

Monthly Fuel Price Report – September 2021



5 October 2021

The RACQ monthly fuel price report presents a summary of the fuel price trends in Queensland for September 2021.

Key points

- At 159.8 cpl, the average ULP price in Brisbane in September was the all-time record highest monthly average and 2.1 cpl higher than August.
- The Brisbane monthly average ULP exceeded the previous record highest of 159.3 cpl, observed in October 2018, by 0.5 cpl.
- A new record high daily ULP average of 173.4 cpl was observed in Brisbane on 15 September 2021.
- At 20.1 cpl, indicative ULP retail margins in Brisbane in September were up compared to August.
- ULP total margins (retail, wholesale and refinery) were down slightly, at 32.7 cpl. This was due to a fall in refinery margins.
- Brisbane was the most expensive Australian capital city to buy ULP. Brisbane was 16.9 cpl dearer than Adelaide, the cheapest capital.
- At 174.1 cpl, the monthly average PULP 95 price in Brisbane equalled the record high observed in October 2018.
- At 149.7 cpl, the average Brisbane diesel price in September was 2.1 cpl dearer than August.
- Brisbane was second most expensive of the large capital cities for diesel. Sydney was the most expensive, but only 0.1 cpl more expensive than Brisbane. Brisbane was 4.4 cpl dearer than Adelaide, the cheapest capital.
- ULP prices in regional Queensland in September were cheap compared to SEQ. Indicative retail margins on ULP were lower than in Brisbane in all 37 regional centres.
- Diesel prices in most regional Queensland centres were lower than Brisbane. Indicative retail margins on diesel were lower than in Brisbane in 35 out of 37 regional centres.
- The average ULP price in regional Queensland was 150.0 cpl, 0.4 cpl higher than August. The average diesel price in regional Queensland was up 2.0 cpl, at 149.4 cpl.
- Roma was the cheapest Queensland regional centre to buy ULP in September, at 143.8 cpl.
- Beaudesert had the cheapest average diesel price, at 140.6 cpl.
- Longreach was the most expensive Queensland regional centre to buy ULP and diesel in September, at 162.5 cpl and 157.7 cpl for ULP and diesel respectively. Longreach was the only centre in which ULP was more expensive than Brisbane.
- The Brent crude oil price strengthened in September and is highly likely to continue to strengthen in October, which in turn is likely to lead to new all-time record high retail prices being observed in October.

