

# RACQ Fuel Price Report –

## March quarter 2023

6 April 2023

The RACQ fuel price report presents a summary of the fuel price trends in Queensland for the March quarter 2023.

### Key points

- The average retail price of ULP in Brisbane decreased slightly in March 2023 to 187.2 cpl, from 188.2 cpl in February.
- Indicative retail margins in Brisbane in March, at 13.3 cpl, were lower than in January or February, reflecting the Brisbane market being in the discounting or cheap phases for most of March, after prices increased in February.
- At 199.3 cpl, the average price of diesel for March was lower than in January and February, and the average retail margin in March for diesel declined slightly to 19.4 cpl, well below the margin in December 2022 of 29.8 cpl. The March average price was also well below the record average Brisbane price for diesel fuel in November 2022 of 236.3 cpl.
- Brisbane was the most expensive of the five largest capital cities to buy ULP, and Hobart was the one capital city more expensive than Brisbane. For diesel, Brisbane was the most expensive of the five largest capital cities. Canberra, Darwin and Hobart were more expensive.
- Whitsunday and Bundaberg were the cheapest Queensland regional centres to buy ULP in March at 171.9 cpl and 173.1 cpl, respectively. Miles and Gympie were the cheapest locations for diesel at 188.9 cpl and 191.2 cpl, respectively.
- Longreach, at 207.5 cpl, was the most expensive regional centre to buy ULP in March, and Longreach also had the most expensive diesel at 215.3 cpl, followed by Mt Isa at 213.6 cpl.
- The slight increase in average fuel prices during the March quarter from the December quarter reflected competing influences on prices. Lower world oil prices during the quarter reduced pressure on prices. The indexation of fuel excise and slightly higher retail margins contributed to higher prices.
- Average retail ULP prices in Brisbane in the current 2023 June quarter are likely to rise slightly reflecting a recovery in the average crude oil price from the lower prices in February and March 2023.

### ULP cost breakdown in Brisbane

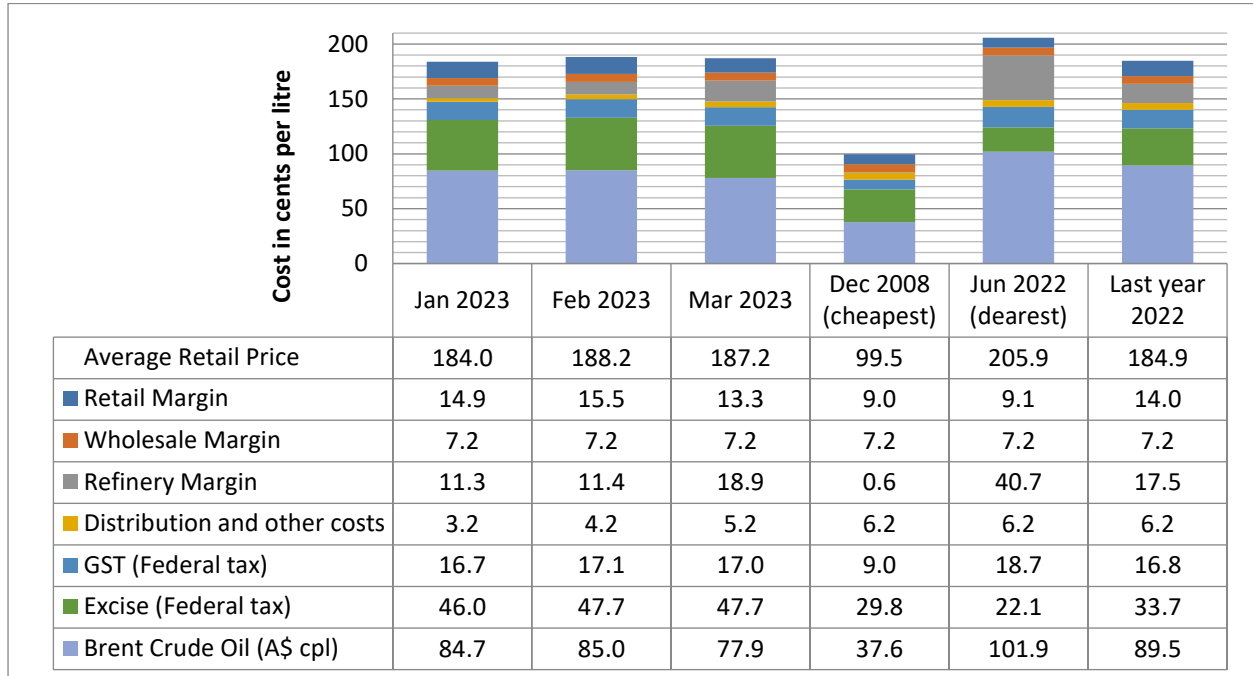
At 187.2 cpl, the average retail price of ULP in Brisbane for March 2023 was slightly lower than in February 2023, and 18.7 cpl lower than the record monthly average in June 2022.

