

RACQ Fuel Price Report - June Quarter 2022



5 July 2022

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

This report replaces the old monthly fuel price reports.

Key points

- The average retail price of ULP in Brisbane reached a new record high in June 2022 of 205.9cpl. It was 5.6cpl higher than the previous record reached in March 2022-.
- Indicative retail margins in Brisbane, at 9.3cpl, were lower than those observed prior to the excise cut, suggesting the excise cut continues to be passed on in full.
- At 221.1cpl, the average price of diesel for June 2022 was also the – highest monthly average in Brisbane on record. Like ULP, retail margins were down compared with recent months.
- Brisbane was the most expensive of the five largest capital cities to buy ULP. Only Canberra and Hobart were more expensive. For diesel, Brisbane was the second most expensive of the five largest capital cities. Only Adelaide, Canberra and Hobart were more expensive.
- The average ULP price in regional Queensland in June was 201.8cpl, 13.0cpl higher than May.
- The average diesel price in regional Queensland was up 13.1cpl, at 220.3cpl.
- Hervey Bay and Roma were the joint cheapest Queensland regional centres to buy ULP at 195.2cpl. Bundaberg was the cheapest for diesel at 215.8cpl.
- Mount Isa, at 222.2cpl, was the most expensive regional centre to buy ULP, and Longreach had the most expensive diesel at 231.8cpl.
- The record highs observed in June were caused by high oil prices rather than the behaviour of local fuel companies. The war in Ukraine and the subsequent sanctions against Russia are causing significant tightness in international oil and fuel markets, which in turn is resulting in high oil prices and high retail prices in Queensland.
- Average retail ULP prices in Brisbane in July are likely to reach a new record high nominal price, and real prices are likely to exceed the pre-GFC July 2008 high point.

