

RACQ Fuel Price Report – September Quarter 2022



6 October 2022

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

This report replaces the previous monthly fuel price reports.

Key points

- The average retail price of ULP in Brisbane declined slightly in September 2022 to 173.3cpl. This was the lowest monthly average price since January 2022.
- Indicative retail margins in Brisbane, at 19.8cpl, were higher than in recent months, suggesting that retailers used lower wholesale prices to boost margins as well as reduce retail prices.
- At 205.7cpl, the average price of diesel for September 2022 was lower than in recent months and was the lowest figure since April 2022. Retail margins for diesel were down compared with recent months.
- Brisbane was the most expensive of the five largest capital cities to buy ULP. Only Darwin and Hobart were more expensive. For diesel, Brisbane was the second most expensive of the five largest capital cities. Sydney, Adelaide, Canberra and Hobart were more expensive.
- Beaudesert and Miles were the cheapest Queensland regional centres to buy ULP in September at 154.2cpl and 155.1cpl respectively. Miles was the cheapest for diesel at 191cpl.
- Mt Isa, at 211.6cpl, was the most expensive regional centre to buy ULP, and Longreach had the most expensive diesel at 224.9cpl.
- The easing of fuel prices during the September quarter reflected lower world oil prices, as supply increased and demand moderated due to concerns about an economic downturn as interest rates increase.
- Average retail ULP prices in Brisbane in the December quarter are likely to increase as the full effect of the return of fuel excise to the full rate affects retail prices but are unlikely to return to record levels.

ULP cost breakdown in Brisbane

At 173.3cpl, the average retail price of ULP in Brisbane for September 2022 was the lowest monthly average price since January 2022. The September average was 1.1cpl lower than August 2022, and 32cpl below the record high in June 2022.

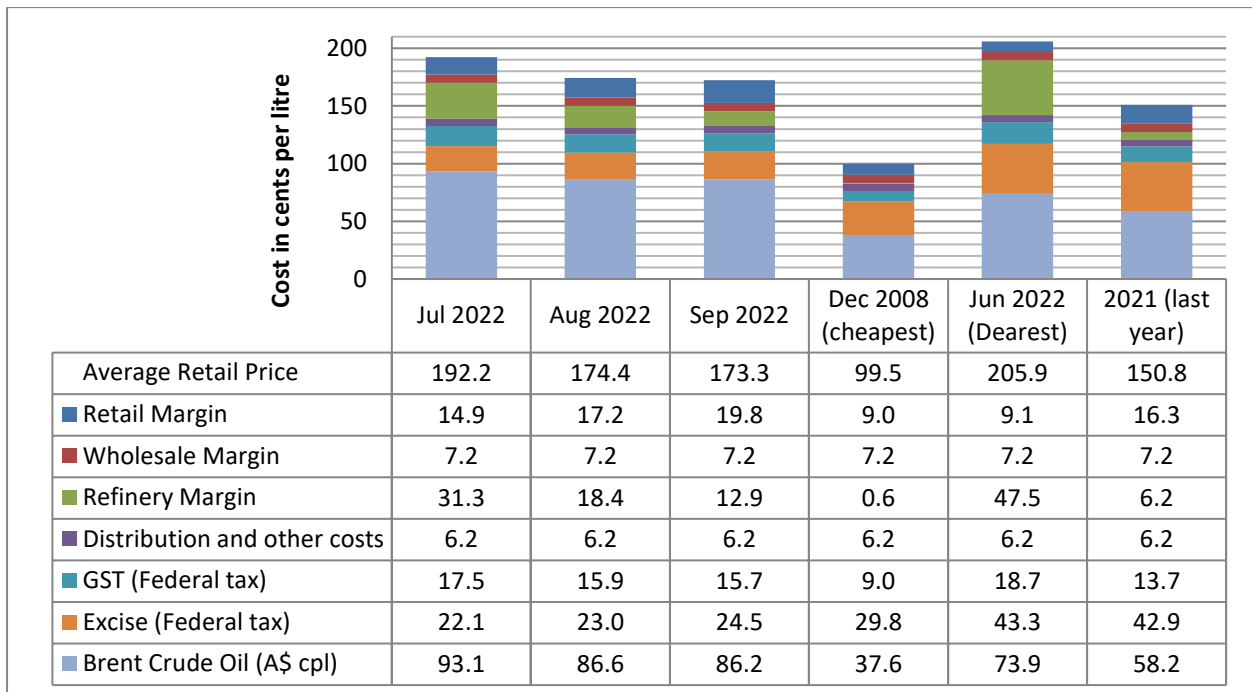
Indicative retail margins charged on ULP in Brisbane in September, at 19.8cpl, were higher than in July or August, and were higher than the average margin in 2021 (16.3cpl). This suggests fuel companies used the reduction in world oil prices and wholesale fuel prices to rebuild margins as well as slightly reduce retail prices.

