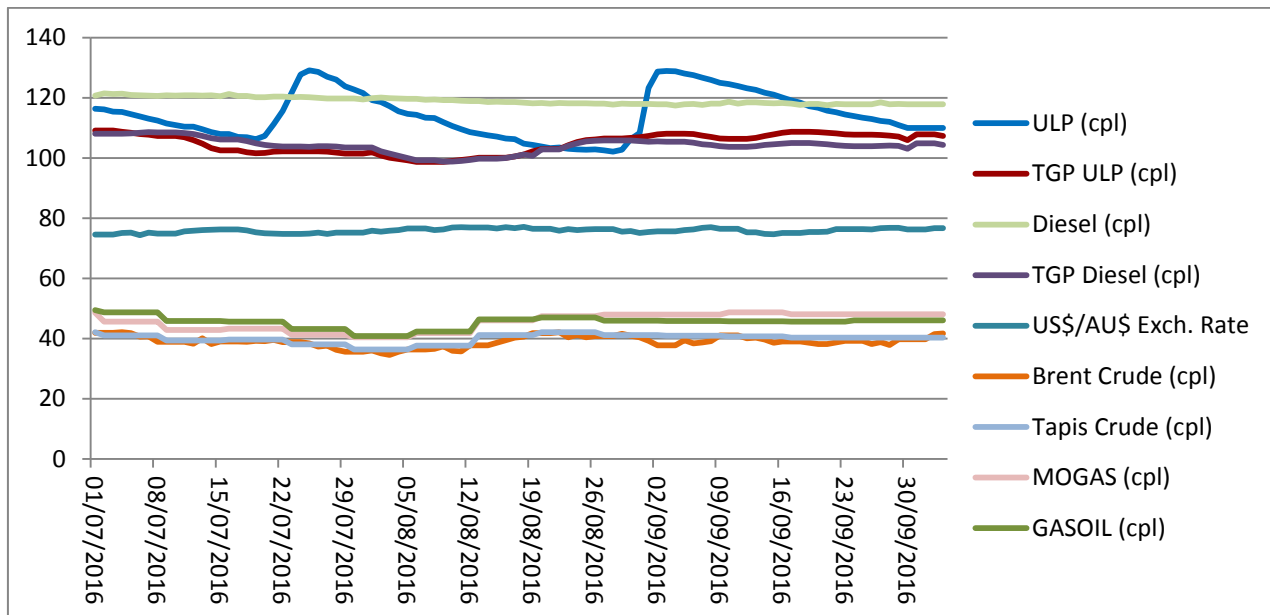
There was one Brisbane price cycle in September 2016. It started on 29 August and the average price peaked on 3 September. Prices fell slowly throughout the rest of September, ending at a low point on 3 October. At the time of writing a price hike had started in the Brisbane ULP market, signifying the start of the next price cycle.



The price of Brent crude was fairly stable during September 2016. Brent started the month at A\$62.4/bbl (US\$47.0/bbl) and increased to local high of A\$65.3/bbl (US\$49.9/bbl) on 9 September. The Brent price then fell slightly, ending the month at A\$63.4/bbl (US\$48.7/bbl).

The Tapis crude oil and Singapore MOGAS and GASOIL prices were also quite stable. MOGAS started September at A\$76.3/bbl and ended the month at A\$76.5/bbl.

The graph below displays the average Brisbane retail ULP and diesel prices, the TGP, the daily Brent crude oil price, the weekly Tapis crude oil, the weekly MOGAS and GASOIL prices in cents per litre (A\$), and the US\$/A\$ exchange rate in A\$ cents per US\$.



Comparison to other capital cities

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

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Adelaide	116.3 (7.1)	8.5 (1.6)	111.8 (1.5)	6.4 (-0.7)
Brisbane	120.1 (11.9)	11.4 (4.5)	118.0 (0)	12.5 (-2.4)
Canberra	116.9 (0.3)	9.1 (-4.9)	119.6 (0.6)	14.2 (-1.7)
Darwin	110.3 (-5.6)	2.5 (-6.6)	119.5 (-0.7)	14.1 (-2.9)
Hobart	120.7 (-0.7)	12.9 (-1)	122.4 (0.1)	17.0 (-2.1)
Melbourne	116.8 (7.9)	9.0 (2.4)	114.8 (0.6)	9.4 (-1.7)
Perth	111.0 (-1.9)	3.2 (-7)	121.0 (-0.2)	15.6 (-2.5)
Sydney	117.5 (7.8)	9.7 (2.7)	114.5 (0.9)	9.1 (-1.4)

* The retail margin is the average retail price minus the average local TGP and local freight costs (assumed to be the same as Brisbane: 1.12cpl). The TGP varies between cities.

After being the cheapest capital city for ULP in August, Brisbane was the second most expensive in September. This was partly due to the way the Brisbane price cycle fell. The discounting and cheap phases were both in August, while the most expensive phase occurred in September.