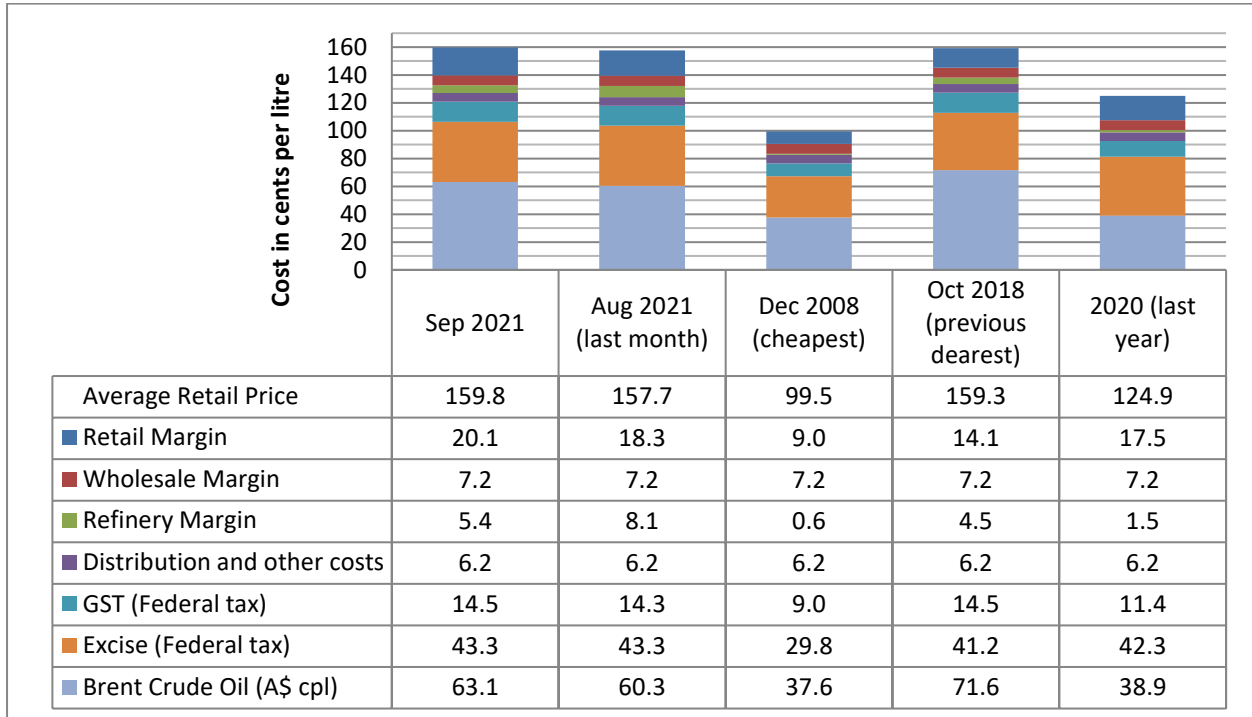
ULP cost breakdown in Brisbane

At 159.8 cpl, the average price of ULP in Brisbane in September was the record highest monthly average, and 2.1 cpl dearer than August. The previous record highest monthly average ULP price for Brisbane was 159.3 cpl, observed in October 2018.

The monthly average indicative retail margin for September was up 1.8 cpl, at 20.1 cpl. At 5.4 cpl, the average indicative refinery margin was down by 2.7 cpl. Total margins (retail, wholesale and refinery) at

32.7 cpl, were 0.9 cpl lower than the August average of 33.6 cpl, and 6.5 cpl higher than the 2020 annual average of 26.2 cpl.

The chart below shows the cost breakdown for a litre of ULP sold in Brisbane for September 2021. For comparison, the cost breakdown for last month, last year, October 2018 – the previous most expensive month and December 2008 – the cheapest month observed in recent years (since 2008), is also displayed.



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

The RACQ pricing model assumes that oil is imported into Australia and refined locally. However, Australia’s refinery capacity has reduced with the closure of two (of four) refineries. The two remaining refineries are Ampol’s refinery in Brisbane and Viva Energy’s refinery in Geelong. RACQ’s alternate pricing 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 September were 2.8 cpl, 0.6 cpl lower than August, when they were 3.4 cpl.

Record high prices

The maximum daily average ULP prices in Greater Brisbane and Ipswich reached new all-time record high levels in September. A record high daily average of 173.4 cpl for Brisbane and an Ipswich record of 170.6 cpl were both observed on 15 September 2021. This exceeded the previous record in Brisbane of 172.5 cpl and the previous Ipswich record of 168.5 cpl, both observed on 12 December 2019.

The maximum daily average price on the Gold Coast of 172.8 cpl (observed 14/09/21) was slightly below the record of 173.0 cpl (observed in December 2019) and the maximum price on the Sunshine Coast of 169.8 cpl was 3.7 cpl lower than the record high.

A new record high monthly average ULP price was observed in Greater Brisbane, Ipswich and the Gold