Indicative retail margins charged on ULP in Brisbane in December, at 13.3 cpl, were lower than in January or February and were slightly lower than the average margin in 2022 (14.0 cpl). Monthly average margins for ULP reflected the timing of the fuel cycle, as prices were declining from a high level in most of January, rising for most of February and declining for most of March. The differences in monthly average margins were small, but margins did vary significantly within each month.

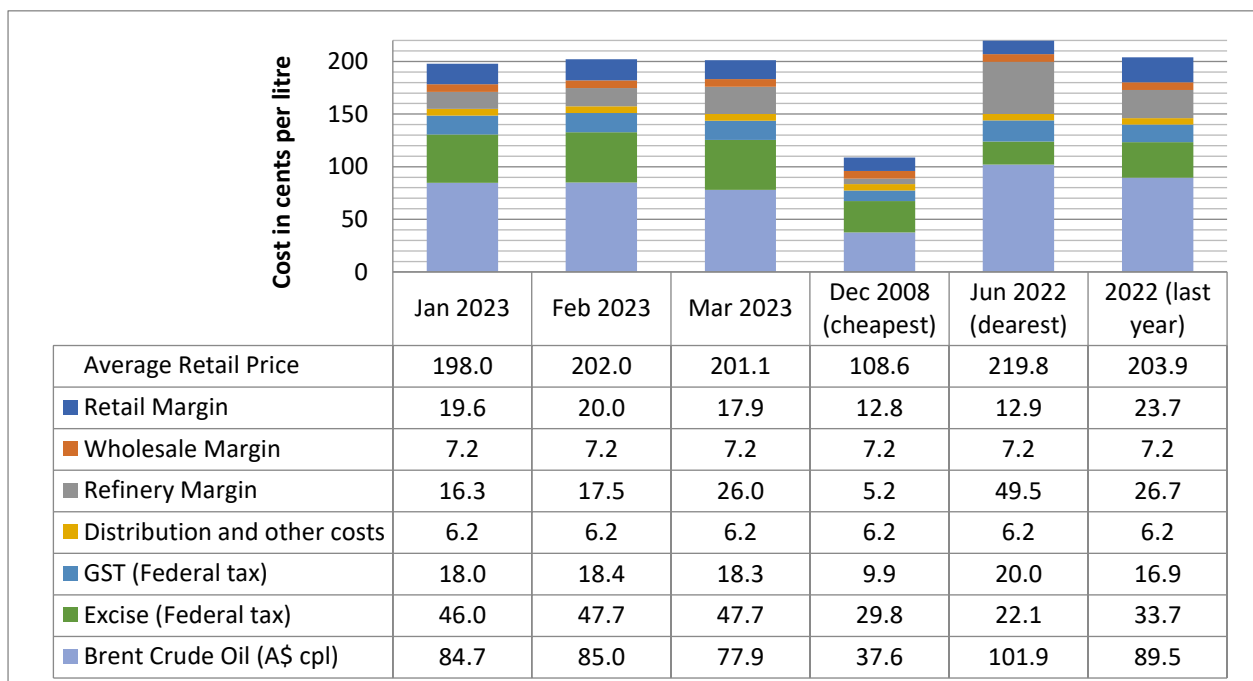
Refinery margins increased in the March quarter, rising from 11.3 cpl in January to 18.9 cpl in March, reflecting the decline of the crude oil price in March.

