

# Petrol Prices

## July 2006

### Summary

#### Average Petrol Prices

Darwin	144.8 cpl	▲	1.4 cpl (1.0%)
Eight Capitals	136.0 cpl	▼	0.4 cpl (0.3%)

### Analysis

In July 2006 the Australian Automobile Association reported a slight decrease in average retail unleaded petrol prices across all capital cities except Adelaide and Darwin.

In Darwin, prices increased by 1.4 cpl (1.0%) to 144.8 cpl, while nationally the eight capital cities weighted average price decreased by 0.4 cpl (0.3%) to 136.0 cpl. Compared to July 2005, Darwin prices are 29.5 cpl higher (25.6%), while the eight capital cities weighted average price has increased by 25.2 cpl (22.7%) over the same period (see top chart).

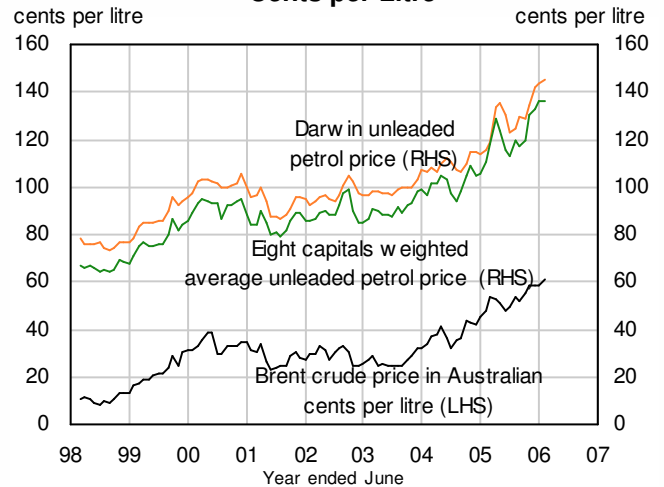
Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices increased by 3.5% to A\$96.98 per barrel in July 2006. Compared to July 2005, crude oil prices have increased by 27.1% in A\$ terms and by 28.1% in US\$ terms.

In US\$ terms, the average price of crude oil increased by 6.6% to US \$74.27 a barrel in July 2006. Crude oil prices are expected to remain above \$US70 over 2006 due primarily to growth in world demand, only modest growth in world surplus oil production capacity as well as the continuing risks of geopolitical instability.

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.

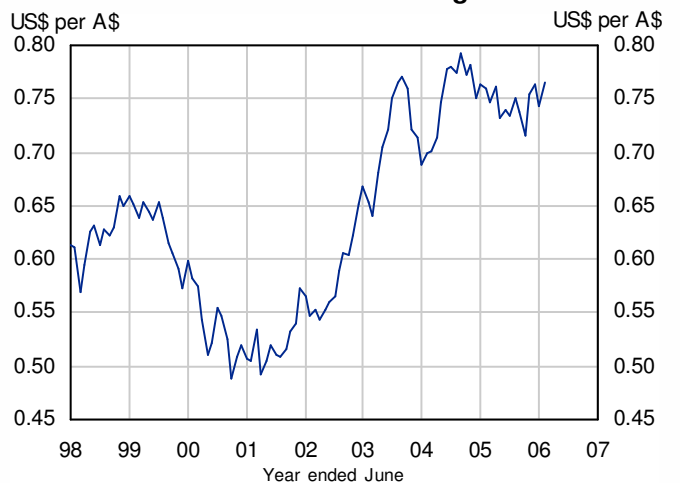
The Australian Government's Fuel Sales Grants Scheme ceased on 1 July 2006. This scheme reduced fuel price by 1 cpl in Darwin, 2 cpl elsewhere in the Territory and 3 cpl in exceptional circumstances. A new fuel tax credit system was introduced on 1 July 2006 which is available to eligible businesses. The Northern Territory Government continues to rebate retail fuel at 1.1 cpl. Shell data for July 2006 report that taxation on unleaded petrol in Darwin is the equal second lowest of the capital cities, behind Brisbane.