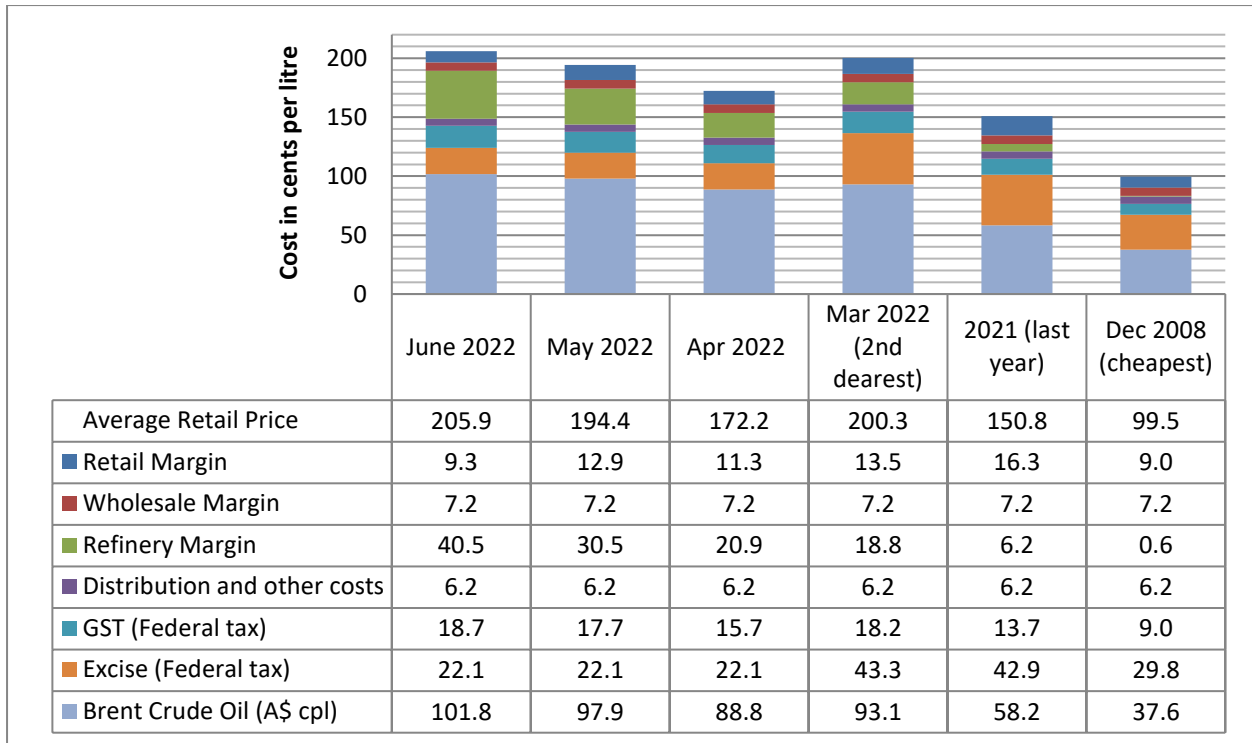
ULP cost breakdown in Brisbane

At 205.9cpl, the average retail price of ULP in Brisbane for June 2022 was the – highest monthly average (nominal) on record. It was 5.6cpl greater than March 2022, the previous record high.

Indicative retail margins charged on ULP in Brisbane in May, at 9.3cpl were lower to those charged in May, at 12.9cpl, and were lower than those charged in 2021 (16.3cpl). This suggests - fuel companies continue to pass on the full excise cut to motorists.

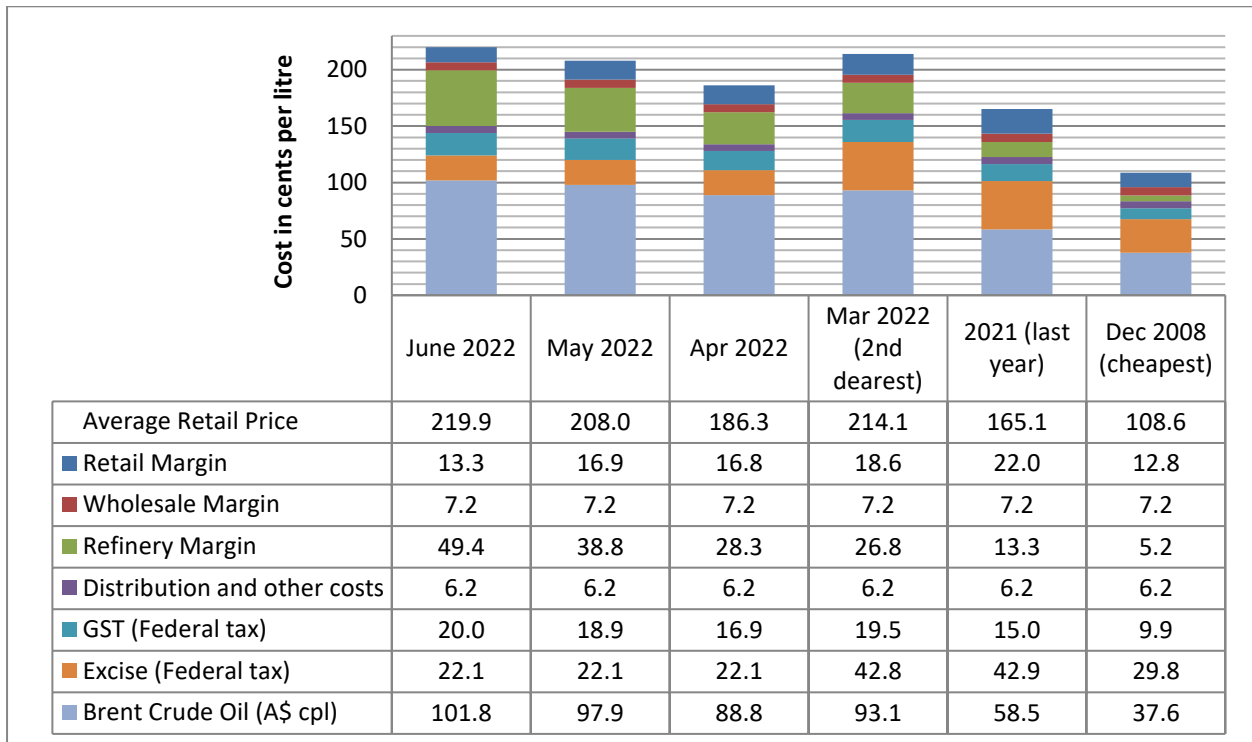
Refinery margins were unusually high, reaching an average of 40.5cpl for the month of June. This is due to the current high price of the refined fuel benchmarks in Singapore, rather than excessive margins being charged by Australian fuel companies.