Refinery margins declined in the September quarter from the peak of 47.5cpl in the June to 12.9cpl in September, reflecting the decline of the refined fuel benchmarks in Singapore.

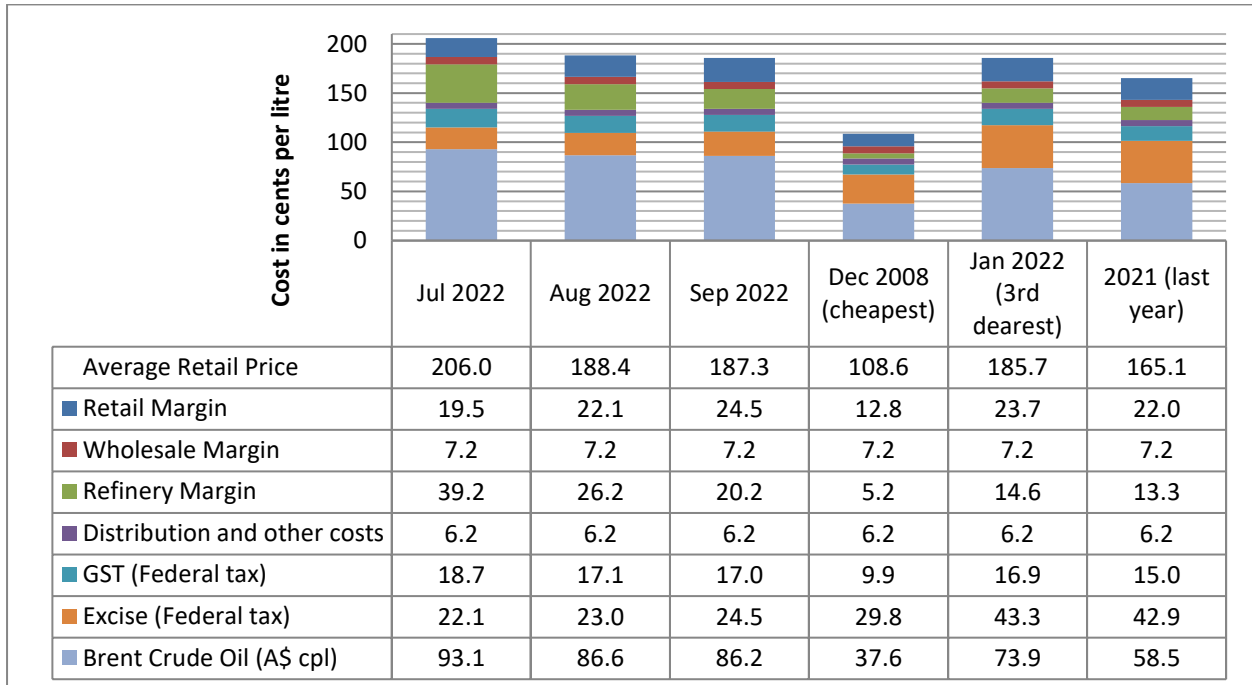
The charts below show the cost breakdown for a litre of ULP and Premium ULP (PULP 95) sold in Brisbane for September, August and July 2022. For comparison, June 2022 (the most expensive month), December 2008 (the cheapest month observed since 2008) and 2021, are also displayed.