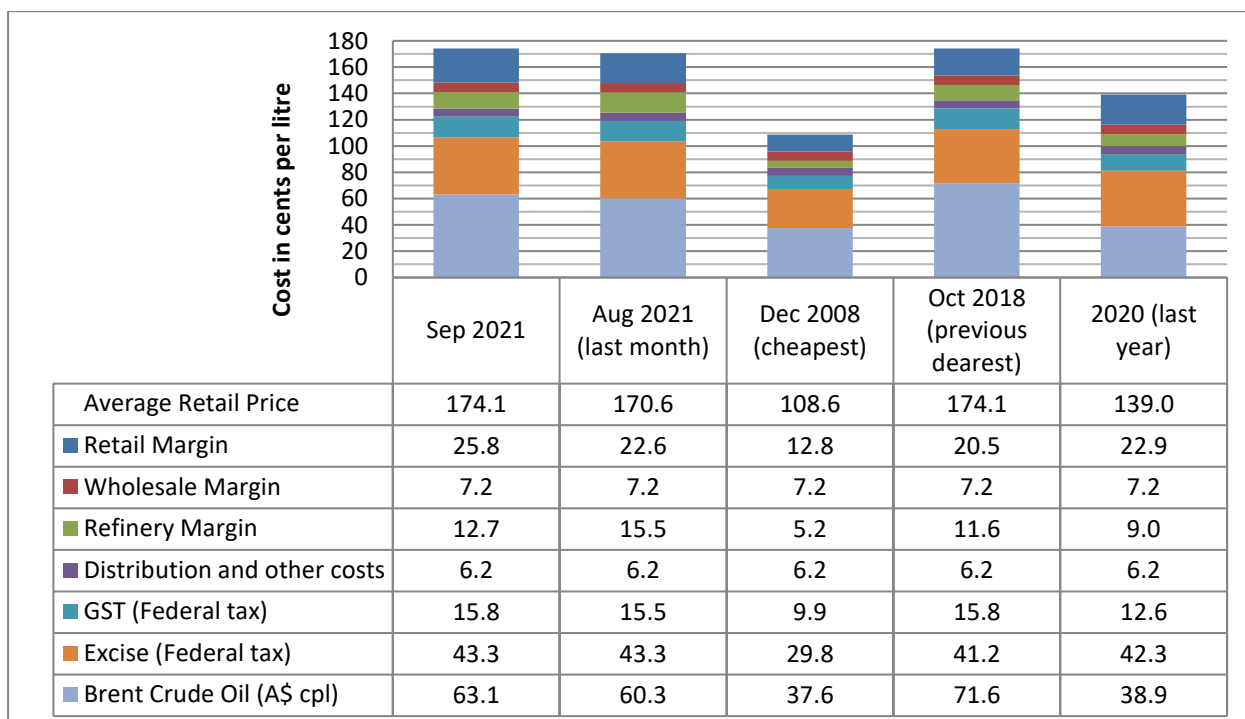
Coast. The average ULP price in these centres exceeded the previous records observed in October 2018. At 151.1 cpl the monthly average ULP on the Sunshine Coast was substantially lower than the record of 158.7 cpl from October 2018.

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	173.4	15/09/21	172.5	12/12/19	159.8	Sep-21	159.3	Oct-18
Ipswich	170.6	15/09/21	168.5	12/12/19	158.1	Sep-21	157.3	Oct-18
Gold Coast	173.0	12-13/12/19	-	-	160.6	Sep-21	158.5	Oct-18
Sunshine Coast	173.5	14/12/19	-	-	158.7	Oct-18	-	-

As oil prices continue to trend up, it is likely that these record highs will be exceeded again in October.

PULP 95 cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of PULP 95 sold in Brisbane in September 2021. For comparison, the cost breakdown for last month, last year, October 2018 – the previous most expensive month and December 2008 – the cheapest month observed in recent years (since 2008), is also displayed.