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



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

PULP 95 cost breakdown in Brisbane

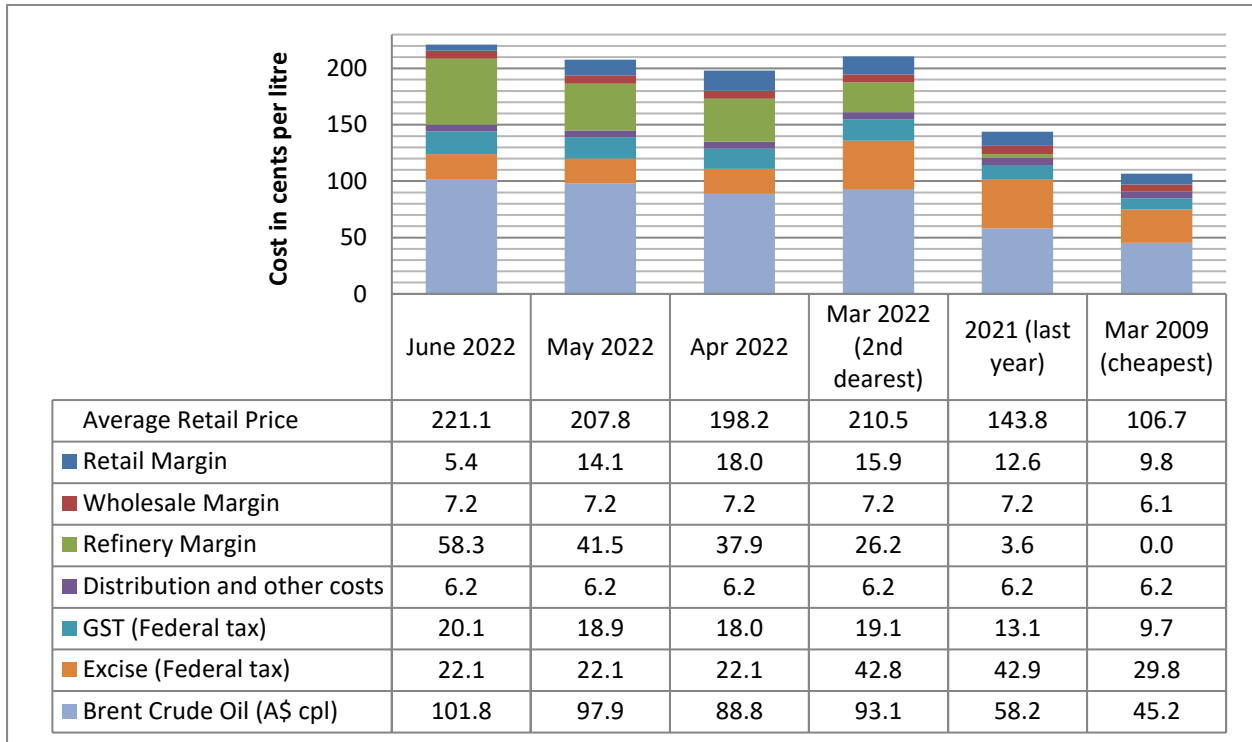


Note: 2008 prices included the 8.5cpl Queensland fuel excise subsidy

Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane for June, May and April 2022. For comparison, last year, March 2009 (the cheapest month) and March 2022 (the second most