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

ULP 91 cost breakdown in Brisbane



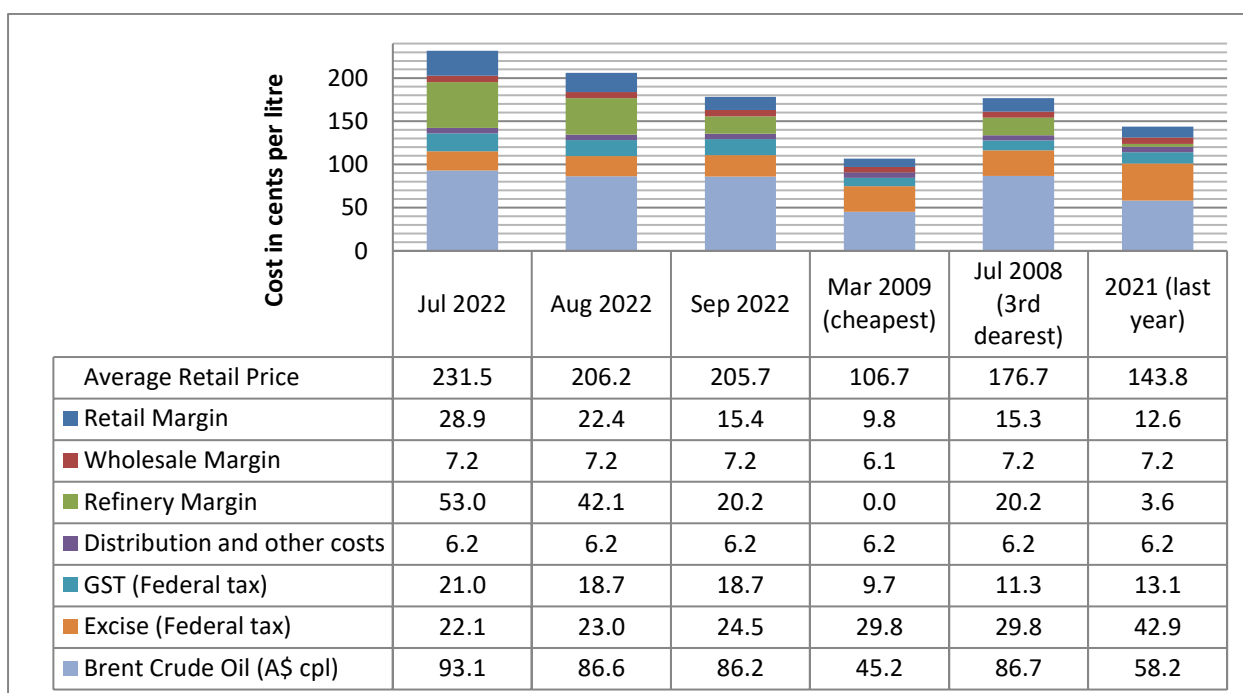
PULP 95 cost breakdown in Brisbane



Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane for September, August and July 2022. 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) were observed in several locations in Queensland in July 2022. In most cases, records exceeded those previously observed in March 2022. Prices were high despite the excise cut enacted in the March Federal Budget. These new record highs were caused by high oil prices and Singapore benchmark prices, which in turn were caused by the sanctions imposed against Russia following the invasion of Ukraine.

The record high prices in real terms (when prices are adjusted for inflation), remained a few cents below the record high daily average retail ULP prices (real) of 226.1cpl (when expressed in 2022-dollar terms), observed in July 2008.

The table below displays the record high 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	236.4	01/07/2022
Brisbane Inner/West	223.3	20/06/2022	237.2	01/07/2022
Brisbane North	224.1	20/06/2022	237.1	01/07/2022
Brisbane South	220.8	21/06/2022	236.0	05/07/2022
BNE Bayside/Redlands	224.5	22/06/2022	238.8	01/07/2022
Logan	222.3	20/06/2022	236.8	01/07/2022
Ipswich	220.7	21/06/2022	235.8	30/06/2022
Moreton Bay	221.9	20/06/2022	235.8	01/07/2022
Gold Coast	219.9	22/06/2022	237.2	05/07/2022

Sunshine Coast	217.4	21&23/06/2022	236.1	01/07/2022
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The table below displays the record high ULP and diesel prices in regional Queensland, as at the end of September 2022. Several locations recorded their record price for ULP in early July, and many locations had their record price for diesel in early to mid-July. Longreach has recorded a new record for ULP in early October.