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



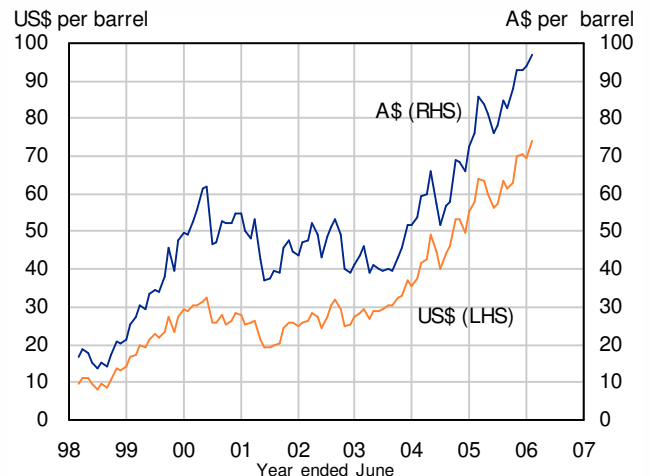
Source: Australian Automobile Association, Reserve Bank of Australia, Oilergy

### Australian Dollar Exchange Rate



Source: Reserve Bank of Australia

### Brent Crude Oil Prices



Source: Reserve Bank of Australia, Oilergy

Released: 11 August 2006  
Next Release: Mid-September 2006

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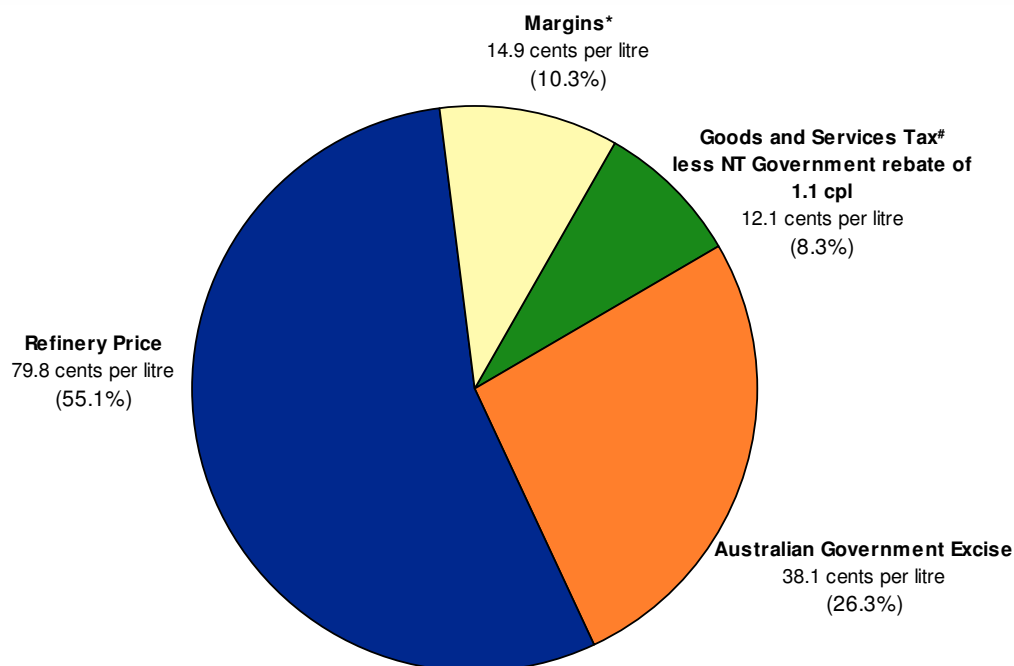
July 2006

## Unleaded Petrol Prices July 2006

	Jul 05	Jun 06	Jul 06	% Change	
				Month	Year
<b>Retail petrol price (cpl)</b>					
Darwin	115.3	143.4	<b>144.8</b>	1.0%	25.6%
Alice Springs	120.8	147.4	<b>149.6</b>	1.5%	23.8%
Katherine	112.1	144.3	<b>145.5</b>	0.8%	29.8%
Tennant Creek	124.0	152.5	<b>152.5</b>	0.0%	23.0%
8 Capitals weighted average	110.8	136.4	<b>136.0</b>	-0.3%	22.7%
<b>Brent Crude price in A\$ per barrel</b>					
	76.33	93.72	<b>96.98</b>	3.5%	27.1%

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

## Cost Components of Darwin Shell Unleaded Petrol at 10 August 2006 (based on retail price of 144.9 cents per litre)



Source: Shell Australia

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

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