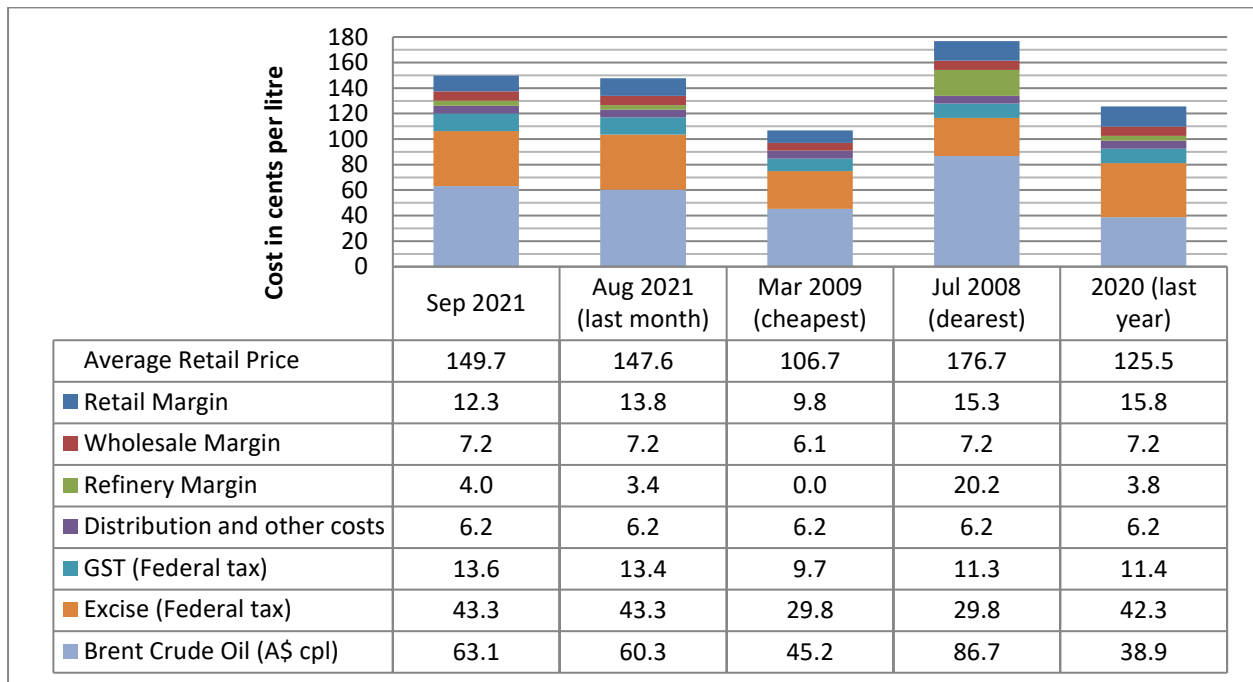
Note: 2008 prices included the 8.5cpl Queensland fuel excise subsidy

The average PULP 95 price in Brisbane in September was 174.1 cpl equalling the all-time record high observed in October 2018, and 3.5 cpl higher than August. The price difference between ULP and PULP

95 was 14.3 cpl. Indicative retail margins for PULP 95, at 25.8 cpl, were 3.2 cpl higher than August, and 2.9 cpl higher than the average for 2020. Refinery margins at 12.7 cpl, were 2.8 cpl lower than August. Total margins, at 45.7 cpl, were 0.4 cpl higher than August, when they were 45.3 cpl.

Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane for September 2021. For comparison, the cost breakdown for last month, last year, March 2009 – the cheapest month and July 2008 – the most expensive month observed in recent years (since 2008), is also displayed.



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

The average price of diesel in September, at 149.7 cpl, was 2.1 cpl higher than August. Indicative retail margins at 12.3 cpl were down 1.5 cpl, and refinery margins were up by 0.6 cpl, at 4.0 cpl. Total margins (retail, wholesale and refinery) in September were 23.5 cpl, 0.9 cpl lower than August, when they were 24.4 cpl.