The charts below show the cost breakdown for a litre of ULP and Premium ULP (PULP 95) sold in Brisbane for January, February and March 2023. For comparison, June 2022 (the most expensive month), December 2008 (the cheapest month observed since 2008) and 2022, are also displayed.

### ULP 91 cost breakdown in Brisbane

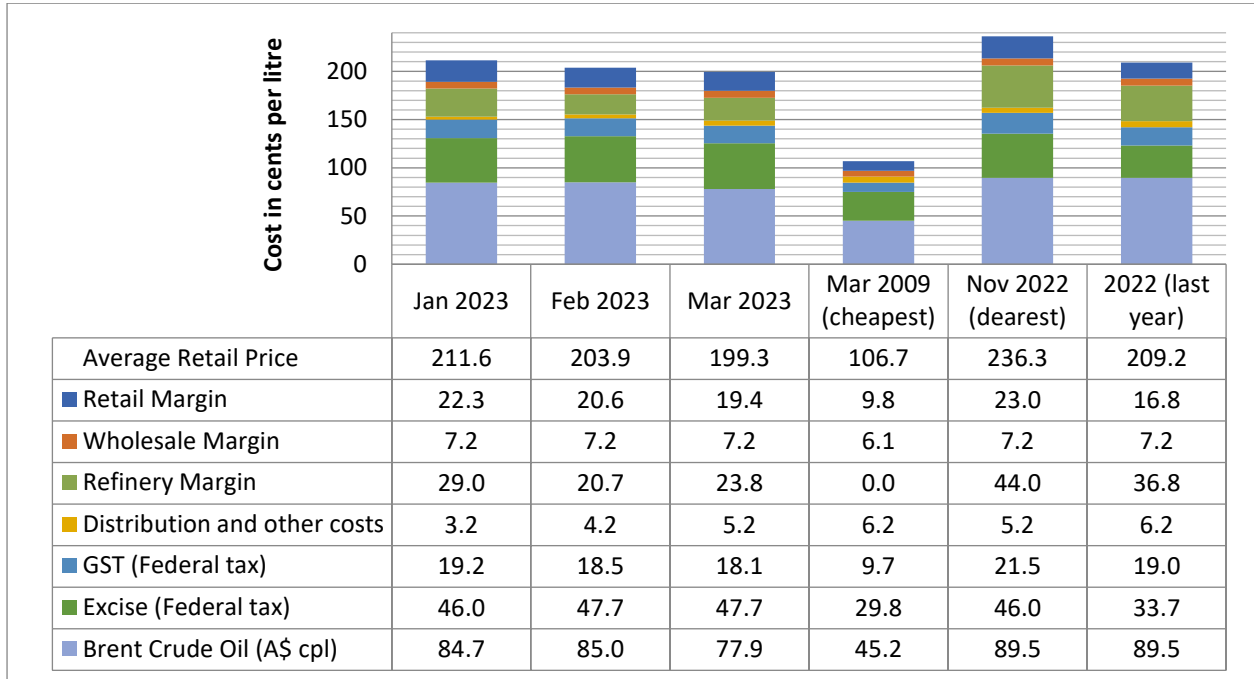


### PULP 95 cost breakdown in Brisbane



## Diesel cost breakdown in Brisbane

The chart below shows the cost breakdown for a litre of diesel sold in Brisbane in January, February and March 2023. During the quarter, refinery and retail margins decreased. For comparison, last year and March 2009 are also displayed.

