

RACQ Fuel Price Report – December Quarter 2022



9 January 2023

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

Key points

- The average retail price of ULP in Brisbane declined in December 2022 to 176.8 cpl.
- Indicative retail margins in Brisbane, at 12.4 cpl, were lower than in the September quarter and November 2022, reflecting the Brisbane market being in the cheap phase early in the month, before a price hike began mid-month.
- At 221.8 cpl, the average price of diesel for December 2022 was lower than in October and November, although retail margins for diesel increased in December as the decline in retail prices did not match the decline in wholesale prices. The average Brisbane price for diesel fuel in November 2022 was a new record at 236.3 cpl.
- Brisbane was the second most expensive of the five largest capital cities to buy ULP, behind Sydney. Darwin, Canberra and Hobart were also more expensive than Brisbane. For diesel, Brisbane was the most expensive of the five largest capital cities. Canberra, Darwin and Hobart were more expensive.
- Hervey Bay and Whitsunday were the cheapest Queensland regional centres to buy ULP in December at 175.1 cpl and 176 cpl, respectively. Bowen and Gympie were the cheapest locations for diesel at 213.9 cpl and 214.3 cpl, respectively.
- Longreach, at 213.5 cpl, was the most expensive regional centre to buy ULP in December, and Longreach also had the most expensive diesel at 242.3 cpl.
- The slight increase in average fuel prices during the December quarter reflected competing influences on prices - the effects of the return of fuel excise to its full rate increased wholesale prices, while lower world oil prices, as supply increased and demand moderated due to concerns about an economic downturn as interest rates increase, reduced pressure on prices.
- Average retail ULP prices in Brisbane in the current 2023 March quarter are likely to fall, reflecting a reduction in the average crude oil price, partly offset by an indexation increase in fuel excise.

ULP cost breakdown in Brisbane

At 176.8 cpl, the average retail price of ULP in Brisbane for December 2022. The December average was 21.5 cpl lower than November 2022, and 29.2 cpl below the record high in June 2022.

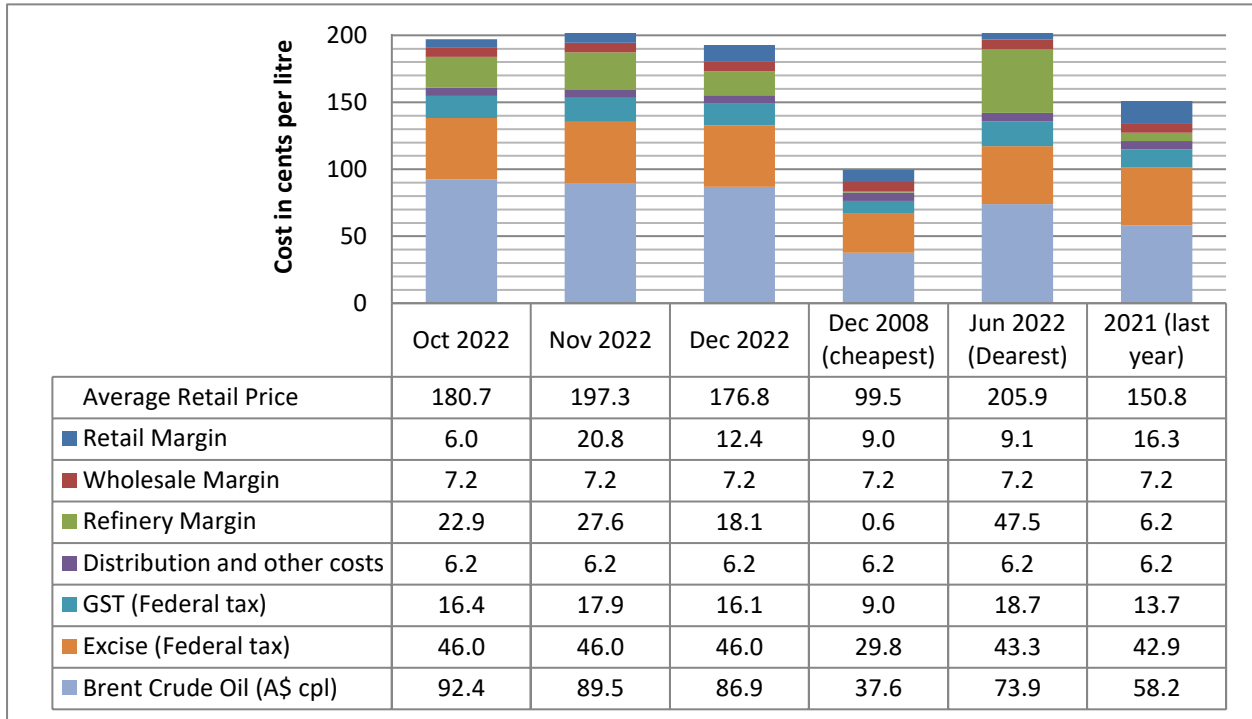
Indicative retail margins charged on ULP in Brisbane in December, at 12.4 cpl, were lower than in November and higher than in October and were lower than the average margin in 2021 (16.3cpl). Monthly average margins for ULP reflected the timing of the fuel cycle, with margins being low when the prices were in the discounting or cheap phases prices for most of October and the first half of December and being high for most of November.