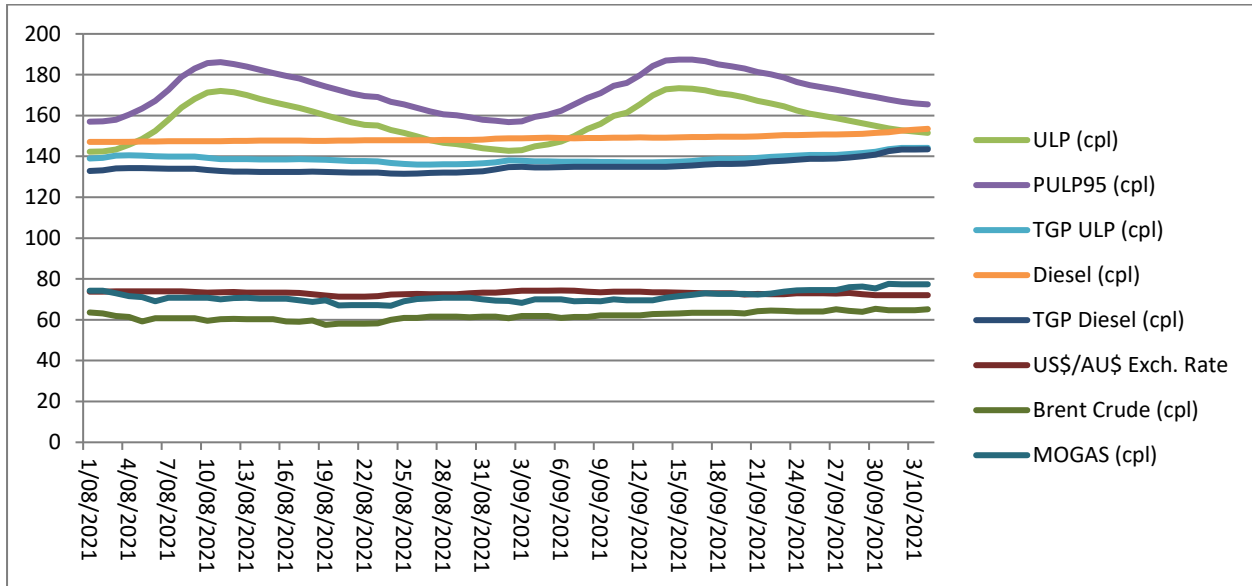
Diesel prices remained substantially lower than the record high observed in 2008. The record high monthly average diesel price in Brisbane was 176.7 cpl, observed in July 2008.

Price trends

Most of a single price cycle was observed in the Brisbane ULP market in September. This price cycle started on 3 September and prices peaked at 173.4 cpl on 15 September. Prices then slowly fell throughout the rest of September and into early October. At the time of writing the Brisbane ULP market was in the cheap phase of the cycle.

The average price of Brent in September at 100.3 A\$/bbl (73.4 US\$/bbl) or 63.1 cpl-A\$, was 4.5 A\$/bbl or 2.8 cpl-A\$ higher than August (at 95.8 A\$/bbl, 70.0 US\$/bbl, or 60.3 cpl-A\$). The average Brent price last exceeded 100 A\$/bbl in May 2019.

Brent started September at 97.8 A\$/bbl (71.6 US\$/bbl). The oil price trended up in September and ended the month at a local record high of 104.0 A\$/bbl (74.9 US\$/bbl) – a 2-year and 4-month record high. A Brent price (in A\$-terms) this high was last observed in May 2019, when prices peaked at 105.9 A\$/bbl (observed 15/05/2019).



Comparison to other capital cities

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

City	Average ULP Price (cpl)	Indicative ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	159.8 (2.1)	20.1 (1.8)	149.7 (2.1)	12.3 (-1.5)
Adelaide	142.9 (-0.2)	2.8 (-0.7)	145.3 (1.3)	7.9 (-2.4)
Canberra	157.1 (4.9)	17.7 (4.5)	155.1 (4.8)	17.6 (1.1)
Darwin	151.7 (0.5)	7.1 (0.1)	154.3 (3.5)	12.7 (-0.1)
Hobart	155.9 (1.0)	9.9 (0.5)	153.8 (2.0)	10.0 (-1.8)
Melbourne	156.6 (2.1)	17.4 (1.6)	148.8 (3.0)	11.8 (-0.5)
Perth	150.3 (1.6)	10.7 (1.2)	145.7 (2.0)	8.4 (-1.6)
Sydney	157.8 (4.9)	18.4 (4.4)	149.8 (2.8)	12.4 (-0.9)

* 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.