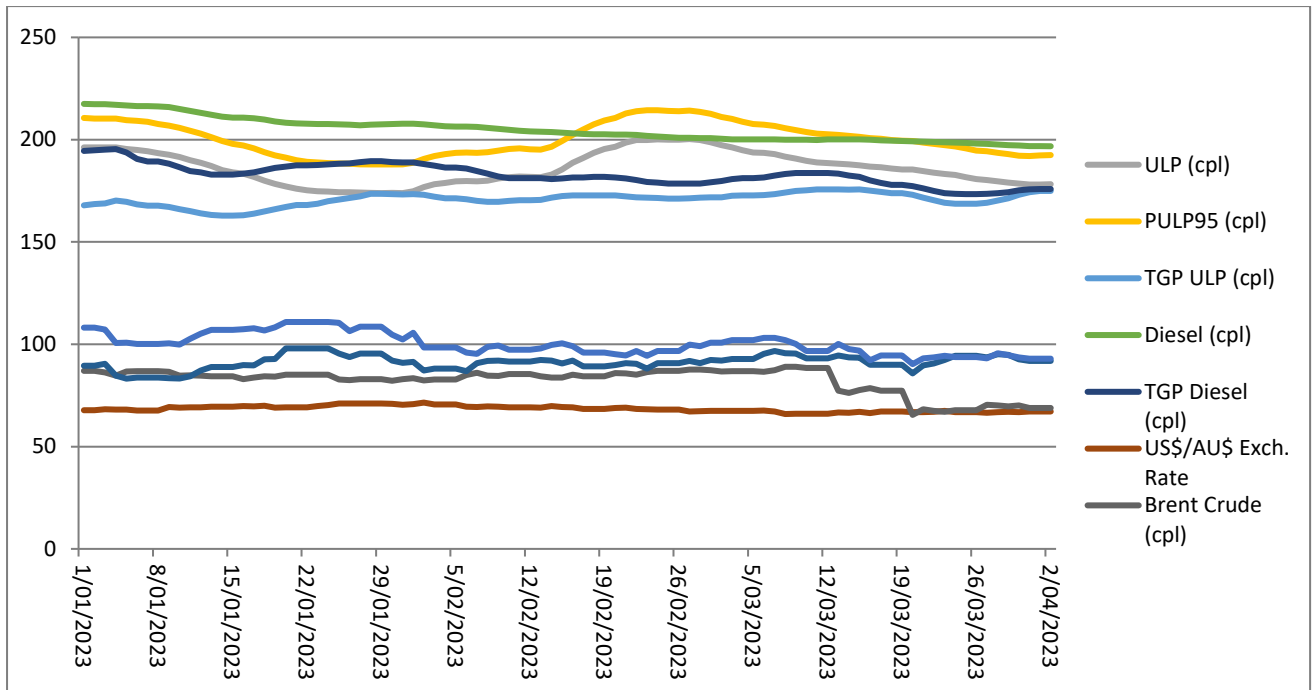


## Fuel excise

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, increasing with indexation to 23.0 cpl on 1 August 2022, and returning to the full rate of 46 cpl on 29 September 2022.

On 1 February 2023, the rate of excise increased to 47.7 cpl, after adjustment for increases in the consumer price index in the second half of 2022. The adjustment to excise coincided with the beginning of a new price cycle in Greater Brisbane, so any immediate impact of the change in excise was only a small part of the general increase in ULP prices at that time. The following change in excise will occur on 1 August 2023.

## Fuel price trends March quarter 2023



Two price cycles were observed in the Brisbane ULP market in the March quarter. The first cycle started on 13 December 2022 and lasted to 1 February 2023. During this cycle, ULP reached a high of 196.3 cpl and dropped to 173.9 cpl by the end of the cycle.

The next cycle lasted from 1 February to 31 March 2023 and had a peak of 200.3 cpl and a low of 178.1 cpl. This cycle included an indexation increase in excise of 1.7 cpl.

The last two price cycles in Brisbane have been longer in duration than average, with the price increase phase in particular taking longer than previously. It is difficult to say if longer price cycles will become typical, and the length of cycles in the June quarter will give more evidence on whether longer price cycles will continue in the future.

### Comparison to other capital cities

Brisbane was the most expensive of the five largest capital cities for ULP in March 2023, and Hobart was the only capital city more expensive than Brisbane for ULP. For diesel, Brisbane was the most expensive of the five largest capital cities in March. Darwin, Canberra and Hobart were more expensive than Brisbane for diesel. In March, Perth was the cheapest Australian capital city to buy ULP and Perth also had the lowest average price for diesel.