Refinery margins were in a narrower range in the December quarter, from 27.6 cpl in November to 18.1 cpl in December, reflecting the decline of the refined fuel benchmarks in Singapore.

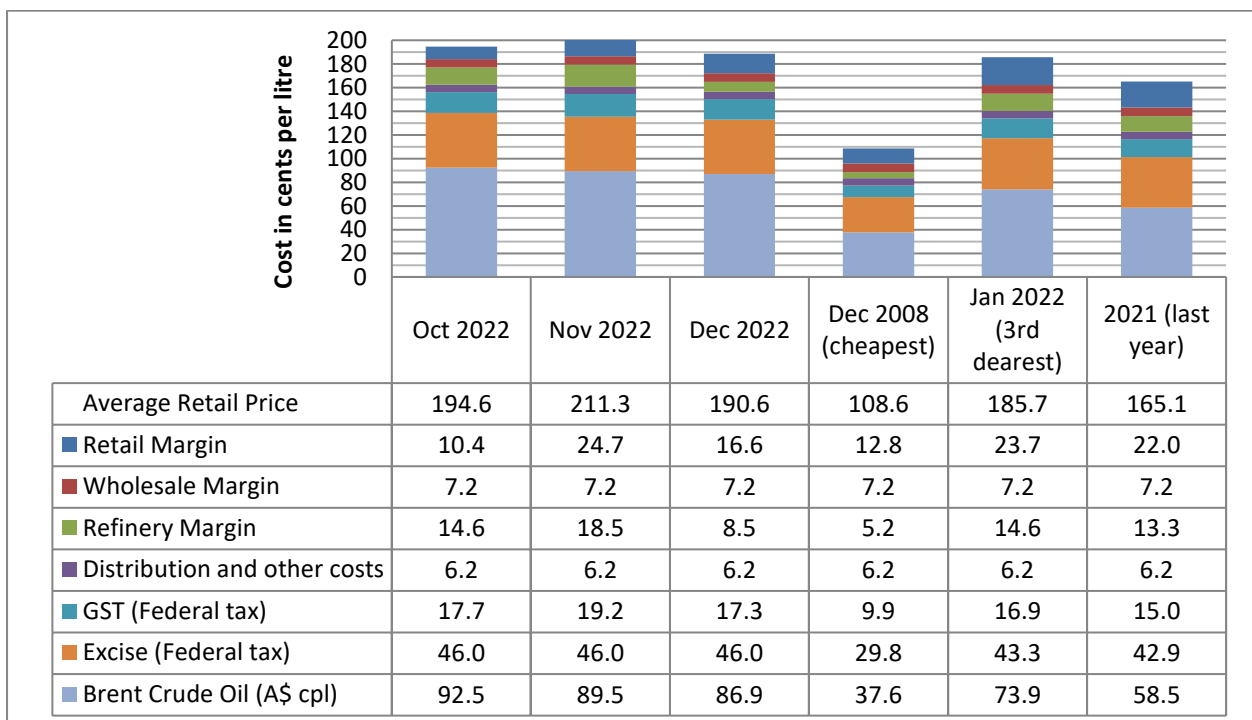
The charts below show the cost breakdown for a litre of ULP and Premium ULP (PULP 95) sold in Brisbane for October, November and December 2022. For comparison, June 2022 (the most expensive month), December 2008 (the cheapest month observed since 2008) and 2021, are also displayed.

