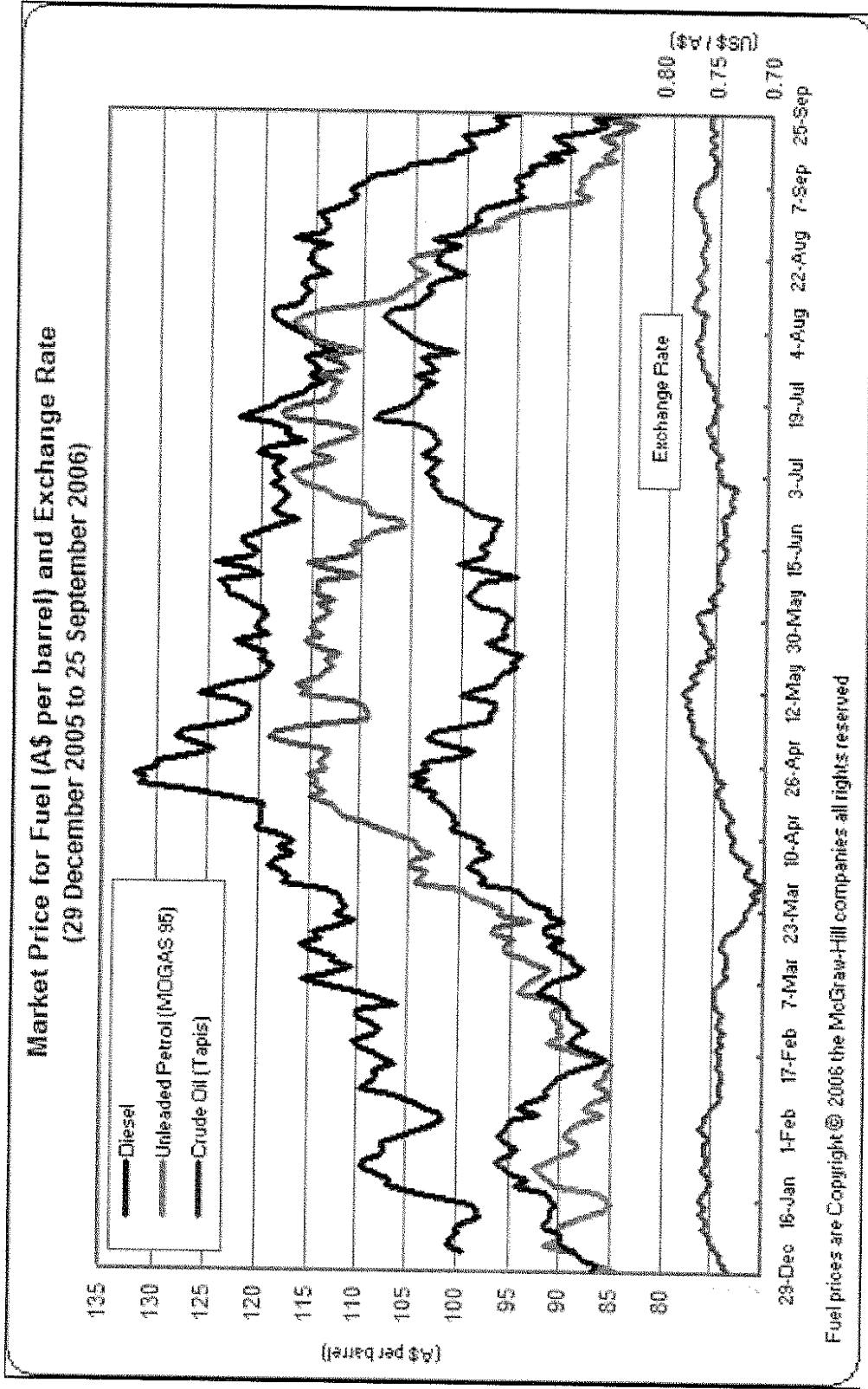


Inquiry into the Price of Petrol in Australia

***Federal Parliament
(Senate Economics Committee)***

**John Tilley - Executive Director
Paul Barrett - Deputy Executive Director