expensive month observed in recent years since 2008), is 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 throughout Queensland in June 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	236.3	30/06/2022
Brisbane Inner/West	223.2	20/06/2022	237.2	30/06/2022
Brisbane North	224.1	20/06/2022	237.0	30/06/2022
Brisbane South	220.8	21/06/2022	235.8	30/06/2022
BNE Bayside/Redlands	224.5	22/06/2022	238.4	30/06/2022
Logan	222.3	20/06/2022	236.7	30/06/2022
Ipswich	220.7	21/06/2022	235.6	30/06/2022
Moreton Bay	221.9	20/06/2022	235.6	30/06/2022

Gold Coast	219.9	22/06/2022	236.8	30/06/2022
Sunshine Coast	217.4	21&23/06/2022	236.0	30/06/2022

The table below displays the record high ULP and diesel prices in regional Queensland, as at the end of June 2022. Several of these records have been exceeded in early July and more records are likely to be observed in the coming weeks.

City	Record High ULP Price (cpl)	Observed	Record High Diesel Price (cpl)	Observed
Atherton	210.9	18/03/2022	235.8	30/06/2022
Beaudesert	215.2	30/06/2022	235.2	30/06/2022
Biloela	217.9	30/06/2022	238.9	30/06/2022
Blackwater	203.7	24-30/06/2022	236.8	30/06/2022
Bowen	209.9	30/06/2022	236.2	28-29/06/2022
Bundaberg	206.6	15/03/2022	232.8	30/06/2022
Cairns	211.3	21/03/2022	237.9	30/06/2022
Charters Towers	213.1	18/03/2022	233.9	29-30/06/2022
Childers	209.9	23-30/06/2022	238.1	30/06/2022
Dalby	209.5	19/03/2022	236.0	30/06/2022
Emerald	212.3	30/06/2022	238.9	30/06/2022
Gladstone	210.3	18/03/2022	235.9	30/06/2022
Goondiwindi	210.1	23/03/2022	233.0	30/06/2022
Gympie	208.6	30/06/2022	237.9	30/06/2022
Hervey Bay	208.1	15/03/2022	233.5	30/06/2022
Ingham	207.7	16/03/2022	236.3	30/06/2022
Innisfail	210.7	17/03/2022	234.2	30/06/2022
Kingaroy	209.9	22/03/2022	237.6	30/06/2022
Lockyer Valley	215.2	25/06/2022	235.7	30/06/2022
Longreach	225.9	30/06/2022	249.9	29-30/06/2022
Mackay	212.8	30/06/2022	236.8	30/06/2022
Mareeba	212.9	21/03/2022	239.3	30/06/2022
Maryborough	207.8	29-30/06/2022	234.8	30/06/2022
Miles	206.4	16/03/2022	231.5	28-30/06/2022
Moranbah	210.4	24-30/06/2022	231.4	26-30/06/2022
Mount Isa	227.1	25-30/06/2022	242.4	29-30/06/2022
Nambour	215.8	21/06/2022	235.7	30/06/2022
Noosa	221.4	21/06/2022	236.2	30/06/2022
Rockhampton	210.1	17/03/2022	232.7	30/06/2022
Roma	207.5	29/06/2022	233.1	30/06/2022
Somerset	216.7	29/06/2022	234.3	30/06/2022

Toowoomba	220.5	25/06/2022	234.7	30/06/2022
Townsville	211.1	17/03/2022	236.1	30/06/2022
Tully	213.4	17/03/2022	234.0	30/06/2022
Warwick	206.8	14/03/2022	235.2	30/06/2022
Whitsunday	203.9	27/06/2022	233.5	30/06/2022
Yeppoon	208.7	28-30/06/2022	233.9	30/06/2022