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

ULP 91 cost breakdown in Brisbane



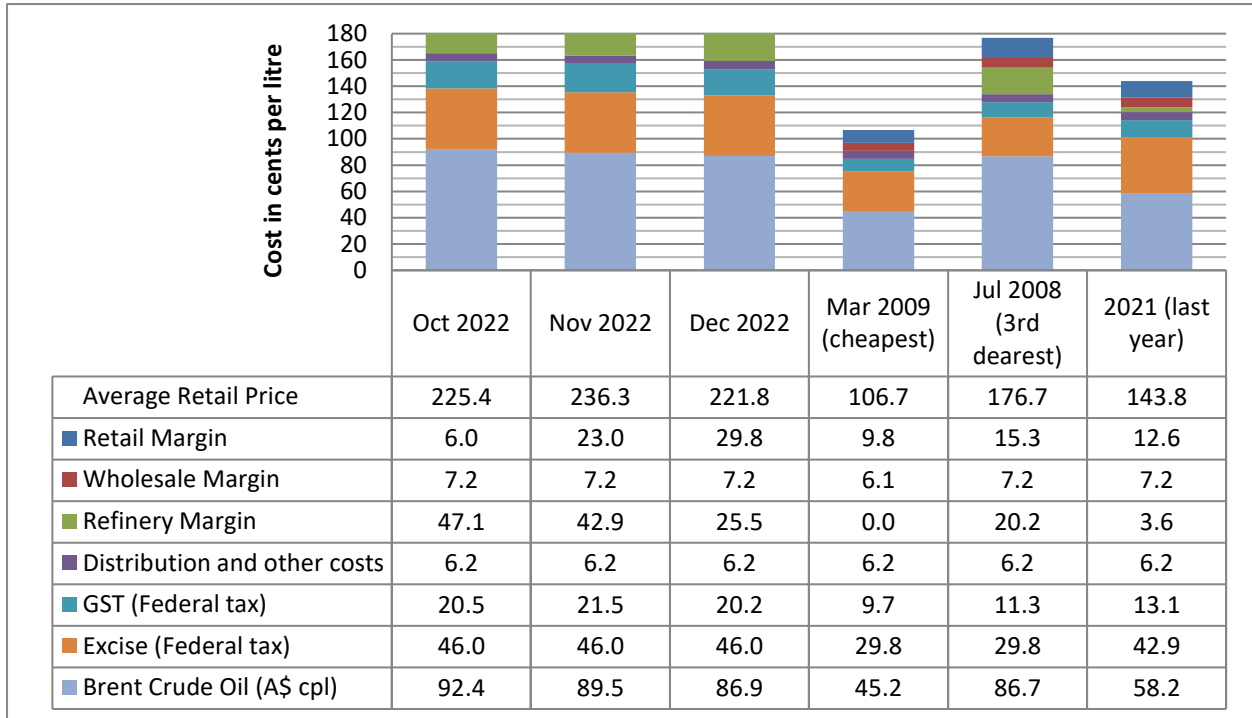
PULP 95 cost breakdown in Brisbane



Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane for October, November and December 2022. During the quarter, refinery margins declined, and retail margins increased. For comparison, last year and March 2009 are also displayed.

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



Record High Retail Prices

Record high daily average retail prices (nominal) for ULP were observed in several locations in Queensland in July 2022. In most cases, records exceeded those previously observed in March 2022. While Queensland saw periods of high prices for ULP in the December quarter, the average daily or monthly prices did not match the record from June or July.

Brisbane and many regional centres had record high daily and monthly average figures for diesel fuel in the December quarter. The record high diesel price for Brisbane of 237.8 cpl occurred on 27 October, and the monthly average diesel price of 236.3 cpl in November exceeded the previous record of 231.4 cpl in July 2022. Many locations in Queensland recorded a record monthly average diesel price in November 2022.