Nathan Dickens - General Manager, Policy**

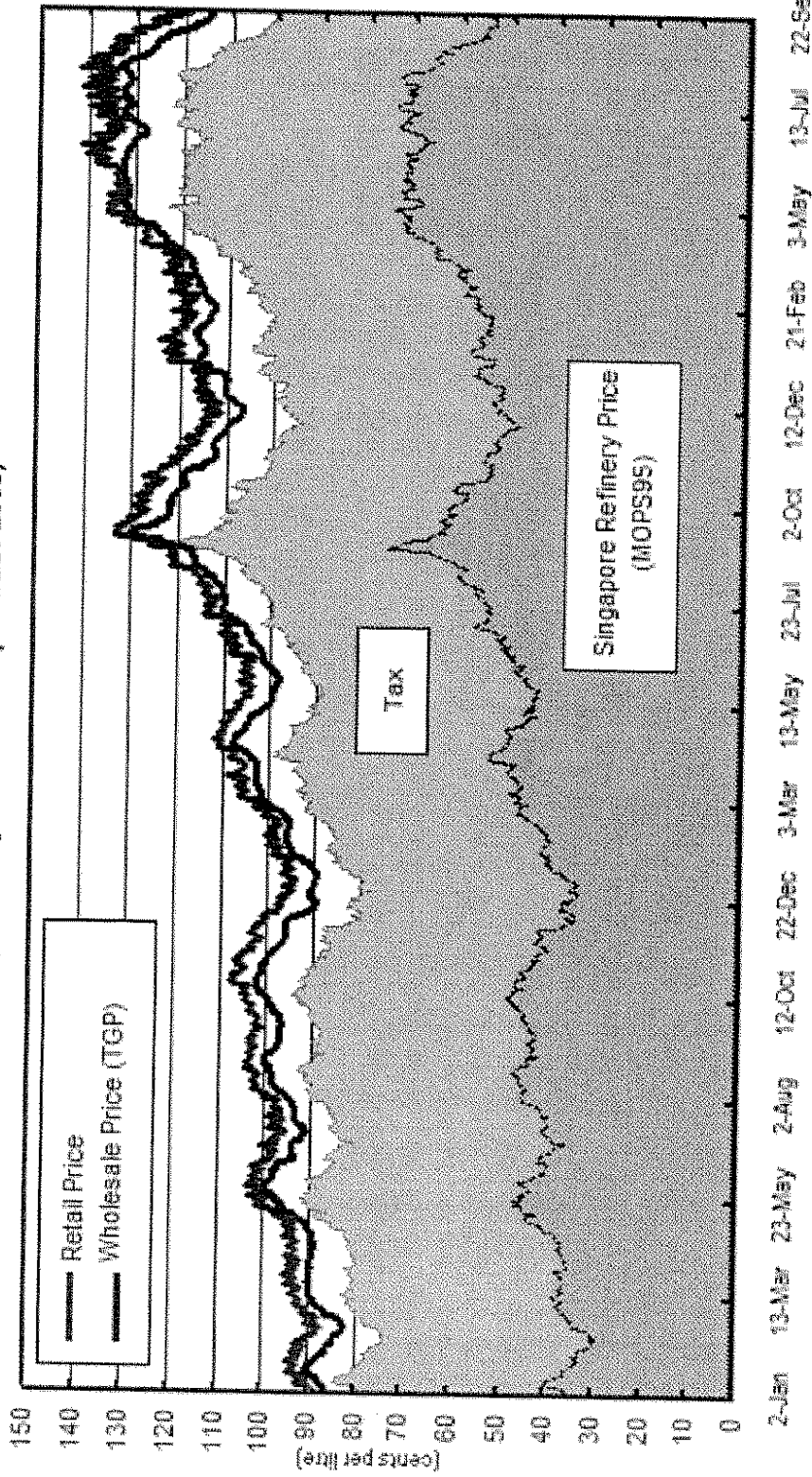
Market Watch



UPDATE OF FIGURE 6 (p14) IN
AIP SUBMISSION

Market Snapshot

Daily Prices for Unleaded Petrol - Australian National Average
(2 January 2004 to 22 September 2006)