City	Record High ULP Price (cpl)	Observed	Record High Diesel Price (cpl)	Observed
Atherton	211.9	06/07/2022	238.1	5/07/2022
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	232.8	30/06/2022
Cairns	211.6	20/03/2022	238.8	8/07/2022
Charters Towers	213.1	18/03/2022	234.9	03/07/2022
Childers	209.9	23/06/2022	238.2	1/07/2022
Dalby	209.5	19/03/2022	238.2	6/07/2022
Emerald	212.4	1/07/2022	239	1/07/2022
Gladstone	209.1	16/03/2022	233.1	6/07/2022
Goondiwindi	210.1	23/03/2022	234.2	2/07/2022
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	236.7	1/07/2022
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	228.9	4/07/2022	251.4	3/07/2022
Mackay	213.5	10/07/2022	237.5	4/07/2022
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	231.4	26-30/06/2022
Mount Isa	228.2	1/07/2022	243.2	5/07/2022
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	233.5	4/07/2022
Roma	208.2	6/07/2022	233.5	3/07/2022
Somerset	216.7	29/06/2022	234.3	30/06/2022

Toowoomba	220.5	26/06/2022	234.8	1/07/2022
Townsville	211.1	17/03/2022	236.3	1/07/2022
Tully	213.4	17/03/2022	238.2	11/07/2022
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 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.

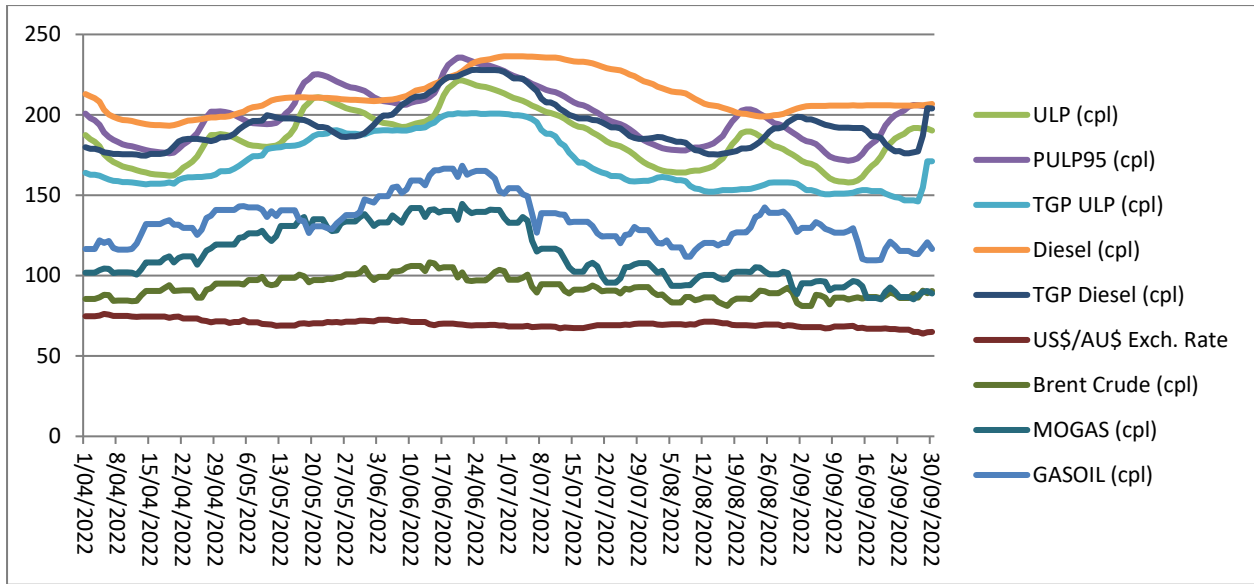
On 29 September 2022, the excise returned to the full rate of 46.0 cpl. Including the effect of GST, wholesale fuel prices have increased by 25.3 cpl. In Brisbane, the return of excise to the full rate had little immediate impact on fuel prices, as retailers had increased margins to a high level by late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

Price trends

Three price cycles were observed in the Brisbane ULP market in the September quarter. The first cycle started on 9 June and lasted to 9 August. During this cycle, ULP reached a record high of 221.4cpl and dropped to 164cpl by the end of the cycle.

The next cycle lasted from 9 August to 13 September, and had a smaller range of prices, with a peak of 190cpl and a low of 158cpl per litre.