The table below displays the record high daily average ULP and diesel prices in SEQ.

City	Record High ULP Price (cpl)	Observed	Record High Diesel Price (cpl)	Observed
Greater Brisbane	221.4	20-21/06/2022	237.8	27/10/2022
Brisbane Inner/West	223.3	20/06/2022	239.0	04/11/2022
Brisbane North	224.1	20/06/2022	238.2	26/10/2022

Brisbane South	220.8	21/06/2022	238.0	01/11/2022
BNE Bayside/Redlands	224.5	22/06/2022	239.9	25/10/2022
Logan	222.3	20/06/2022	238.3	01/07/2022
Ipswich	220.7	21/06/2022	237.6	28/10/2022
Moreton Bay	221.9	20/06/2022	237.7	07/11/2022
Gold Coast	219.9	22/06/2022	237.6	01/11/2022
Sunshine Coast	217.4	21&23/06/2022	236.1	01/07/2022

The table below displays the record high ULP and diesel prices in regional Queensland, as at the end of December 2022. Longreach recorded its record price for ULP in early October 2022, and many locations had their record price for diesel in late October or early November 2022.

City	Record High ULP Price (cpl)	Observed	Record High Diesel Price (cpl)	Observed
Atherton	211.9	06/07/2022	238.7	10/11/2022
Beaudesert	215.2	30/06/2022	235.2	30/06/2022
Biloela	217.5	1/07/2022	240.1	2/07/2022
Blackwater	203.7	24/06/2022	236.8	30/06/2022
Bowen	209.9	30/06/2022	236.2	28-29/06/2022
Bundaberg	206.5	15/03/2022	234.0	26/10/2022
Cairns	211.6	20/03/2022	238.9	1/11/2022
Charters Towers	213.1	18/03/2022	236.7	26/10/2022
Childers	209.9	23/06/2022	238.2	1/07/2022
Dalby	209.5	19/03/2022	238.7	10/11/2022
Emerald	212.4	1/07/2022	239.8	08/11/2022
Gladstone	209.1	16/03/2022	233.6	10/11/2022
Goondiwindi	210.1	23/03/2022	235.2	05/11/2022
Gympie	208.8	30/06/2022	238	1/07/2022
Hervey Bay	208.1	15/03/2022	234.3	4/07/2022
Ingham	207.7	16/03/2022	238.4	15/11/2022
Innisfail	210.7	17/03/2022	238.8	6/07/2022
Kingaroy	209.9	22/03/2022	238	1/07/2022
Lockyer Valley	215.2	25/06/2022	235.7	30/06/2022
Longreach	235.9	02/10/2022	251.4	3/07/2022
Mackay	213.5	10/07/2022	237.9	27/10/2022
Mareeba	212.9	21/03/2022	240.2	5/07/2022
Maryborough	225.7	23/03/2022	239.1	23/03/2022
Miles	206.4	16/03/2022	231.7	4/07/2022
Moranbah	210.5	17/07/2022	237.5	01/11/2022
Mount Isa	228.2	1/07/2022	245.7	29/10/2022