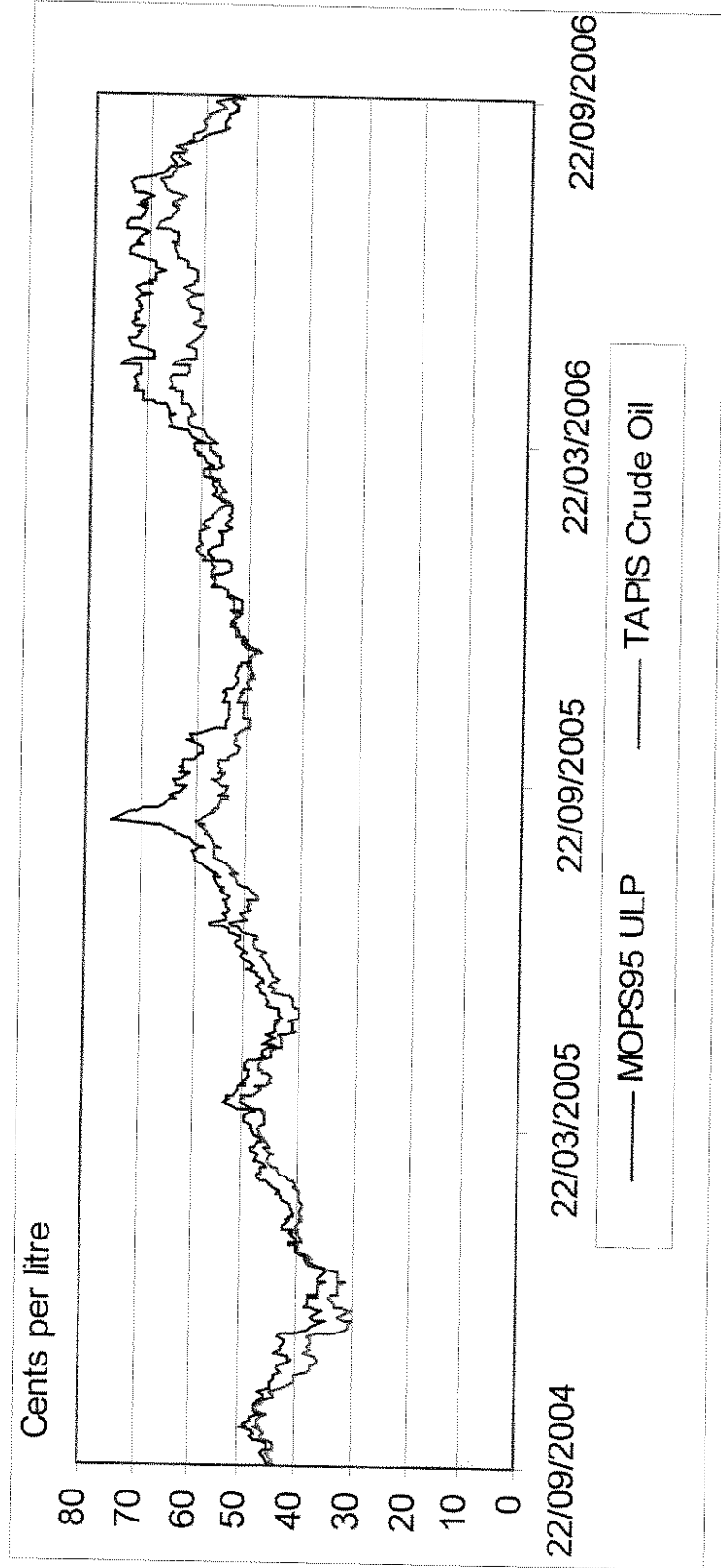


Singapore fuel prices are Copyright © 2006 the McGraw-Hill companies all rights reserved