The tables below present the average January, February and March prices and retail margins on ULP and diesel for Australian capital cities.

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	January	February	March	January	February	March
Brisbane	184.0	188.2	187.2	14.9	15.5	13.3
Adelaide	176.7	181.1	178.3	7.3	7.3	4.4
Canberra	177.5	181.9	184.1	9.2	10.1	11.4
Darwin	176.5	177.9	179.6	3.8	1.5	2.3
Hobart	181.1	185.2	188.2	5.1	5.9	8.2
Melbourne	182.5	189.3	182.8	14.5	17.4	10.2
Perth	173.6	177.5	177.8	5.8	5.9	5.3
Sydney	178.4	193.2	185.3	10.0	21.4	12.6

\* 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		
	January	February	March	January	February	March
Brisbane	211.6	203.9	199.3	22.3	20.6	19.4
Adelaide	198.0	194.4	190.4	9.6	12.0	11.7
Canberra	215.1	210.8	207.4	26.0	27.9	27.8
Darwin	219.6	215.4	210.2	28.4	29.9	27.6
Hobart	212.3	209.5	207.4	17.3	20.5	22.1
Melbourne	208.9	202.0	195.9	19.8	18.7	16.4
Perth	197.6	192.8	188.4	10.4	11.4	10.1
Sydney	206.8	201.9	198.4	17.7	18.9	18.8

\* 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.

## Comparison of the SEQ metropolitan centres

The table below presents the average March 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		
	January	February	March	January	February	March
Brisbane Inner/West	189.4	194.5	190.1	13.7	4.0	10.2
Brisbane North	184.7	188.7	188.2	20.4	21.9	16.3
Brisbane South	182.5	184.1	182.5	15.7	16.1	14.3
BNE Bayside/Redlands	184.9	188.6	189.9	14.4	12.7	12.9
Logan	184.4	188.1	187.9	13.7	16.4	13.3
Ipswich	181.9	180.3	182.2	15.6	15.7	15.8
Moreton Bay	182.7	189.0	187.2	15.0	15.1	13.8
Gold Coast	181.9	180.3	182.2	12.8	10.9	8.0
Sunshine Coast	182.8	176.6	184.0	12.0	6.9	7.6

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

Ipswich and the Gold Coast were the cheapest centres in SEQ to buy ULP in March, with an average price of 182.2 cpl. The second lowest average price was in Brisbane South at 182.5 cpl. Brisbane Inner / West was the most expensive area in SEQ in March at 190.1 cpl.

City	Average Diesel Price (cpl)			Indicative Diesel Retail Margin		
	January	February	March	January	February	March
Brisbane Inner/West	213.3	204.4	200.5	20.1	19.2	18.6
Brisbane North	213.2	205.0	199.9	24.9	22.5	21.3
Brisbane South	213.3	205.1	198.9	24.0	21.7	20.1
BNE Bayside/Redlands	214.2	205.8	201.2	19.6	18.3	18.0
Logan	211.8	204.4	200.0	21.9	20.8	19.7
Ipswich	211.2	204.0	199.5	26.0	22.3	19.7
Moreton Bay	208.8	201.6	197.8	23.7	20.8	20.4
Gold Coast	210.9	203.9	200.0	23.5	21.2	18.4
Sunshine Coast	209.4	202.4	198.4	20.9	19.8	19.4

\* 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 diesel in March, with an average price of 197.8 cpl. The Sunshine Coast had the second lowest average price at 198.4 cpl. Brisbane Bayside/Redlands was the most expensive area for diesel in SEQ at 201.2 cpl.

## Fuel prices across Queensland

Whitsunday and Bundaberg were the cheapest Queensland regional centres to buy ULP in March at 171.9 cpl and 173.1 cpl, respectively. Warwick was third cheapest with an average ULP price of 173.5 cpl. Most regional centres also had the same or lower average price compared with Brisbane<sup>1</sup>. At 207.5 cpl, Longreach was the most expensive centre for ULP. The other locations with a higher average price than Brisbane were Blackwater, Emerald and Mt Isa.