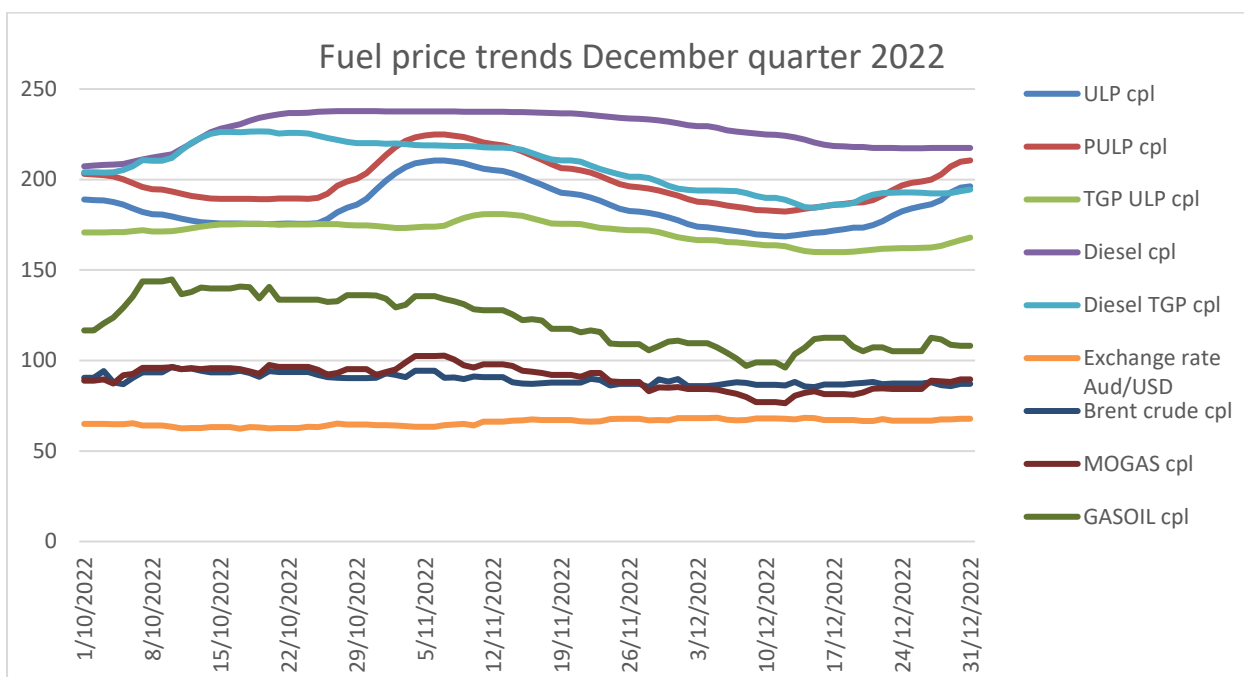
Nambour	215.9	21/06/2022	236.1	1/07/2022
Noosa	221.4	21/06/2022	236.2	30/06/2022
Rockhampton	210.1	17/03/2022	234.3	03/11/2022
Roma	208.2	6/07/2022	235.9	04/11/2022
Somerset	216.7	29/06/2022	236.1	27/10/2022
Toowoomba	220.5	26/06/2022	234.9	25/10/2022
Townsville	211.1	17/03/2022	236.3	1/07/2022
Tully	213.4	17/03/2022	238.5	26/10/2022
Warwick	207.3	2/07/2022	235.2	30/06/2022
Whitsunday	204.6	16/03/2022	233.5	1/07/2022
Yeppoon	208.9	3/07/2022	237.4	5/07/2022

Fuel excise

In the pre-election 2022 Federal Budget, fuel excise was cut by 50% for six months. This measure was introduced on 30 March 2022 and ended on 29 September 2022. This resulted in the excise rate for ULP and diesel being 22.1 cpl until 1 August, when the excise increased in line with the increase in CPI in the first half of 2022 to 23.0 cpl.

On 29 September 2022, the excise returned to the full rate of 46.0 cpl. Including the effect of GST, wholesale fuel prices have increased by 25.3 cpl. In Brisbane, the return of excise to the full rate had little immediate impact on fuel prices, as retailers had increased margins to a high level by late September, and absorbed the excise increase in a lower margin initially. The impact of the return of the full excise rate showed in the price of ULP in the fuel cycle starting in mid-October. Diesel prices in South-East Queensland, and petrol and diesel prices in regional centres, increased soon after the excise increase.

Price trends



Three price cycles were observed in the Brisbane ULP market in the December quarter. The first cycle started on 13 September and lasted to 18 October. During this cycle, ULP reached a high of 191.8 cpl and dropped to 175.4 cpl by the end of the cycle. The excise rate for fuel returned to its full rate during this cycle.

The next cycle lasted from 19 October to 12 December and had a peak of 210.5 cpl and a low of 168.6 cpl per litre.

The third cycle is in progress and has seen retailers raise prices in mid to late December, with prices levelling out in the final days of the month.