The third cycle is in progress and has seen retailers raise prices in mid to late September, with discounting starting a few days before the excise returned to the full rate on 29 September.



Comparison to other capital cities

Brisbane was the most expensive of the five largest capital cities for ULP in September 2022. Only Canberra and Darwin were more expensive than Brisbane for ULP. For diesel, Brisbane was the second most expensive of the five largest capital cities. Sydney, Darwin, Canberra and Hobart were more expensive than Brisbane for diesel. In September, Adelaide was the cheapest Australian capital city to buy ULP and diesel.

The tables below present the average July, August and September prices and retail margins on ULP and diesel for Australian capital cities.

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	July	August	September	July	August	September
Brisbane	192.2	174.4	173.3	14.9	17.1	19.7
Adelaide	187.2	167.3	161.7	9.5	9.5	7.7
Canberra	215.8	188.7	179.2	39.2	31.2	25.8
Darwin	207.3	190.5	176.7	28.2	30.5	20.7
Hobart	206.3	182.0	172.8	23.5	18.4	11.8
Melbourne	210.5	172.8	169.9	33.7	16.2	17.0
Perth	190.6	165.3	165.0	15.6	9.7	13.8
Sydney	192.6	171.4	170.1	16.0	13.9	16.6

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

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	July	August	September	July	August	September
Brisbane	231.5	206.2	205.7	28.8	22.4	15.4
Adelaide	224.4	197.3	200.2	21.9	13.5	10.0
Canberra	232.3	211.0	211.5	29.6	25.3	21.5
Darwin	234.8	214.8	209.1	32.3	29.9	18.3
Hobart	232.2	208.6	212.3	23.9	17.9	14.7

Melbourne	229.5	204.9	204.8	26.7	20.8	14.5
Perth	224.6	197.2	200.6	25.0	15.4	13.5
Sydney	227.7	203.2	207.4	25.0	17.5	17.3

* 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 September 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		
	July	August	September	July	August	September
Brisbane Inner/West	192.6	175.7	175.2	20.1	11.5	16.8
Brisbane North	190.9	173.9	175.8	13.5	16.7	22.2
Brisbane South	190.2	173.2	170.8	12.2	15.3	16.6
BNE Bayside/Redlands	193.1	179.7	176.2	13.5	16.7	19.2
Logan	189.8	174.2	173.9	19.8	17.7	20.4
Ipswich	197.2	174.9	174.0	15.2	19.6	25.0
Moreton Bay	190.9	174.0	172.8	14.9	18.2	21.3
Gold Coast	192.9	171.3	168.5	12.2	15.3	16.6
Sunshine Coast	197.5	168.7	170.4	14.7	13.2	14.1

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

The Gold Coast was the cheapest centre in SEQ to buy ULP in September, with an average price of 168.5cpl. The second lowest average price was on the Sunshine Coast at 170.4cpl. Brisbane Bayside/Redlands was the most expensive area in SEQ at 176.2cpl.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	July	August	September	July	August	September
Brisbane Inner/West	232.3	208.9	206.7	25.0	18.7	13.9
Brisbane North	233.5	207.6	206.1	30.3	25.3	17.2
Brisbane South	231.4	206.3	205.7	30.8	23.8	15.8
BNE Bayside/Redlands	232.9	209.2	207.5	27.2	19.3	14.6
Logan	232.9	208.2	206.1	27.8	21.5	15.0
Ipswich	230.5	205.4	205.3	29.4	24.7	16.1
Moreton Bay	229.9	203.2	204.9	29.9	24.8	16.9
Gold Coast	231.2	205.2	205.3	28.1	21.8	14.8
Sunshine Coast	227.6	202.6	204.2	27.7	20.5	14.1

* 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 September, with an average price of 204.2cpl. Moreton Bay had the second lowest average price at 204.9cpl. Like for ULP, Brisbane

Bayside/Redlands was the most expensive area in SEQ at 207.5cpl.