Miles and Gympie were the cheapest locations for diesel at 188.9 cpl and 191.2 cpl, respectively. Biloela, Bowen, Charters Towers, Childers, Dalby, Gladstone, Goondiwindi, Hervey Bay, Lockyer Valley, Maryborough, Moranbah, Nambour, Rockhampton, Roma, Somerset, Toowoomba, Townsville, Warwick, Whitsunday and Yeppoon also had a lower average price than Brisbane. Longreach<sup>1</sup> was the most expensive regional centre for diesel at 215.3 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.

<sup>1</sup> 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.

City	Average ULP Price (cpl)			Indicative ULP Retail Margin		
	January	February	March	January	February	March
Brisbane	184.0	188.2	187.2	14.9	15.5	13.3
Rest of Queensland	181.0	189.4	179.0	na	na	na
Atherton	180.0	180.6	183.5	5.7	2.6	4.9
Beaudesert	173.2	178.5	181.9	3.3	5.1	7.2
Biloela	180.6	180.6	180.6	7.2	3.2	2.8
Blackwater	199.9	199.9	199.9	24.8	20.9	20.4
Bowen	172.3	175.2	177.6	-2.8	-3.7	-1.9
Bundaberg	167.4	172.9	173.1	-5.0	-3.1	-4.2
Cairns	174.4	175.7	178.1	0.9	-1.6	0.2
Charters Towers	181.0	185.8	185.8	6.5	7.6	6.9
Childers	178.9	180.3	180.7	6.9	4.8	3.9
Dalby	167.7	172.2	175.9	-3.3	-2.3	0.1
Emerald	188.2	188.5	189.2	12.4	8.7	9.0
Gladstone	173.3	173.2	174.3	1.1	-2.9	-2.3
Goondiwindi	170.1	171.4	176.9	-2.3	-4.5	-0.3
Gympie	172.1	178.2	180.4	1.6	4.2	5.1
Hervey Bay	168.8	174.9	177.0	-3.0	-0.4	0.4
Ingham	183.3	178.1	178.5	9.0	0.0	-0.2
Innisfail	179.0	178.3	181.1	4.7	0.3	2.4
Kingaroy	168.1	173.9	174.6	-2.8	-0.6	-1.1
Lockyer Valley	173.4	175.0	178.5	3.4	1.5	3.7
Longreach	209.3	209.5	207.5	29.3	25.6	23.1
Mackay	178.5	178.0	179.0	5.8	1.0	1.5
Mareeba	182.8	182.9	183.4	8.7	5.1	5.0
Maryborough	173.3	174.1	176.9	1.9	-0.8	0.7
Miles	166.0	166.0	176.0	-6.3	-9.8	-1.1
Moranbah	179.0	178.7	178.5	4.4	-0.2	-0.8
Mount Isa	201.1	199.9	199.1	18.9	13.9	12.6
Nambour	180.3	175.8	177.7	10.4	2.4	3.1
Noosa	180.0	179.2	180.0	10.0	5.7	5.2
Rockhampton	171.2	174.8	178.0	-2.1	-2.5	0.4
Roma	180.4	179.9	179.7	6.7	2.7	1.3
Somerset	176.9	174.3	178.6	6.9	0.7	3.8
Toowoomba	170.9	173.0	175.5	0.7	-0.7	0.6
Townsville	169.5	174.1	175.4	-3.6	-2.9	-2.1
Tully	180.8	184.2	185.7	5.9	5.6	6.5
Warwick	169.7	173.6	173.5	-0.8	-0.4	-1.8
Whitsunday	166.3	169.0	171.9	-7.6	-9.3	-6.8
Yeppoon	174.7	177.3	180.5	1.0	-0.3	2.5