Comparison to other capital cities

Brisbane was the second most expensive of the five largest capital cities for ULP in December 2022, after Sydney. Canberra, Hobart and Darwin were also more expensive than Brisbane for ULP. For diesel, Brisbane was the most expensive of the five largest capital cities. Darwin, Canberra and Hobart were more expensive than Brisbane for diesel. In December, Adelaide was the cheapest Australian capital city to buy ULP and Perth had the lowest average price for diesel.

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

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	October	November	December	October	November	December
Brisbane	180.7	197.3	176.8	6.0	20.8	12.4
Adelaide	182.1	183.2	171.9	7.3	6.3	7.3
Canberra	186.0	188.6	181.3	11.6	12.5	16.9
Darwin	182.4	188.7	180.3	5.2	8.9	13.2
Hobart	189.5	193.5	184.7	8.4	10.5	13.2
Melbourne	182.4	196.1	175.3	8.7	20.4	11.6
Perth	181.4	184.9	172.8	9.0	10.3	10.8
Sydney	179.7	197.0	178.8	5.3	21.0	14.4

* 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.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	October	November	December	October	November	December
Brisbane	225.4	236.3	221.8	6.0	23.0	29.8
Adelaide	222.8	225.7	205.2	3.7	12.6	13.8
Canberra	228.6	238.9	225.0	9.5	25.8	32.8
Darwin	225.5	239.1	226.6	5.8	24.9	34.2
Hobart	233.9	244.8	223.0	7.7	25.4	23.6
Melbourne	223.5	234.3	219.8	4.5	21.1	27.8
Perth	222.5	228.4	203.3	6.1	17.6	14.3
Sydney	225.6	234.5	216.4	6.5	21.4	24.2

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

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	October	November	December	October	November	December
Brisbane Inner/West	181.7	200.5	176.5	5.0	21.0	16.9
Brisbane North	181.5	197.8	172.7	10.1	25.9	11.4
Brisbane South	179.3	192.6	172.9	6.8	21.4	8.3
BNE Bayside/Redlands	184.8	202.3	175.8	4.7	20.1	9.6
Logan	179.5	198.6	175.2	7.4	21.2	13.1
Ipswich	182.1	197.7	177.5	5.7	24.9	14.0
Moreton Bay	179.4	196.5	174.0	7.7	22.7	9.6
Gold Coast	178.2	195.4	177.7	3.9	15.6	7.9
Sunshine Coast	179.7	193.4	185.4	2.7	18.2	12.5

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

Brisbane North was the cheapest centre in SEQ to buy ULP in December, with an average price of 172.7 cpl. The second lowest average price was in Brisbane South at 172.9 cpl. The Sunshine Coast was the most expensive area in SEQ in December at 185.4 cpl.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	October	November	December	October	November	December
Brisbane Inner/West	226.0	237.5	232.2	5.2	20.3	33.8
Brisbane North	226.0	236.7	232.3	7.7	24.4	39.2
Brisbane South	225.3	236.5	230.9	6.6	23.5	40.2
BNE Bayside/Redlands	227.0	237.7	231.3	5.4	22.8	36.5
Logan	225.7	236.1	229.0	5.9	22.4	37.7
Ipswich	225.2	235.6	229.8	5.9	24.1	40.9
Moreton Bay	224.8	236.0	228.6	6.8	23.8	38.9
Gold Coast	225.0	235.7	229.8	5.3	22.6	38.2
Sunshine Coast	224.5	233.5	225.8	4.8	21.7	36.9

* 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 diesel in December, with an average price of 225.8 cpl. Moreton Bay had the second lowest average price at 228.6 cpl. Brisbane North was the most expensive area for diesel in SEQ at 232.3 cpl.

Fuel prices across Queensland

Hervey Bay and Whitsunday were the cheapest centres to buy ULP in December with an average ULP price of 175.1 and 176.0 cpl, respectively. Warwick was third cheapest with an average ULP price of

176.1 cpl. Dalby, Goondiwindi, and Townsville also had the same or lower average price compared with Brisbane¹. At 213.5 cpl, Longreach was the most expensive centre for ULP.