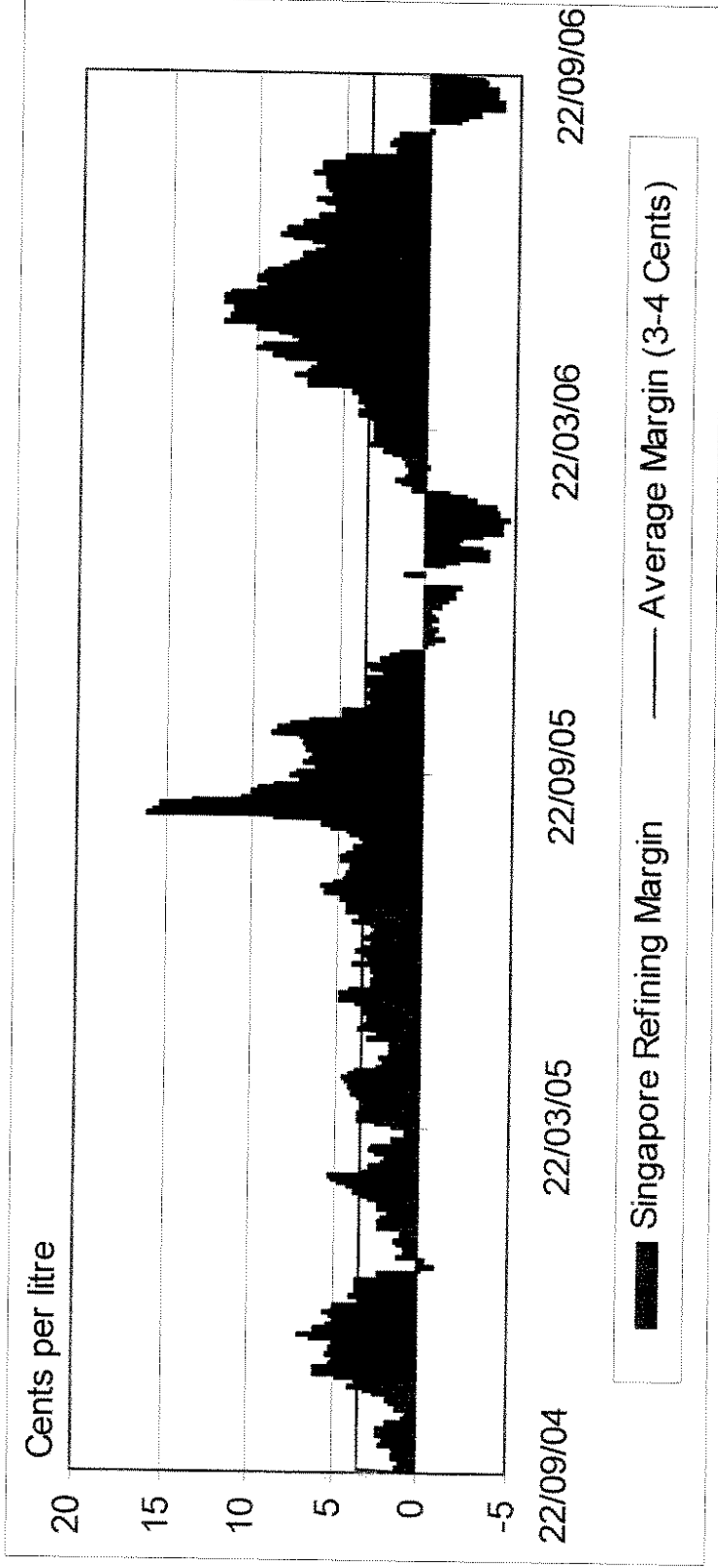
UPDATE OF FIGURE 10 (p19) IN
AIP SUBMISSION