Darwin was 9.8 cpl cheaper than Brisbane in September and Perth was 9.1 cpl cheaper. Adelaide, Melbourne, Canberra and Sydney were cheaper by between 3.8 cpl and 2.6 cpl. Hobart was 0.6 cpl more expensive than Brisbane.

Diesel sold in Adelaide, Sydney, and Melbourne was cheaper than Brisbane by 6.2 cpl, 3.5 cpl and 3.2 cpl, respectively. Hobart was the most expensive capital, at 4.4 cpl more than Brisbane.



Fuel prices across Queensland²

Nearly half of the regional centres listed were cheaper than Brisbane for ULP in September 2016. Ayr had Queensland's cheapest ULP, 13.2 cpl cheaper than Brisbane. Toowoomba was 12.4 cpl cheaper than Brisbane, and Bundaberg and Townsville were 8.6 cpl and 7.1 cpl cheaper respectively. The most expensive regional centre listed was Cunnamulla, with an average price of 145.4 cpl in September.

Bowen had the cheapest diesel in Queensland (6.7 cpl cheaper than Brisbane), followed by Townsville and Ayr (6.2 cpl and 5.1 cpl cheaper than Brisbane, respectively). As with ULP, nearly half of the regional centres listed were cheaper than the Brisbane price of 118 cpl in September.

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

Locality	Average ULP Price (cpl)	Indicative ULP Retail Margin*	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	120.1 (11.8)	11.5 (6.4)	118.0 (0)	12.6 (-2.3)
Gold Coast	118.3 (10.8)	9.1 (5.4)	119.2 (-0.8)	13.2 (-3.2)
Sunshine Coast	124.7 (9.1)	15.3 (3.6)	117.9 (-0.1)	11.7 (-2.4)
Atherton	125.9 (0)	13.8 (-5.5)	119.9 (-0.2)	11.3 (-2.6)
Ayr	106.9 (-0.8)	-4.8 (-6.4)	112.9 (3.3)	4.6 (0.9)
Biloela	127.9 (-1.2)	15.5 (-6.7)	123.9 (-1.2)	14.9 (-3.6)
Blackall	137.3 (0.4)	19.1 (-5.2)	123.2 (-0.1)	8.4 (-2.5)
Blackwater	127.9 (-0.5)	13.8 (-6.1)	115.3 (-0.1)	4.6 (-2.5)
Bowen	119 (-0.3)	6.1 (-5.8)	111.3 (-1.7)	1.9 (-4.1)
Bundaberg	111.5 (-0.9)	-3.1 (-6.4)	115.2 (-0.7)	4.0 (-3.1)
Cairns	130.2 (0.3)	18.8 (-5.3)	125.0 (-0.9)	17.1 (-3.3)
Charleville	124.2 (-0.9)	5.8 (-6.5)	123.9 (-0.4)	8.9 (-2.8)
Charters Towers	122.9 (-0.8)	10.6 (-6.4)	116.8 (-0.4)	8.0 (-2.8)
Childers	116.4 (0.4)	2.3 (-5.1)	115.5 (-0.1)	4.8 (-2.4)
Cunnamulla	145.4 (-0.6)	26 (-6.2)	146.6 (0)	30.6 (-2.4)
Dalby	117.1 (-1.2)	4 (-6.7)	117.9 (-0.1)	8.2 (-2.5)
Emerald	125.9 (-2.6)	11 (-8.1)	115.7 (-0.5)	4.3 (-2.9)
Gladstone	114.6 (0.4)	3.4 (-5.1)	115.9 (-3)	8.1 (-5.4)
Goondiwindi	117.9 (-0.9)	3.4 (-6.4)	117.5 (-2)	6.4 (-4.3)
Gympie	117.9 (1.9)	5.2 (-3.7)	118.9 (0.5)	9.7 (-1.9)
Hervey Bay	118.2 (-2)	4.3 (-7.5)	124.5 (-1.8)	14.1 (-4.2)
Ingham	115.2 (-12.8)	3.2 (-18.3)	116.3 (-7.5)	7.7 (-9.9)
Innisfail	124.9 (-3)	12.8 (-8.6)	119.9 (-3.9)	11.2 (-6.3)
Ipswich	120.5 (14)	9 (8.5)	116.6 (-2.1)	8.5 (-4.5)
Kingaroy	119.9 (-0.2)	6.8 (-5.8)	118.9 (0)	9.3 (-2.4)
Longreach	129.6 (-0.1)	10.6 (-5.7)	122.9 (-0.5)	7.3 (-2.9)
Mackay	125 (-2.6)	13.8 (-8.1)	121.5 (-2.5)	13.8 (-4.9)
Mareeba	124.3 (-1.4)	12.3 (-6.9)	118.8 (-1.3)	10.3 (-3.7)
Maryborough	115.7 (-0.7)	2.2 (-6.3)	115.6 (-0.2)	5.5 (-2.6)

² 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 in the table. There may be other centres, not listed, that are more or less expensive.