\* 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		
	January	February	March	January	February	March
Brisbane	211.6	203.9	199.3	22.3	20.6	19.4
Rest of Queensland	211.0	203.9	199.6	na	na	na
Atherton	220.1	209.9	201.0	27.2	22.8	17.3
Beaudesert	208.1	203.1	199.6	18.1	19.0	18.9
Biloela	217.2	205.5	194.3	25.9	19.7	11.9
Blackwater	231.4	227.2	211.6	38.4	39.7	27.4
Bowen	201.5	197.7	193.0	8.2	10.2	8.9
Bundaberg	209.7	206.1	203.3	17.1	19.4	20.0
Cairns	219.1	207.4	202.4	27.0	21.1	19.5
Charters Towers	207.7	199.0	196.7	15.1	12.1	13.1
Childers	204.4	201.2	197.2	12.3	15.0	14.5
Dalby	199.6	194.3	192.2	8.4	9.1	10.4
Emerald	232.5	224.4	210.4	38.7	36.2	25.5
Gladstone	205.5	195.6	191.6	15.4	11.0	10.4
Goondiwindi	206.4	197.0	192.4	13.8	10.4	9.3
Gympie	197.5	194.7	191.2	6.8	9.9	9.9
Hervey Bay	206.4	202.5	198.7	14.5	16.5	16.2
Ingham	217.9	203.4	202.0	25.4	16.7	18.7
Innisfail	211.8	206.2	204.9	18.8	19.1	21.1
Kingaroy	212.0	208.8	203.2	20.9	23.6	21.4
Lockyer Valley	205.2	198.1	196.6	15.0	13.9	15.8
Longreach	235.1	226.1	215.3	37.1	33.7	26.3
Mackay	212.7	205.2	200.7	22.0	20.2	19.2
Mareeba	220.2	210.8	202.4	27.4	23.9	18.8
Maryborough	202.9	196.4	193.4	11.3	10.8	11.2
Miles	200.3	185.4	188.9	7.9	-1.1	5.9
Moranbah	215.7	209.7	198.8	23.1	22.7	15.4
Mount Isa	225.0	217.5	213.6	24.7	23.0	22.4
Nambour	203.2	197.6	193.9	13.2	13.6	13.2
Noosa	215.6	204.0	200.2	25.4	19.8	19.4
Rockhampton	204.5	199.0	198.4	13.3	13.4	16.1
Roma	212.9	199.9	194.7	19.0	12.1	10.2
Somerset	206.0	199.2	195.0	15.8	15.0	14.2
Toowoomba	207.6	200.7	197.0	17.2	16.3	16.1
Townsville	204.7	198.9	195.1	13.4	13.3	12.9
Tully	218.6	209.3	203.3	25.2	21.6	19.0
Warwick	202.9	199.0	196.7	12.2	14.4	15.4
Whitsunday	209.5	201.2	199.0	17.6	14.9	16.2
Yeppoon	206.5	199.7	196.6	14.9	13.6	13.8

\* 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 January, February and March 2023, in US\$/bbl (US\$ per barrel), A\$/bbl and A\$-cpl.

	January	February	March
Brent crude oil US\$/bbl	93.5	93.5	82.8
Brent crude oil A\$/bbl	134.7	135.2	123.8
Brent crude oil A\$-cpl	84.7	85.0	77.9

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 in the June quarter 2022. The international oil price fell in US dollar terms between the September quarter 2022 to the March quarter 2023, reaching an average of just under US\$ 90 in the March quarter, including a decline in average prices in March. In Australian dollar terms, the international oil price declined gradually during the March quarter, reaching an average of \$124 per barrel in March, as the fall in the Australian dollar against the US dollar was not enough to offset lower prices in US dollars.

The latest forecasts for the average value of Brent crude oil in 2023 by market analysts and the US Energy Information Administration are for an average of US\$ 83, subject to several risk factors – the level of production and exports from Russia, the ability of non-OPEC countries to increase production and the rate of recovery of economic activity and oil demand in China.

In the June quarter, oil prices are likely to recover from the lower prices in March 2023, which reflected concerns about stability of the financial system with the failure of several banks in the US and Europe. Crude oil prices rose at the beginning of April, following news of a planned cut in production by OPEC members by 1.16 million barrels per day.

If average petrol and diesel margins are maintained, retail ULP prices in SEQ in the June quarter would be slightly higher than the average in the March quarter and in regional Queensland would also be slightly higher than the March 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 6 July 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.