Fuel prices across Queensland

Beaudesert and Miles were the cheapest centres to buy ULP in September, with an average ULP price of 154.2 and 155.1 cpl respectively. Childers was third cheapest with an average ULP price of 157.3cpl. Atherton, Biloela, Blackwater, Bowen, Bundaberg, Cairns, Dalby, Gladstone, Goondiwindi, Gympie, Hervey Bay, Ingham, Innisfail, Kingaroy, Lockyer Valley, Mareeba, Maryborough, Nambour, Rockhampton, Roma, Somerset, Toowoomba, Townsville, Tully, Warwick, Whitsunday and Yeppoon were also cheaper than Brisbane¹. At 211.6cpl, Mount Isa was the most expensive centre for ULP.

Miles had the cheapest diesel in Queensland in September, at 191cpl. Gladstone, at 198.7cpl, was second cheapest. Innisfail, Whitsunday, Rockhampton, Hervey Bay, Warwick, Somerset, Goondiwindi, Blackwater, Gympie, Toowoomba, Nambour, Noosa, Maryborough, Lockyer Valley, Moranbah, Miles, Kingaroy, Townsville, Gladstone, Charters Towers, Biloela, Yeppoon and Dalby were all cheaper than Brisbane. Longreach³ was the most expensive regional centre for diesel at 224.9cpl.

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		
	July	August	September	July	August	September
Brisbane	192.2	174.4	173.3	14.9	17.1	19.7
Atherton	208.1	182.4	171.8	27.5	21.2	13.7
Beaudesert	198.4	158.4	154.2	20.3	0.4	-0.2
Biloela	210.7	180.2	170.3	29.8	19.2	13.2
Blackwater	200.6	186.1	168.9	17.9	23.5	9.6
Bowen	204.0	174.7	164.6	22.3	12.4	5.6
Bundaberg	195.6	159.8	158.9	14.8	-0.9	1.9
Cairns	204.5	165.3	160.3	24.7	4.8	3.0
Charters Towers	204.3	178.4	173.4	23.2	16.8	15.0
Childers	204.7	175.9	157.3	24.5	15.8	0.8
Dalby	202.8	172.2	167.9	23.5	13.0	12.4
Emerald	206.1	186.5	181.7	22.7	23.1	21.7
Gladstone	201.9	162.3	158.6	22.2	2.5	2.2
Goondiwindi	204.4	176.6	160.9	23.7	16.0	4.0
Gympie	191.9	163.7	160.6	13.0	5.0	5.6
Hervey Bay	194.0	164.2	159.9	14.0	4.2	3.6
Ingham	202.0	181.4	162.1	21.1	19.9	3.9
Innisfail	208.6	172.8	163.8	27.9	11.5	5.7
Kingaroy	199.8	169.0	160.9	20.5	9.8	5.4
Lockyer Valley	200.4	169.9	169.6	22.1	11.7	15.0
Longreach	226.2	215.6	210.0	38.7	48.0	45.8
Mackay	209.4	181.9	174.3	29.0	21.5	17.2
Mareeba	209.7	181.8	172.2	29.2	20.7	14.2

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

Maryborough	202.7	175.2	165.4	23.0	15.7	9.5
Miles	197.1	169.3	155.1	16.5	8.8	-1.7
Moranbah	207.7	190.0	179.0	25.3	27.6	20.1
Mount Isa	222.2	212.2	211.6	33.5	42.9	45.5
Nambour	194.8	166.1	168.8	16.6	8.0	14.4
Noosa	203.4	181.6	180.4	25.1	23.4	25.8
Rockhampton	199.3	167.2	160.9	18.5	6.4	3.5
Roma	204.1	175.5	160.3	22.1	13.7	2.1
Somerset	199.2	169.3	169.3	20.9	11.1	14.7
Toowoomba	192.0	166.1	168.9	13.6	7.8	14.2
Townsville	197.6	160.4	159.7	17.8	0.1	2.7
Tully	205.6	179.7	171.8	24.4	17.8	13.1
Warwick	202.5	181.7	172.0	23.7	23.0	17.0
Whitsunday	196.4	171.8	160.3	14.6	10.2	2.0
Yeppoon	198.1	168.0	164.1	16.9	6.7	6.2

