

# Petrol Prices

## January 2006

### Summary

#### Average Petrol Prices

Darwin	124.9 cpl	▲ 1.8 cpl (1.5%)
Eight Capitals	119.2 cpl	▲ 6.0 cpl (5.3%)

### Analysis

The Australian Automobile Association reports average retail unleaded petrol prices increased across all capital cities in Australia in January 2006 (see chart opposite and table on next page).

In Darwin, prices increased by 1.8 cpl (1.5%) to 124.9 cpl, while nationally the eight capital cities weighted average price increased by 6.0 cpl (5.3%) to 119.2 cpl. Compared to January 2005, Darwin prices are 17.6 cpl higher (16.4%), while the eight capital cities weighted average price increased by 24.9 cpl (26.4%).

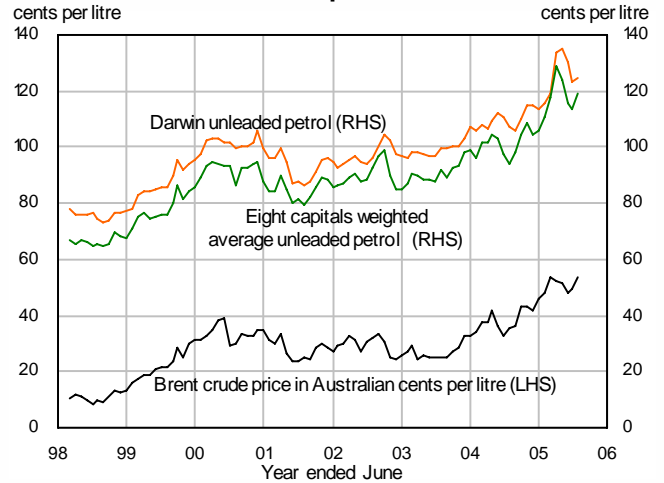
Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices increased by 8.2% to A\$84.81 per barrel in the month to January 2006. Compared to January 2005, crude oil prices have increased by 48.7% in A\$ terms and by 44.2% in US\$ terms. The appreciation of the A\$ by 3.0% against the US\$ from January 2005 to January 2006 explains the difference in the rate of increase in oil prices in A\$ and US\$ terms.

In US\$ terms, the average price of crude oil increased by 10.7% to US\$63.69 a barrel in January 2006. The rise in crude oil prices in the month has been affected by instability in Nigeria (the world's eighth largest oil exporter) and increased tensions between the US and Iran (the world's fourth largest oil exporter).

Darwin retail fuel prices tend to be higher than other capital cities, due to distance from refineries and other competitive factors. Over the long term, movements in Darwin retail fuel prices closely mirror national trends but in the short term can be highly volatile (primarily due to supply side factors and lags in the distribution chain). In the larger cities, though not evident in Darwin, there can also be significant daily price fluctuations reflecting aggressive price competition between retail outlets.

The Australian Government's Fuel Sales Grants Scheme is scheduled to cease from 1 July 2006. The Scheme was introduced to compensate regional and remote motorists for fuel price increases associated with the introduction of the GST. The grant is 1 cpl in Darwin, 2 cpl elsewhere in the Territory and 3 cpl in exceptional circumstances. The Northern Territory Government continues to rebate retail fuel at 1.1 cpl. Shell data for January 2006 report that taxation on unleaded petrol in Darwin is the third lowest of the capital cities, behind Brisbane and Hobart.

### Petrol and Crude Oil Prices in Australian Cents Per Litre



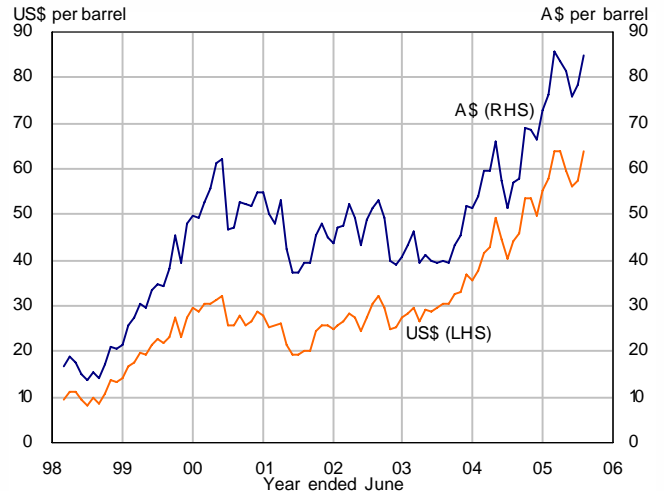
Source: Australian Automobile Association, Reserve Bank of Australia, Oilergy