Brisbane was the most expensive of all capital cities for ULP in September. The average ULP prices in Adelaide, Perth, Darwin, Hobart, Melbourne, Canberra and Sydney were cheaper than Brisbane by 16.9 cpl, 9.5 cpl, 8.1 cpl, 3.9 cpl, 3.2 cpl, 2.7 cpl and 2.0 cpl, respectively.

For diesel, Brisbane was the second most expensive of the five largest capital cities and was only marginally (0.1 cpl) cheaper than Sydney (the most expensive). Hobart, Darwin and Canberra were also more expensive than Brisbane by 4.1 cpl, 4.6 cpl and 5.4 cpl, respectively. The average diesel prices in Adelaide, Perth and Melbourne were cheaper than Brisbane by 4.4 cpl, 4.0 cpl and 0.9 cpl, respectively.

Comparison of the SEQ metropolitan centres

The Sunshine Coast was the cheapest centre in SEQ to buy ULP (and diesel) in September, as it was in August, with an average price of 151.1 cpl. Second were Brisbane North and Ipswich both at 158.1 cpl. Brisbane Bayside and Redlands was the most expensive area in SEQ at 162.8 cpl, 11.7 cpl dearer than the Sunshine Coast. The average ULP price increased in SEQ centres compared to August. The average ULP price on the Gold Coast increased by 6.0 cpl compared to August and the Sunshine Coast average increased by 0.6 cpl.

Like with ULP, the Sunshine Coast was the cheapest SEQ centre to buy diesel in September (at 148.2 cpl), as it was in August. Brisbane South was second at 148.7 cpl. Central Brisbane was the most expensive area in SEQ to buy diesel at 152.6 cpl, 4.4 cpl dearer than the Sunshine Coast. Average diesel prices increased in all SEQ centres compared to August, by up to 2.9 cpl. The average price in Central Brisbane was up 2.9 cpl, and Brisbane South was up by 1.6 cpl.

The price difference between the cheapest and dearest average diesel price in SEQ centres, at 4.4 cpl, was lower than ULP, for which the difference was 11.7 cpl.

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

City	Average ULP Price (cpl)	Indicative ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Central Brisbane	162.0 (2.2)	22.3 (1.8)	152.6 (2.9)	15.2 (-0.7)
Brisbane North	158.1 (4.1)	18.3 (3.8)	150.5 (2.2)	13.1 (-1.4)
Brisbane South	159.4 (2.3)	19.7 (1.9)	148.7 (1.6)	11.3 (-2.0)
Brisbane Bayside/Redlands	162.8 (0.8)	23.1 (0.4)	150.7 (1.9)	13.3 (-1.7)
Logan	159.8 (3.7)	20.0 (3.3)	149.3 (2.2)	11.9 (-1.4)
Ipswich	158.1 (2.9)	18.1 (2.5)	149.0 (2.1)	11.3 (-1.4)
Moreton Bay	160.1 (4.2)	20.1 (3.8)	150.4 (2.4)	12.7 (-1.2)
Gold Coast	160.6 (6.0)	20.3 (5.6)	150.3 (2.6)	12.3 (-1.0)
Sunshine Coast	151.1 (0.6)	10.5 (0.2)	148.2 (2.4)	10.0 (-1.2)

* 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 September was 150.0 cpl, 0.4 cpl higher than August when the average price was 149.6 cpl. The average diesel price was 149.4 cpl, 2.0 cpl higher than August when the average price was 147.4 cpl.

Roma, with an average ULP price of 143.8 cpl, was the cheapest centre to buy ULP in September, as it was in August, July and June, and 16.0 cpl cheaper than Brisbane. Whitsunday/Proserpine was the second cheapest with an average ULP price of 145.2 cpl, and Bundaberg was the third cheapest at 145.5 cpl. Beaudesert, Miles, Warwick, Maryborough, Hervey Bay, Kingaroy, Somerset, Lockyer Valley, Gympie, Ingham, Biloela, Townsville, Dalby, Blackwater, Mackay, Yeppoon, Gladstone, Tully, Nambour,

Innisfail, Childers, Rockhampton, Moranbah, Charters Towers, Cairns, Atherton, Mareeba, Goondiwindi, Toowoomba, Noosa, Bowen, Emerald and Mount Isa were all cheaper than Brisbane¹. At 162.5 cpl, Longreach was the most expensive centre for ULP and the only centre dearer than Brisbane. Longreach was 2.7 cpl more expensive than Brisbane and 18.7 cpl more expensive than Roma – the cheapest centre in Queensland.