* 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		
	July	August	September	July	August	September
Brisbane	231.5	206.2	205.7	28.8	22.4	15.4
Atherton	233.5	212.5	207.9	23.8	13.5	4.6
Beaudesert	228.0	198.2	201.8	19.3	15.2	6.3
Biloela	233.1	204.1	204.8	19.9	11.6	4.1
Blackwater	230.8	197.9	204.3	9.7	9.4	1.3
Bowen	231.7	208.1	202.9	20.7	13.1	5.4
Bundaberg	225.3	193.0	201.1	7.6	5.3	-3.3
Cairns	233.7	206.5	207.0	23.6	16.1	7.3
Charters Towers	231.1	209.6	202.0	24.3	14.1	4.5
Childers	230.6	204.2	201.2	15.5	13.2	4.2
Dalby	230.6	198.9	202.2	17.0	12.6	2.8
Emerald	232.5	207.8	207.7	20.8	11.4	4.0
Gladstone	225.6	194.8	198.7	18.1	13.6	5.2
Goondiwindi	228.1	198.7	203.4	11.8	8.2	-0.3
Gympie	220.1	194.7	202.0	10.1	9.6	2.1
Hervey Bay	228.4	201.1	204.7	9.4	8.7	0.0
Ingham	231.6	203.7	204.1	26.4	16.4	6.3
Innisfail	229.4	198.9	204.3	19.9	11.1	-0.1
Kingaroy	234.3	204.2	203.1	14.9	10.9	2.2
Lockyer Valley	228.0	203.1	204.4	14.7	10.1	3.1
Longreach	247.0	234.4	224.9	28.1	15.6	9.1
Mackay	232.4	204.6	205.8	23.1	15.5	6.8
Mareeba	236.1	211.0	209.2	26.3	18.2	8.8
Maryborough	229.2	203.9	202.4	12.7	9.2	1.5
Miles	227.1	195.1	191.0	8.2	8.0	0.8

Moranbah	230.7	210.1	199.4	22.4	15.6	2.5
Mount Isa	236.4	223.6	220.6	11.1	0.1	-5.9
Nambour	225.5	197.9	203.8	12.1	11.7	2.8
Noosa	225.9	200.4	204.2	13.3	11.2	2.7
Rockhampton	228.0	199.3	200.4	20.7	13.4	1.7
Roma	228.0	197.5	203.8	12.8	5.5	-4.0
Somerset	227.4	202.6	202.0	15.3	9.2	2.0
Toowoomba	228.3	201.8	203.8	12.4	10.8	2.5
Townsville	229.1	200.9	202.8	24.0	16.5	5.7
Tully	233.3	209.8	208.3	22.3	15.0	5.0
Warwick	227.9	200.11	201.6	14.3	10.4	1.4
Whitsunday	228.7	204.5	200.9	13.4	8.5	0.1
Yeppoon	227.0	196.8	202.1	19.1	14.5	3.9

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

	July	August	September
Brent crude oil US\$/bbl	101.4	96.0	91.8
Brent crude oil A\$/bbl	147.9	137.7	137.1
Brent crude oil A\$-cpl	93.0	86.6	86.2

The Russia invasion of Ukraine and the subsequent international sanctions against Russia have continued to cause substantial volatility in global oil prices and large price spike earlier in the year. This is in addition to the oil production cuts and under-quota production from the OPEC+ group of oil producing countries.

Meeting in early June, the OPEC+ group decided to increase their production by 650,000 bpd (barrels per day), higher than the planned 432,000 bpd increase. This larger increase was due to reduction in oil production from Russia (one of the OPEC+ members). This appears to have led to an easing of oil prices, but the additional 218,000 bpd is far lower than the estimated 1,000,000 bpd reduction in Russian oil production due to the sanctions.

During the September quarter, the average price for Brent crude oil gradually declined in US dollar terms, with a decline in the value of the Australian dollar against the US partly offsetting the price reduction in Australian dollar terms. The reduction in global prices reflects the modest increase in oil production mentioned above and concerns about an economic downturn in many oil importing countries as central banks raise interest rates to reduce inflation.

OPEC members are due to meet in October and are considering reductions in oil production to bolster oil prices. This could result in some increase in oil prices in the next quarter. If the average price for Brent crude oil is about 100 US\$/bbl (\$AU 150/bbl), retail ULP prices in regional Queensland should be about 15 cpl above their recent average, or about 190 cpl. In SEQ the average ULP price is likely to fall

to about 175cpl on the cheapest days and reach about 205cpl in the expensive phases.

The next quarterly fuel price report will be released on 10 January 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.