### Australian Dollar Exchange Rate



Source: Reserve Bank of Australia

### Brent Crude Oil Prices



Source: Reserve Bank of Australia, Oilergy

Released: 14 February 2006  
Next Release: Mid-March 2006

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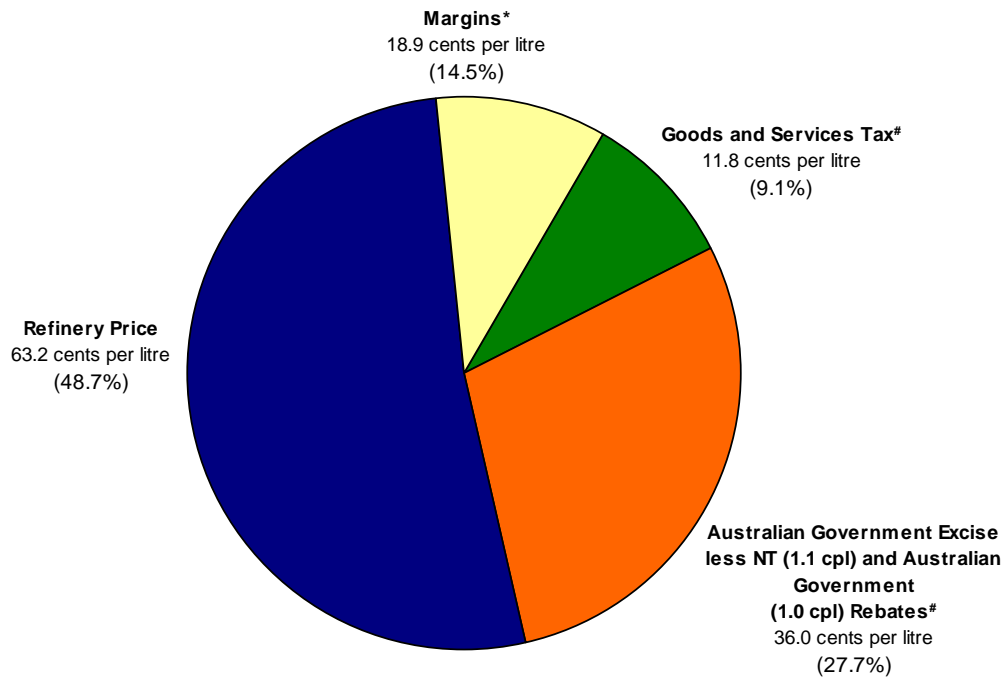
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## Unleaded Petrol Prices January 2006

	Jan 05	Dec 05	Jan 06	% Change	
				Month	Year
<b>Retail petrol price (cpl)</b>					
Darwin	107.3	123.1	<b>124.9</b>	1.5%	16.4%
Alice Springs	114.0	130.4	<b>131.4</b>	0.8%	15.3%
Katherine	110.0	124.2	<b>124.6</b>	0.3%	13.3%
Tennant Creek	112.5	130.6	<b>133.1</b>	1.9%	18.3%
8 Capitals weighted average	94.4	113.2	<b>119.2</b>	5.3%	26.4%
<b>Brent Crude price in A\$ per barrel</b>					
	57.02	78.38	<b>84.81</b>	8.2%	48.7%
<b>Brent Crude price (A\$ cpl)</b>					
	35.86	49.30	<b>53.34</b>		

Source: Australian Automobile Association, Oilnergy, Reserve Bank of Australia

## Cost Components of Darwin Shell Unleaded Petrol at 14 February 2006 (based on retail price of 129.9 cents per litre)



Source: Shell Australia

\* Margins includes transport / distribution costs and wholesale and retail margins.

# The tax component is not the same as that listed on the Shell website. Shell calculations exclude the 1.0cpl Commonwealth rebate.

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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Northern Territory Government  
Northern Territory Treasury