Bowen had the cheapest diesel in Queensland in December, at 213.9 cpl. Gympie, at 214.4 cpl, was second cheapest. Miles, Childers and Hervey Bay also had lower prices than Brisbane. Longreach³ was the most expensive regional centre for diesel at 242.3 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	October	November	December
Brisbane	180.7	197.3	176.8	6.0	20.8	12.4
Rest of Queensland	181.0	189.4	179.0	na	na	na
Atherton	181.5	188.3	189.9	2.6	7.5	20.9
Beaudesert	169.6	181.1	179.2	-5.9	3.8	14.0
Biloela	182.4	189.9	190.3	3.5	9.5	21.6
Blackwater	184.5	198.4	199.9	3.9	16.3	29.5
Bowen	180.0	182.4	179.1	0.1	0.7	9.2
Bundaberg	177.0	181.7	178.0	-1.1	1.8	10.2
Cairns	177.8	183.8	180.6	-0.3	3.8	12.4
Charters Towers	181.0	187.9	185.8	1.7	6.8	16.5
Childers	177.6	184.9	181.9	0.0	5.5	14.6
Dalby	176.4	180.7	176.3	-0.3	2.3	9.9
Emerald	185.9	188.6	189.2	4.5	5.7	18.1
Gladstone	173.9	180.8	178.7	-3.9	1.6	11.2
Goondiwindi	175.8	178.6	176.8	-2.2	-1.2	9.0
Gympie	180.1	183.6	180.1	3.9	5.7	14.2
Hervey Bay	177.6	181.5	175.1	0.2	2.4	8.0
Ingham	175.4	183.7	185.6	-3.7	2.9	16.5
Innisfail	175.5	186.7	187.2	-3.4	5.8	18.1
Kingaroy	177.5	182.9	183.9	0.9	4.5	17.6
Lockyer Valley	182.4	191.9	184.3	6.8	14.5	18.9
Longreach	224.0	225.7	213.5	38.4	38.8	38.2
Mackay	182.0	186.7	187.0	3.6	6.8	18.8
Mareeba	181.6	187.3	185.9	2.8	6.6	17.1
Maryborough	178.9	184.4	180.9	1.8	5.6	14.2
Miles	173.6	181.0	179.8	-4.3	1.3	12.2
Moranbah	177.9	183.3	184.0	-2.5	1.5	13.9
Mount Isa	212.5	210.3	203.3	25.6	21.5	26.4
Nambour	180.1	186.4	185.5	4.6	9.2	20.3
Noosa	179.5	197.4	189.7	3.8	19.9	24.3
Rockhampton	179.3	184.5	181.9	0.4	4.3	13.3
Roma	173.0	180.8	181.2	-6.3	-0.3	12.2

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.

Somerset	181.8	188.7	184.9	6.2	11.3	19.5
Toowoomba	180.2	191.8	185.4	4.3	14.2	19.9
Townsville	175.8	181.8	176.8	-2.1	2.0	8.9
Tully	183.2	189.1	187.5	3.7	7.7	17.9
Warwick	176.2	180.3	176.1	0.1	2.4	10.3
Whitsunday	173.8	178.3	176.0	-5.9	-2.9	6.6
Yeppoon	176.4	183.7	183.2	-2.8	3.0	14.2