Beaudesert had the cheapest diesel in Queensland in September, at 140.6 cpl, 9.1 cpl cheaper than Brisbane. Whitsunday/Proserpine, at 143.5 cpl, was second cheapest and 6.2 cpl cheaper than Brisbane. Roma, Somerset, Bundaberg, Lockyer Valley, Maryborough, Bowen, Kingaroy, Noosa, Biloela, Nambour, Hervey Bay, Miles, Childers, Gladstone, Toowoomba, Dalby, Townsville, Gympie and Charters Towers were also cheaper than Brisbane. Longreach¹ was the most expensive regional centre for diesel at 157.7 cpl, 8.0 cpl higher than Brisbane.

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* (cpl)	Average Diesel Price (cpl)	Indicative Diesel Retail Margin* (cpl)
Brisbane	159.8 (2.1)	20.1 (1.8)	149.7 (2.1)	12.3 (-1.5)
Atherton	152.8 (1.4)	8.9 (0.7)	154.1 (2.4)	12.4 (-1.4)
Beaudesert	145.6 (-1.9)	5.1 (-2.3)	140.6 (-1.8)	2.4 (-5.4)
Biloela	148.1 (1.2)	5.2 (0.7)	147.2 (3.2)	7.0 (-0.5)
Blackwater	148.7 (0.2)	4.1 (-0.4)	152.7 (2.0)	10.8 (-1.7)
Bowen	153.6 (2.7)	8.8 (2.1)	146.5 (1.1)	4.6 (-2.7)
Bundaberg	145.5 (0.8)	2.4 (0.4)	145.5 (2.2)	4.7 (-1.4)
Cairns	152.4 (1.0)	9.3 (0.4)	152.6 (2.0)	11.6 (-1.8)
Charters Towers	151.9 (1.2)	7.8 (0.6)	149.6 (1.5)	8.3 (-2.3)
Childers	151.1 (0.8)	8.5 (0.5)	148.2 (2.2)	7.9 (-1.4)
Dalby	148.6 (0.2)	7.0 (-0.2)	148.9 (3.4)	9.6 (-0.2)
Emerald	154.1 (1.9)	8.7 (1.3)	152.1 (1.8)	9.5 (-2.0)
Gladstone	149.9 (1.0)	8.2 (0.5)	148.3 (1.9)	9.3 (-1.8)
Goondiwindi	153.1 (1.5)	10.0 (1.1)	150.8 (3.0)	10.1 (-0.6)
Gympie	147.8 (1.3)	6.6 (1.0)	149.3 (2.4)	10.4 (-1.2)
Hervey Bay	146.4 (0.5)	4.0 (0.1)	147.5 (1.7)	7.4 (-1.9)
Ingham	148.0 (1.4)	4.0 (0.8)	150.4 (2.2)	9.3 (-1.6)
Innisfail	151.0 (0.3)	7.1 (-0.4)	150.7 (1.1)	8.9 (-2.8)
Kingaroy	146.4 (0.4)	4.8 (0.0)	146.7 (0.6)	7.4 (-3.0)
Lockyer Valley	147.7 (-0.3)	7.0 (-0.7)	146.0 (1.5)	7.6 (-2.1)
Longreach	162.5 (0.2)	13.0 (-0.3)	157.7 (0.9)	10.9 (-2.8)
Mackay	148.9 (1.3)	6.5 (0.7)	149.8 (2.0)	10.4 (-1.7)
Mareeba	153.0 (1.6)	9.3 (1.0)	154.0 (2.7)	12.3 (-1.1)
Maryborough	145.9 (1.6)	3.9 (1.2)	146.2 (1.5)	6.5 (-2.1)
Miles	145.6 (1.7)	2.7 (1.3)	147.6 (2.1)	7.0 (-1.5)
Moranbah	151.2 (1.9)	6.9 (1.4)	150.8 (1.7)	9.4 (-2.0)

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.