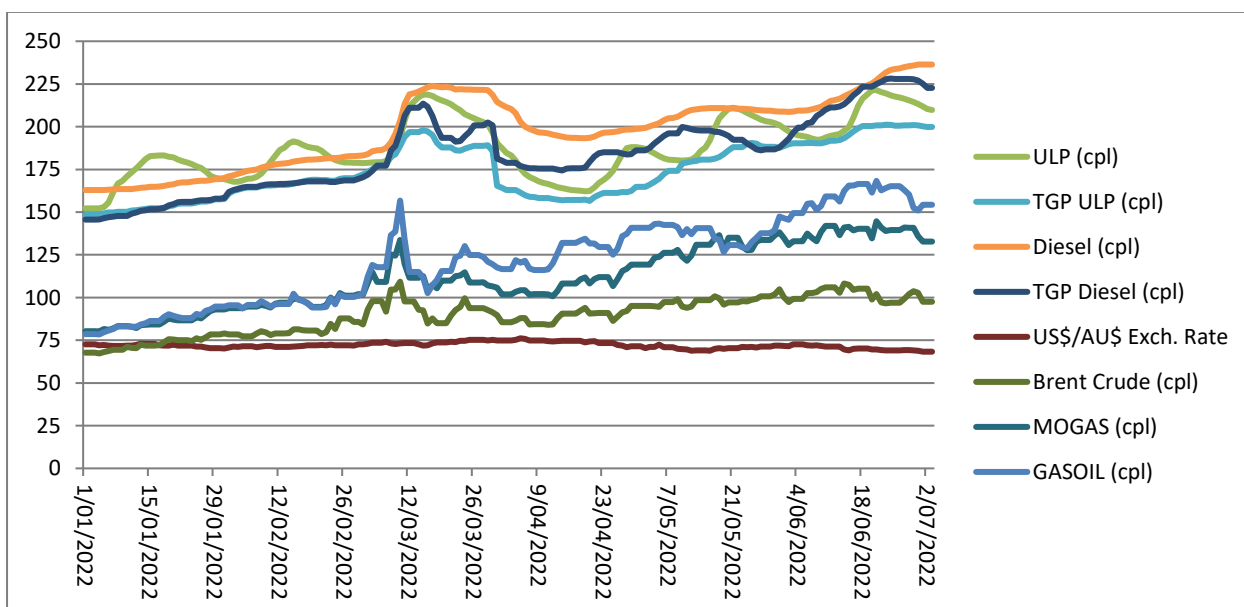
Fuel excise

In the 2022 Federal Budget, fuel excise was cut by 50% for six months. This measure was introduced on 30 March 2022 and is set to continue until 29 September 2022. This has resulted in a new excise rate for ULP and diesel of 22.1cpl. When combined with the GST foregone the cut equates to a 24.3cpl reduction in the wholesale price of ULP and diesel.

Consistent with the fuel excise indexation regime, fuel excise is set to increase in line with the CPI on 1 August 2022. The 50% discount will then be applied to the new indexed rate of excise. The increase is expected to be about 3 to 4cpl and will take the full rate of excise to about 48cpl. Then after the 50% excise cut is applied the new discounted rate of excise from 1 August will be about 24cpl. These values will be confirmed after the June quarter CPI data is published.

Price trends

Three price cycles were observed in the Brisbane ULP market in the June quarter. The last cycle started on 9 June, average retail ULP prices increased for the next 12 days and peaked at 221.4cpl on 20 and 21 June at a new record high (nominal) of 221.4cpl. Prices then slowly fell throughout the rest of June and into early July. At the time of writing the Brisbane ULP market was in the cheap phase of the cycle.



Comparison to other capital cities

Brisbane was the most expensive of the five largest capital cities for ULP in June 2022. Only Canberra and Hobart were more expensive than Brisbane for ULP. For diesel, Brisbane was the fourth most

expensive of the five largest capital cities. Darwin was the same price as Brisbane, while Adelaide, Canberra and Hobart were more expensive than Brisbane for diesel. In June, Perth was the cheapest Australian capital city to buy ULP and diesel.

