

## Summary

(average price in the month, annual % change)

Darwin	125.6 cpl	↓ 3.6%
Eight Capital	112.9 cpl	↓ 2.2%

## Monthly

In November 2006, the Australian Automobile Association reported a decrease in average retail unleaded petrol prices across most capital cities, with the exception of Brisbane and Adelaide which recorded increases of 2.0% and 0.1% respectively.

In Darwin, fuel prices decreased by 2.7 cpl (2.1%) to 125.6 cpl, while nationally the eight capital cities weighted average price decreased by 2.0 cpl (1.7%) to 112.9 cpl (see chart 1).

In A\$ terms, crude oil prices decreased by 4.3% to A\$79.83 per barrel in November 2006. In US\$ terms, the average price of crude oil decreased by 1.9% to US \$61.64 per barrel.

## Annual

In annual terms, Darwin fuel prices decreased by 4.7 cpl (3.6%) to 125.6 cpl, while nationally the eight capital cities weighted average price decreased by 2.5 cpl (2.2%) to 112.9 cpl.

Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices increased by 0.7%, while increasing by 5.2% in US\$ terms since November 2005 (see chart 3).

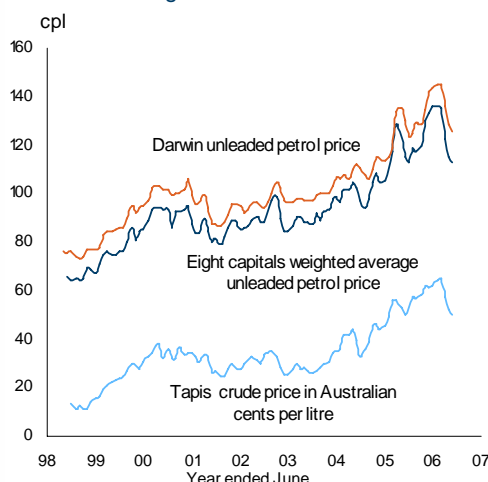
## Context

Recent downward pressure on crude oil prices reflects the uneventful hurricane season in North America and relatively high inventory levels reported by major oil refiners. Further moderate falls are possible in the short term, however there is a potential for prices to rise again over 2006-07. Prices continue to be driven by growth in world demand, modest growth in world surplus oil production capacity, and 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).

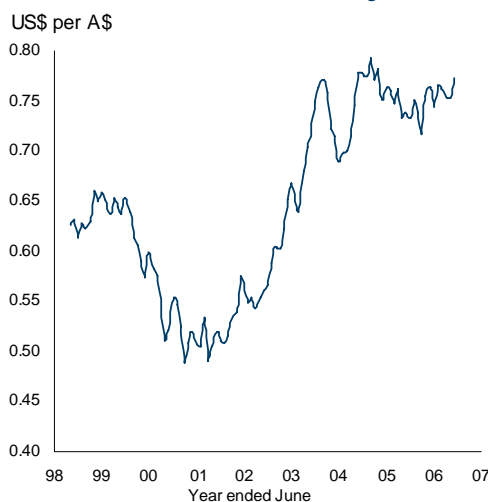
The Australian Government's Fuel Sales Grants Scheme ceased on 1 July 2006. A new fuel tax credit system was introduced on 1 July 2006 which is available to eligible businesses.

**Chart 1: Average Unleaded Petrol Prices**



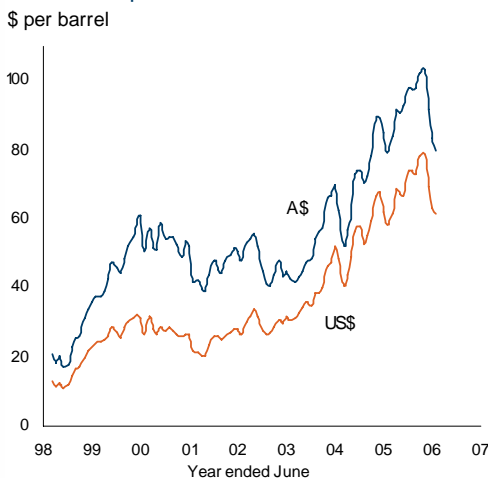
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