* 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.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	October	November	December	October	November	December
Brisbane	225.4	236.3	221.8	6.0	23.0	29.8
Rest of Queensland	225.6	234.8	220.7	na	na	na
Atherton	225.4	237.7	235.8	2.9	21.0	40.3
Beaudesert	221.8	233.0	224.1	1.6	19.0	31.2
Biloela	226.2	236.8	232.9	4.2	21.1	38.5
Blackwater	224.9	235.0	234.9	1.1	17.6	38.8
Bowen	224.6	228.4	213.9	1.6	11.2	18.0
Bundaberg	222.5	231.6	227.7	-0.3	15.0	32.2
Cairns	225.8	238	234.2	4.0	22.0	39.4
Charters Towers	225.1	234.4	228.9	2.7	17.8	33.7
Childers	225.3	231.8	220.8	3.1	15.7	25.9
Dalby	223.4	233.2	222.1	2.1	18.0	28.1
Emerald	226.3	238.4	236.5	1.8	20.3	39.6
Gladstone	221.4	231.8	224.6	0.6	17.3	31.4
Goondiwindi	223.1	230.8	223.2	0.4	14.2	27.9
Gympie	225.2	228.3	214.4	4.3	13.6	20.8
Hervey Bay	223.9	229.5	219.8	1.8	13.5	25.0
Ingham	224.3	237.0	235.2	2.1	20.6	40.2
Innisfail	222.6	237.9	233.5	0.0	21.1	37.9
Kingaroy	223.3	232.7	229.6	2.0	17.6	35.6
Lockyer Valley	224.4	232.8	226.5	4.1	18.6	33.5
Longreach	242.8	248.0	242.3	14.1	25.7	41.3
Mackay	225.9	237.0	233.7	4.5	22.1	40.1
Mareeba	228.1	238.1	234.4	5.7	21.5	39.0
Maryborough	223.2	231.3	225.8	1.5	15.7	31.4
Miles	216.8	227.1	220.7	-5.7	10.6	25.4
Moranbah	221.6	236.3	234.8	-1.7	19.4	39.2
Mount Isa	233.8	242.2	236.5	3.8	17.9	33.6
Nambour	223.5	233.0	225.7	3.3	18.9	32.8
Noosa	224.4	231.7	222.0	4.1	17.5	29.0
Rockhampton	222.5	231.8	227.0	0.5	16.2	32.7
Roma	223.9	234.2	229.3	-0.1	16.3	32.6
Somerset	222.6	231.9	227.5	2.3	17.7	34.5

Toowoomba	223.6	232.6	225.9	3.1	18.2	32.7
Townsville	223.6	232.4	225.1	2.6	17.1	31.2
Tully	227.0	237.1	229.6	3.9	19.8	33.5
Warwick	222.4	230.1	223.5	1.6	15.4	30.0
Whitsunday	221.6	232.7	229.7	-1.1	16.5	34.8
Yeppoon	222.8	232.8	227.1	0.4	16.8	32.4

* 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 2022, US\$/bbl (US\$ per barrel), A\$/bbl and A\$/cpl.

	October	November	December
Brent crude oil US\$/bbl	93.5	93.8	93.3
Brent crude oil A\$/bbl	146.9	142.3	138.2
Brent crude oil A\$/cpl	92.4	89.5	86.9

The Russian invasion of Ukraine and the subsequent international sanctions against Russia had led to substantial volatility in global oil prices and large price spike earlier in the year. The international oil price fell in US dollar terms in the September quarter and maintained an average of \$US 93-94 per barrel during the December quarter (with short-term fluctuations around this average during the quarter). In Australian dollar terms, the international oil price declined gradually during the December quarter, as the Australian dollar recovered slightly against the US dollar.

The stabilisation of world oil prices in the December quarter reflects competing influences on oil prices. Supply of oil is limited due to ongoing sanctions against Russia, and a decision by OPEC members in October to reduce production quotas by 2 million barrels per day (a reduction of production by about 1 million barrels in practice). However, increased US oil production and releases from the US Strategic Petroleum Reserve increased oil availability. On the demand side, concerns about an economic downturn in many oil importing countries as central banks raise interest rates to reduce inflation and the impact on demand of Covid restrictions in China led to subdued purchasing.

In late December 2022 and early January 2023, the price of Brent crude oil had dropped to \$US 80-85 per barrel, due to concerns about the rate of recovery in demand in China following the relaxation of Covid restrictions and lower than expected demand due to mild winter conditions in Europe. The forecasts for the average value of Brent crude oil in 2023 by market analysts and the US Energy Information Agency are for an annual average of \$US 90-95 per barrel.

The average oil price in the March quarter could be lower than the expected annual average, resulting in the Australian dollar price of Brent crude and wholesale prices being at least slightly lower than in the December quarter. Allowing for an indexation increase in fuel excise in February expected to be about 1.6 cpl, and average margins being maintained, this suggests that retail ULP prices in SEQ in the March quarter would be slightly lower than the average in the December quarter and in regional Queensland would be similar to 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 on 5 April 2023.

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.