The tables below present the average June, May and April prices and retail margins on ULP and diesel for Australian capital cities.

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	April	May	June	April	May	June
Brisbane	172.2	194.4	205.9	11.3	12.9	9.4
Adelaide	164.7	184.9	203.2	3.5	3.5	6.8
Canberra	178.9	193.1	207.3	17.9	12.1	11.3
Darwin	186.7	193.6	203.7	24.8	12.9	6.9
Hobart	185.2	195.2	207.9	16.2	6.7	4.0
Melbourne	170.9	190.4	205.3	10.0	9.2	9.0
Perth	169.1	186.3	202.6	8.1	6.1	7.8
Sydney	170.2	193.7	205.8	9.2	12.7	9.8

* 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		
	April	May	June	April	May	June
Brisbane	198.2	207.8	221.1	18.0	14.0	5.4
Adelaide	190.9	204.2	221.5	11.3	11.2	7.4
Canberra	198.2	209.4	222.9	17.7	16.0	7.6
Darwin	199.7	207.8	221.1	19.9	16.5	7.6
Hobart	202.7	216.8	230.4	15.1	16.8	7.5
Melbourne	194.8	205.2	218.4	14.9	11.8	3.6
Perth	193.0	203.2	216.7	13.4	11.8	4.2
Sydney	194.1	205.6	218.9	13.6	12.2	3.6

* 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.

Comparison of the SEQ metropolitan centres

The table below presents the average May 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		
	April	May	June	April	May	June
Brisbane Inner/West	174.6	196.9	206.4	13.7	15.3	10.0
Brisbane North	170.4	195.8	204.9	9.5	14.2	8.5
Brisbane South	168.7	192.4	203.9	7.8	10.9	7.6
BNE Bayside/Redlands	175.4	201.1	209.7	14.6	19.5	13.4

Logan	171.7	194.9	205.3	10.9	13.3	9.0
Ipswich	172.8	193.1	205.9	11.6	11.3	9.2
Moreton Bay	171.9	192.4	203.4	10.7	10.5	6.7
Gold Coast	174.4	195.2	204.6	12.9	13.0	7.6
Sunshine Coast	170.3	192.9	204.0	8.6	10.5	6.8

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

Moreton Bay was the cheapest centre in SEQ to buy ULP in June, with an average price of 203.4cpl. Second was Brisbane South at 203.9cpl. Brisbane Bayside/Redlands was the most expensive area in SEQ at 209.7cpl.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	April	May	June	April	May	June
Brisbane Inner/West	200.5	209.5	220.9	20.2	15.8	5.7
Brisbane North	199.7	208.8	220.9	19.5	15.1	5.6
Brisbane South	198.2	207.6	219.8	18.0	13.8	4.6
BNE Bayside/Redlands	199.7	209.4	221.5	19.5	15.7	6.3
Logan	197.3	207.8	220.3	17.0	14.1	5.0
Ipswich	197.4	206.7	219.8	16.9	12.6	4.3
Moreton Bay	196.8	206.8	218.8	16.2	12.7	3.2
Gold Coast	199.7	208.1	220.2	18.9	13.6	4.4
Sunshine Coast	195.1	206.7	219.0	14.1	12.1	2.9

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

Moreton Bay was also the cheapest centre in SEQ to buy diesel in June, with an average price of 218.8cpl. Sunshine Coast was second at 219.0cpl. Like for ULP, Brisbane Bayside/Redlands was the most expensive area in SEQ at 221.5cpl.

Fuel prices across Queensland

Hervey Bay and Roma were the cheapest centres to buy ULP in June, both with an average ULP price of 195.2cpl. Bundaberg was third cheapest with an average ULP price of 195.9cpl. Miles, Warwick, Whitsunday, Kingaroy, Innisfail, Rockhampton, Maryborough, Ingham, Blackwater, Dalby, Gympie, Townsville, Goondiwindi, Yeppoon, Moranbah, Gladstone, Atherton, Biloela, Childers, Mackay, Bowen, Cairns, Tully, Mareeba, Lockyer Valley, Charters Towers, Emerald, Nambour, Somerset and Toowoomba were also cheaper than Brisbane¹. At 222.2cpl, Mount Isa was the most expensive centre for ULP.