Movements in Market Prices: Tapis Crude Oil & MOPS95 Unleaded Petrol



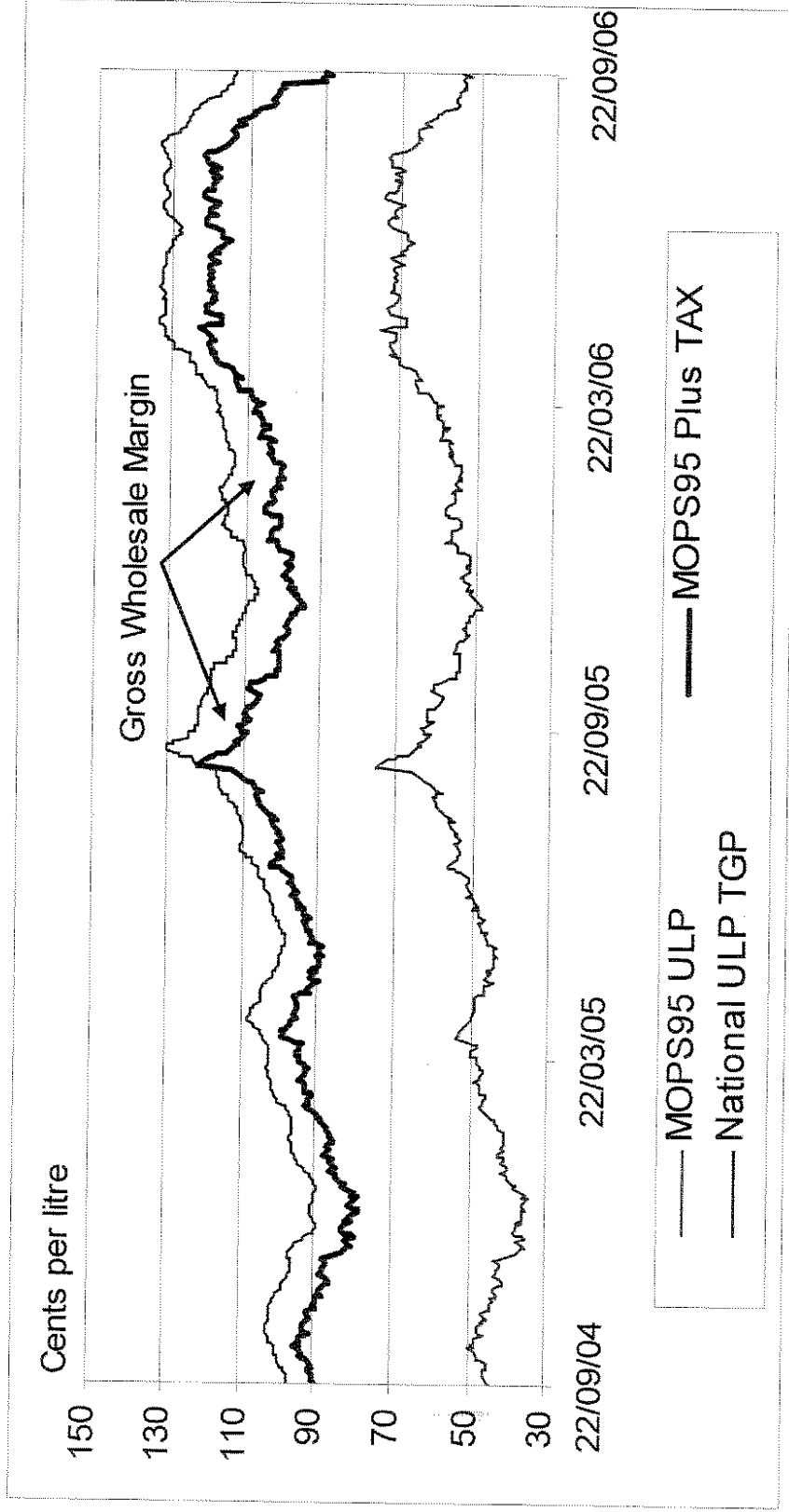
UPDATE OF FIGURE 7 (p15) IN
AIP SUBMISSION