**Chart 2: Australian Dollar Exchange Rate**



Source: Reserve Bank of Australia

**Chart 3: Tapis Crude Oil Prices**



Source: Reserve Bank of Australia, Energy Information Administration

## Unleaded Petrol Prices

	October month	November month	change monthly <sup>1</sup>	change annual <sup>2</sup>	change year on year <sup>3</sup>
<b>Northern Territory</b>					
retail petrol price (cpl)					
<i>Darwin</i>	128.3	125.6	-2.1%	-3.6%	13.9%
<i>Alice Springs</i>	133.7	128.9	-3.6%	-5.6%	11.3%
<i>Katherine</i>	128.7	127.1	-1.2%	0.3%	15.6%
<i>Tennant Creek</i>	137.7	133.0	-3.4%	-1.7%	12.5%
<b>Australia</b>					
retail petrol price (cpl)	114.9	112.9	-1.7%	-2.2%	13.8%
Tapis crude price in \$A per barrel	83.44	79.83	-4.3%	0.7%	26.4%

<sup>1</sup> compares the latest month with the previous month

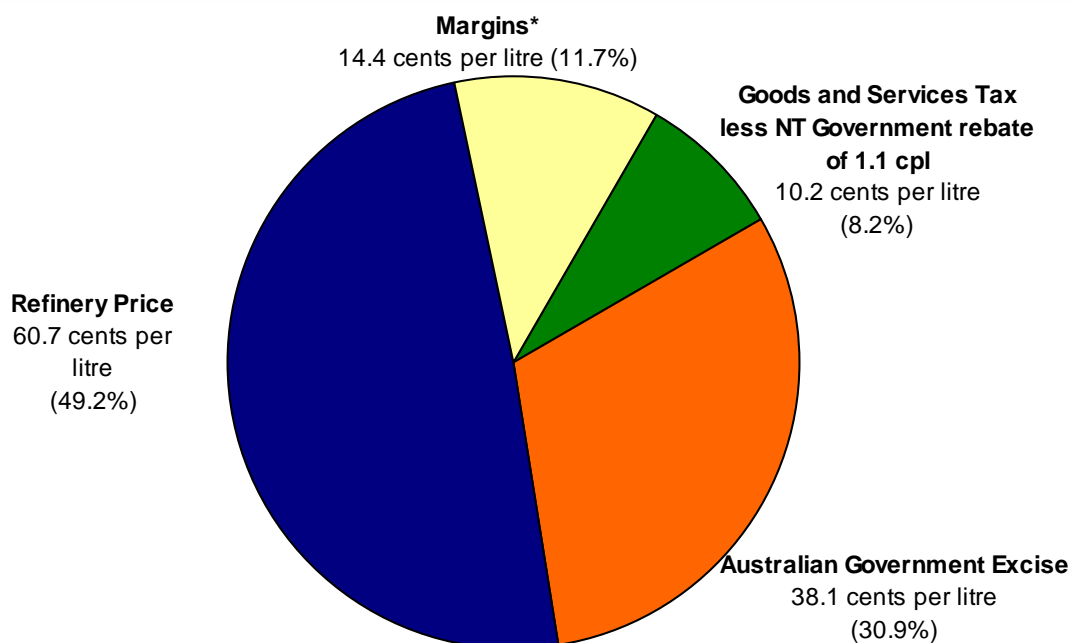
<sup>2</sup> compares the latest month with the same month last year

<sup>3</sup> compares the 12 months up to and including the latest month with the previous 12 month period

Caution is advised when using monthly data for the Territory, which is often derived from small samples and highly volatile.

Source: Australian Automobile Association, Energy Information Administration, Reserve Bank of Australia

**Chart 4: Cost Components of Darwin Shell Unleaded petrol at 12 December 2006**  
(based on retail price of 123.4 cents per litre)



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

Source: Shell Australia

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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