Bundaberg had the cheapest diesel in Queensland in June, at 215.8cpl. Roma at 216.2cpl, was second cheapest. Innisfail, Whitsunday, Mount Isa, Rockhampton, Hervey Bay, Warwick, Somerset, Goondiwindi, Blackwater, Gympie, Toowoomba, Nambour, Noosa, Maryborough, Lockyer Valley, Moranbah, Miles, Kingaroy, Townsville, Gladstone, Charters Towers, Biloela, Yeppoon, Dalby and Atherton were all cheaper than Brisbane. Longreach³ was the most expensive regional centre for diesel at 231.8cpl.

The tables below present the average prices and retail margins on ULP and diesel for regional

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.

Queensland localities, and the Rest of Queensland average prices.

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	April	May	June	April	May	June
Brisbane	172.2	194.4	205.9	11.3	12.9	9.4
Rest Of Qld	177.6	188.8	201.8	N/A	N/A	N/A
Atherton	188.6	190.6	202.3	30.1	8.6	4.2
Beaudesert	182.7	189.4	206.9	21.0	7.0	9.5
Biloela	184.0	190.4	202.4	25.0	7.9	4.0
Blackwater	166.6	180.4	198.8	5.9	-3.8	-1.3
Bowen	181.7	190.0	203.3	22.4	7.1	4.2
Bundaberg	173.6	181.6	195.9	9.3	-3.3	-4.1
Cairns	180.5	189.8	203.5	22.7	8.6	6.1
Charters Towers	185.8	190.4	204.3	27.2	8.2	5.8
Childers	182.9	189.2	203.2	19.1	4.7	3.7
Dalby	181.7	189.2	199.3	18.8	5.7	0.8
Emerald	185.8	192.1	204.3	24.4	7.1	3.4
Gladstone	177.9	188.5	201.9	20.1	7.2	4.7
Goondiwindi	181.3	188.7	200.5	17.1	3.8	0.6
Gympie	170.2	186.1	199.5	7.9	3.1	1.5
Hervey Bay	173.0	182.0	195.2	9.4	-2.3	-4.0
Ingham	175.2	186.4	198.4	16.7	4.3	0.2
Innisfail	175.3	184.2	197.9	16.8	2.1	-0.2
Kingaroy	178.5	183.2	196.5	15.7	-0.3	-2.0
Lockyer Valley	172.7	188.4	203.9	10.9	5.9	6.4
Longreach	202.8	200.3	217.7	37.2	11.2	12.7
Mackay	179.5	189.3	203.2	21.2	7.4	5.3
Mareeba	185.4	192.0	203.9	27.1	10.1	5.9
Maryborough	175.9	182.9	198.2	12.7	-1.0	-0.7
Miles	174.5	181.5	196.0	10.5	-3.3	-3.7
Moranbah	198.5	198.1	201.6	38.2	14.2	1.8
Mount Isa	205.0	211.3	222.2	38.7	21.4	16.1
Nambour	168.5	189.4	204.3	6.8	7.0	7.0
Noosa	175.3	193.4	206.9	13.5	10.9	9.3
Rockhampton	181.9	188.6	198.1	23.0	6.3	-0.2
Roma	186.1	184.2	195.2	20.6	-2.0	-5.9
Somerset	173.4	187.1	205.1	11.6	4.6	7.6
Toowoomba	172.8	192.7	205.2	10.8	10.0	7.5
Townsville	172.0	188.5	199.9	14.7	7.6	2.8
Tully	182.7	189.1	203.8	23.6	6.5	5.1
Warwick	171.4	182.9	196.1	9.1	-0.1	-1.9
Whitsunday	165.7	183.7	196.5	6.1	0.5	-2.7
Yeppoon	177.5	188.3	201.0	18.2	5.5	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.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	April	May	June	April	May	June
Brisbane	198.2	207.8	221.1	18.0	14.0	5.4
Rest Of Qld	197.6	207.2	220.3	N/A	N/A	N/A
Atherton	201.6	207.5	221.0	23.8	13.5	4.6
