

## Summary

### (average price in the month, annual change)

Darwin	128.3 cpl	↓ 6.7 cpl (5.0%)
Eight Capital	114.9 cpl	↓ 8.7 cpl (7.1%)

## Monthly

In October 2006, the Australian Automobile Association reported a decrease in average retail unleaded petrol prices across all capital cities.

In Darwin, fuel prices decreased by 7.5 cpl (5.5%) to 128.3 cpl, while nationally the eight capital cities weighted average price decreased by 7.9 cpl (6.5%) to 114.9 cpl.

In A\$ terms, crude oil prices decreased by 9.1% to A\$83.44 per barrel in October 2006. In US\$ terms, the average price of crude oil decreased by 9.6% to US \$62.84 a barrel.

## Annual

In annual terms, Darwin fuel prices decreased by 6.7 cpl (5.0%) to 128.3 cpl, while nationally the eight capital cities weighted average price decreased by 8.7 cpl (7.1%) to 114.9 cpl.

Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices decreased by 1.7%, while increasing by 1.0% in US\$ terms since October 2005.

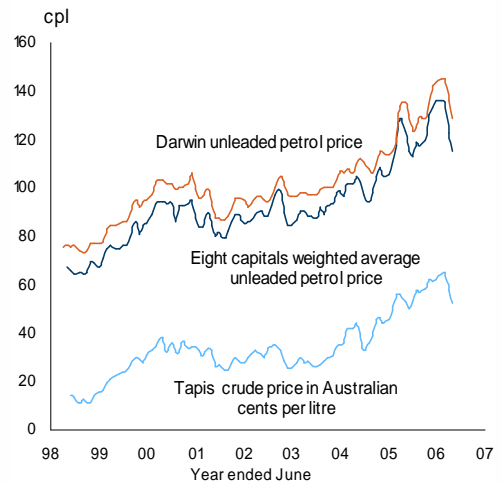
Recent downward pressure on crude oil prices has resulted from the easing of a number of risk premiums previously factored into global prices. Further moderate falls are possible in the short term, however there is a potential for prices to rise again over 2006/07. Prices continue to be driven by growth in world demand, 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).

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.

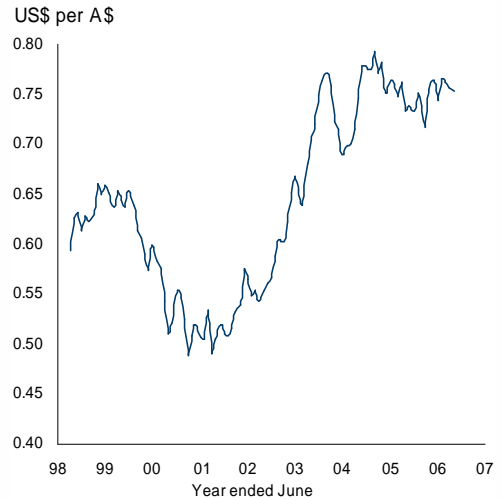
Shell data for October 2006 report that taxation on unleaded petrol in Darwin is third highest of the capital cities, behind Canberra and Perth.

**Chart 1: Average Unleaded Petrol Prices**



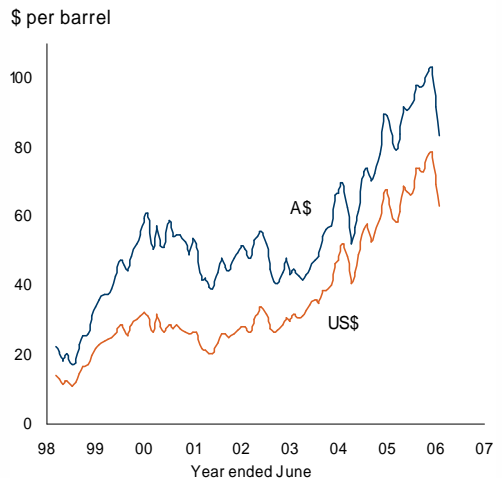
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

**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

	September month	October 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>	135.8	128.3	-5.5%	-5.0%	15.7%
<i>Alice Springs</i>	142.0	133.7	-5.8%	-5.3%	13.1%
<i>Katherine</i>	135.0	128.7	-4.7%	-1.8%	17.0%
<i>Tennant Creek</i>	148.8	137.7	-7.5%	-2.3%	13.7%
<b>Australia</b>					
retail petrol price (cpl)	122.8	114.9	-6.5%	-7.1%	15.1%
Tapis crude price in \$A per barrel	91.85	83.44	-9.1%	-1.7%	28.8%

<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

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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