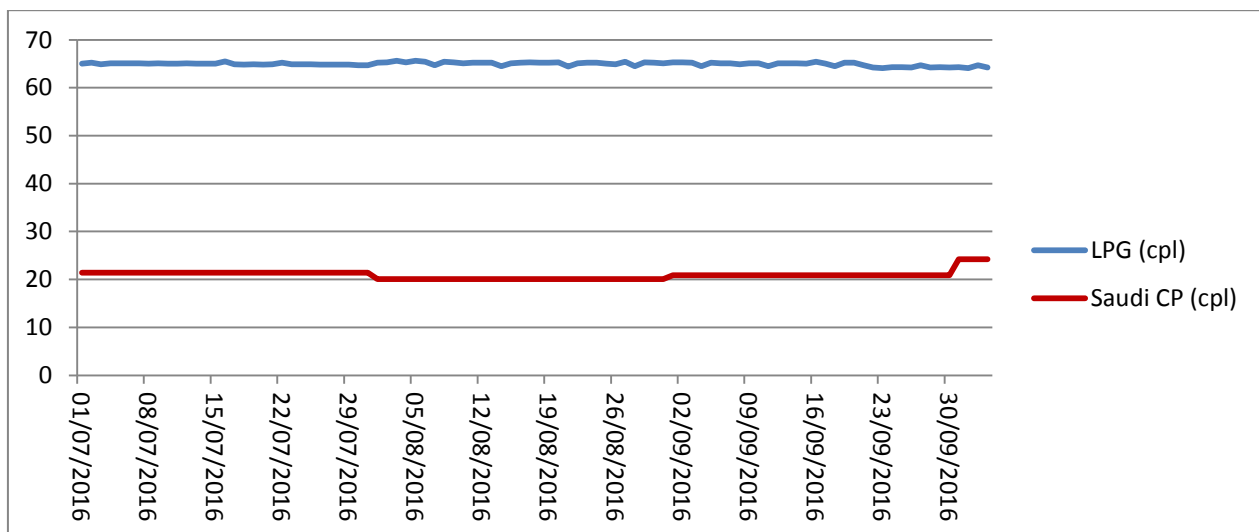
Miles	114.2 (-2.5)	-0.2 (-8.1)	118.9 (-1.6)	7.9 (-4)
Moranbah	119.5 (0.7)	6.5 (-4.8)	115.4 (-0.4)	5.8 (-2.7)
Mt Isa	120.3 (-3.2)	0.4 (-8.7)	119.4 (-1.2)	2.9 (-3.5)
Rockhampton	127 (-0.6)	14.7 (-6.2)	123.0 (-1.7)	14.2 (-4.1)
Roma	121.1 (-4)	5.3 (-9.5)	127.7 (-1.1)	15.4 (-3.5)
Toowoomba	107.7 (-2.5)	-4.6 (-8)	117.2 (-0.4)	8.3 (-2.8)
Townsville	113 (-1.6)	2 (-7.1)	111.8 (-0.2)	4.3 (-2.6)
Tully	124.9 (0)	12.2 (-5.5)	132.4 (0)	23.1 (-2.4)
Warwick	117.2 (-2.6)	4.6 (-8.1)	116.7 (-3.2)	7.6 (-5.6)
Whitsunday	118.8 (-2.3)	6.4 (-7.8)	125.1 (-0.9)	16.1 (-3.2)
Yeppoon	127.9 (-0.8)	15.2 (-6.4)	125.3 (-2.8)	16.0 (-5.1)

* 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. A time lag is not included in this calculation.

Liquid Petroleum Gas (LPG)

The average retail price of LPG in Brisbane in September was 64.8 cpl, 0.2 cpl more than August. The LPG price has been largely unchanged since March. The average difference between the Brisbane retail LPG price (excluding excise and GST) and the Saudi CP in September was 25.1 cpl, 0.6 cpl less than August.

The Saudi CP for October 2016 is 3.3 cpl higher than September at 24.2 cpl. This should not lead to an increase in the retail LPG price as margins and retail prices are currently substantially higher than historic prices relative to the Saudi CP. The chart below displays the retail price of LPG in Brisbane and Saudi CP.



Outlook

The outlook for oil prices remains uncertain. The oversupply conditions that have dominated markets in 2016 may soon be reversed, after OPEC announced the first cut to oil output in eight years. On 29 September 2016, OPEC reached an agreement to cut production by 750,000 barrels a day. The production cut is likely to mean higher prices at the pump for motorists.

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

Data sources

All data presented in this report are RACQ calculations using Informed Sources (Australia), FUELtrac, RBA, AIP and Bloomberg.com data.