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Diesel prices hit record highs – this is why

Diesel prices are hitting record highs, with motorists paying more than \$2.33 a litre right across the state.

RACQ spokesperson Lauren Cooney said the record high prices were due to international factors, rather than overcharging by fuel companies.

“There’s a misconception that fuel companies are overcharging motorists on diesel, but in fact retail margins are reasonably low,” Ms Cooney explained.

“For example, the current average retail margin on diesel sold in Brisbane is 9.5 cents per litre, usually this sits at around 12 cents per litre. “

Ms Cooney said exceptionally high diesel prices are being experienced right across the world.

“Russia is a major manufacturer and distributor of diesel, especially to the European market. With the ongoing war in Ukraine and sanctions against Russian exports, the global supply of diesel has fallen significantly, causing wholesale prices to rise and remain incredibly high,” she said.

Ms Cooney explained the demand for diesel is much higher than the demand for unleaded.

“Diesel is an industry fuel and is used far more than unleaded, for example in Queensland we consume more than twice as much diesel as we do petrol,” Ms Cooney said.

“The production cost of diesel is similar to unleaded and both products are processed similarly. It’s supply and demand factors that are pushing up prices, rather than the productions costs.

“The current average wholesale price of diesel in Brisbane is 226cpl which is about 50 cents higher than the unleaded wholesale price of 175cpl. In normal times the local wholesale prices and international benchmark prices for unleaded and diesel would be very similar, usually no more than a few cents difference.

“With retail margins currently low for diesel, the bad news is prices are likely to continue to creep a little higher.”

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RACQ is Queensland’s largest club and peak independent motoring organisation. We were formed in 1905 to represent the interests of the State’s first motorists and today campaign for safer drivers, vehicles and roads on behalf of more than 1.7 million members who own the Club. We offer those members a vast range of motoring, insurance, banking, entertainment and travel services and benefits, and each year respond to more than a million calls for roadside assistance.

City	Record daily average diesel price (cpl)	Observed	Previous daily average diesel record	Observed
Greater Brisbane	237	24/10/2022	236.4	01/07/2022
Logan	237.5	24/10/2022	236.8	01/07/2022
Moreton Bay	236.4	24/10/2022	235.8	01/07/2022
Ipswich	236.3	23/10/2022	235.8	30/06/2022
Roma	235.1	24/10/2022	233.5	03/07/2022
Bundaberg	233.6	24/10/2022	232.8	30/06/2022
Charters Towers	235.3	24/10/2022	234.9	03/07/2022

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