Beaudesert	200.3	209.8	222.8	19.3	15.2	6.3
Biloela	197.9	205.7	220.1	19.9	11.6	4.1
Blackwater	189.3	205.2	219.0	9.7	9.4	1.3
Bowen	198.5	207.0	221.6	20.7	13.1	5.4
Bundaberg	191.3	202.5	215.8	7.6	5.3	-3.3
Cairns	200.6	209.3	222.9	23.6	16.1	7.3
Charters Towers	201.5	207.4	220.1	24.3	14.1	4.5
Childers	198.6	209.9	222.8	15.5	13.2	4.2
Dalby	199.2	208.4	220.4	17.0	12.6	2.8
Emerald	201.2	207.9	222.5	20.8	11.4	4.0
Gladstone	194.8	206.4	220.1	18.1	13.6	5.2
Goondiwindi	195.4	205.4	218.7	11.8	8.2	-0.3
Gympie	191.8	204.8	219.2	10.1	9.6	2.1
Hervey Bay	192.4	205.2	218.3	9.4	8.7	0.0
Ingham	203.4	209.5	221.7	26.4	16.4	6.3
Innisfail	197.7	205.1	216.4	19.9	11.1	-0.1
Kingaroy	197.0	206.6	219.8	14.9	10.9	2.2
Lockyer Valley	195.9	204.8	219.7	14.7	10.1	3.1
Longreach	212.7	216.3	231.8	28.1	15.6	9.1
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Maryborough	195.3	205.4	219.5	12.7	9.2	1.5
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Moranbah	201.7	210.7	219.7	22.4	15.6	2.5
Mount Isa	195.9	201.1	217.4	11.1	0.1	-5.9
Nambour	193.2	206.3	219.2	12.1	11.7	2.8
Noosa	194.5	205.9	219.3	13.3	11.2	2.7
Rockhampton	198.5	207.3	217.7	20.7	13.4	1.7
Roma	197.7	203.9	216.2	12.8	5.5	-4.0
Somerset	196.5	204.0	218.6	15.3	9.2	2.0
Toowoomba	193.7	205.8	219.2	12.4	10.8	2.5
Townsville	199.9	208.5	220.0	24.0	16.5	5.7
Tully	200.7	209.6	222.0	22.3	15.0	5.0
Warwick	195.9	205.6	218.5	14.3	10.4	1.4
Whitsunday	192.0	203.0	216.6	13.4	8.5	0.1
Yeppoon	197.3	208.8	220.2	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 June, May and April 2022, US\$/bbl (US\$ per barrel), A\$/bbl and A\$-cpl.

	April	May	June
Brent crude oil US\$/bbl	104.4	109.7	114.1
Brent crude oil A\$/bbl	141.2	155.6	162.1
Brent crude oil A\$-cpl	88.8	97.6	101.9

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 spikes. 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 a slight 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.

Looking forward, it is difficult to predict oil price movements as massive uncertainty surrounding the war in Ukraine continues. Brent oil prices in late-June appear to have stabilised at about 115 US\$/bbl.

If Brent stabilises at 115 US\$/bbl, retail ULP prices in regional Queensland should sit at about 210cpl in the larger centres. In SEQ the average ULP price is likely to fall to about 200cpl on the cheapest days and exceed 230cpl on the most expensive.

Average retail ULP prices in SEQ in July are likely to reach a new record high nominal price, and real prices are likely to exceed the pre-GFC July 2008 high point.

The next quarterly fuel price report will be released on 5 October 2022.

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.