Mount Isa	159.2 (0.0)	7.4 (-0.6)	152.6 (0.9)	3.6 (-2.9)
Nambour	150.3 (-4.1)	9.8 (-4.5)	147.3 (2.4)	9.1 (-1.2)
Noosa	153.5 (1.6)	12.9 (1.2)	147.1 (2.1)	8.7 (-1.5)
Rockhampton	151.1 (2.3)	8.4 (1.8)	151.1 (2.4)	11.0 (-1.4)
Roma	143.8 (1.4)	-0.5 (1.1)	143.8 (2.1)	1.8 (-1.4)
Somerset	147.2 (1.2)	6.5 (0.9)	145.3 (3.0)	7.0 (-0.6)
Toowoomba	153.1 (-3.5)	12.2 (-3.9)	148.7 (2.2)	10.2 (-1.4)
Townsville	148.1 (1.2)	5.3 (0.6)	149.0 (2.1)	9.0 (-1.7)
Tully	150.2 (-1.0)	5.8 (-1.6)	151.2 (0.9)	8.8 (-2.9)
Warwick	145.8 (0.7)	4.6 (0.3)	150.1 (3.3)	11.3 (-0.3)
Whitsunday/Proserpine	145.2 (-0.4)	1.5 (-0.9)	143.5 (0.9)	2.8 (-2.8)
Yeppoon	149.2 (-0.7)	6.0 (-1.3)	149.8 (1.4)	9.3 (-2.3)

* 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.

Of the 37 regional centres monitored by RACQ, all had an average indicative ULP retail margin lower than that charged in Brisbane. The lowest indicative retail margin on ULP, at negative 0.5 cpl, was charged in Roma, 20.6 cpl lower than Brisbane. Indicative retail margins in all regional centres were substantially lower than Brisbane. The highest margin in regional Queensland of 13.0 cpl, was observed in Longreach and was 7.1 cpl lower than that observed in Brisbane.

Diesel indicative retail margins were lower than Brisbane in 35 out of 37 regional centres. At 1.8 cpl, the lowest diesel indicative retail margin was observed in Roma, 10.5 cpl lower than Brisbane. Atherton had the highest indicative retail margin, at 12.4 cpl, 0.1 cpl higher than Brisbane.

Outlook

Oil prices strengthened throughout September and are likely to continue to strengthen in October. This led to record high retail prices being observed in the Greater Brisbane ULP market (and other markets). It is likely that these new records will again be exceeded in October, and records will be surpassed in other towns and cities in Queensland.

Demand for oil continues to strengthen as COVID restrictions are eased around the globe. This has been combined with supply constraints due to multiple factors including hurricane Ida and tropical storm Nicholas in the US, production declines in other countries and the on-going OPEC+ production restrictions. Subsequently oil prices have been trending up.

The high level of demand and relatively low levels of supply were evidenced in reports of large draws in oil reserves in several countries. Of these, stock declines in China and the US have had the greatest effect on prices.

OPEC+ meeting in early October maintained their plan to slowly return to pre-Covid production levels. While there had been hopes that OPEC+ would accelerate their production increases, news of the continuation of the plan led to an immediate and sharp increase in oil prices.

In early October the Brent crude oil price exceeded 80 US\$/bbl – a three-year record high. The last time Brent exceeded 80 US\$ was October 2018. If this high oil price is sustained in the coming weeks and months, and the evidence suggests that oil prices will continue to increase, new record high retail prices

are likely to be observed across Queensland.

The next monthly fuel price report will be released in early November 2021.

Data sources

Data and analyses presented in this report, and the August report, used an updated methodology compared to previous monthly fuel price reports. The data and analyses presented in this report, and the August report, supersedes the July report and all previous reports.

All data presented in this report are RACQ calculations using OPIS data.