Singapore Refiner Margin



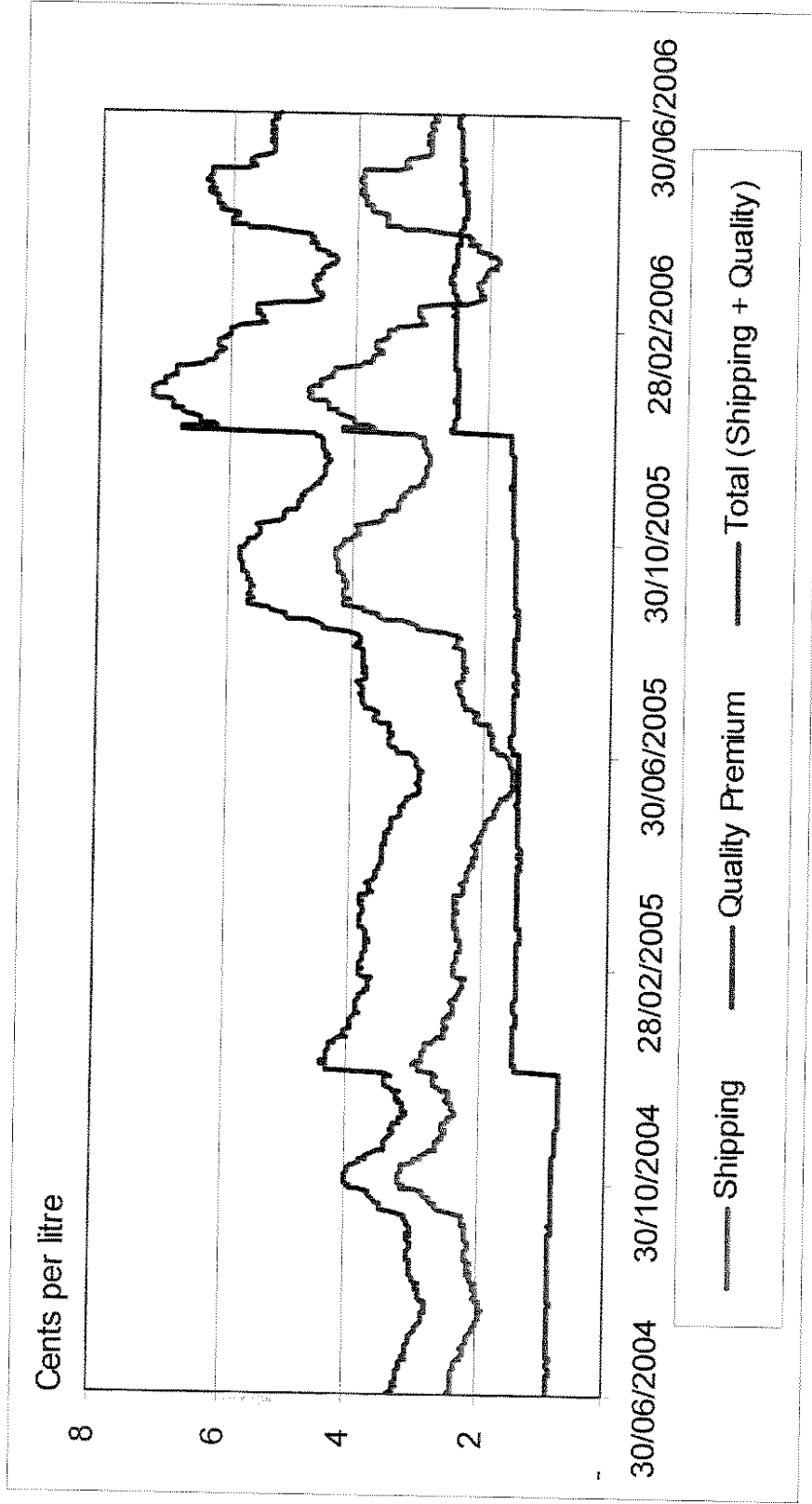
UPDATE OF FIGURE 8 (p15) IN
AIP SUBMISSION

Movements in the indicative 'Gross Wholesale Margin'

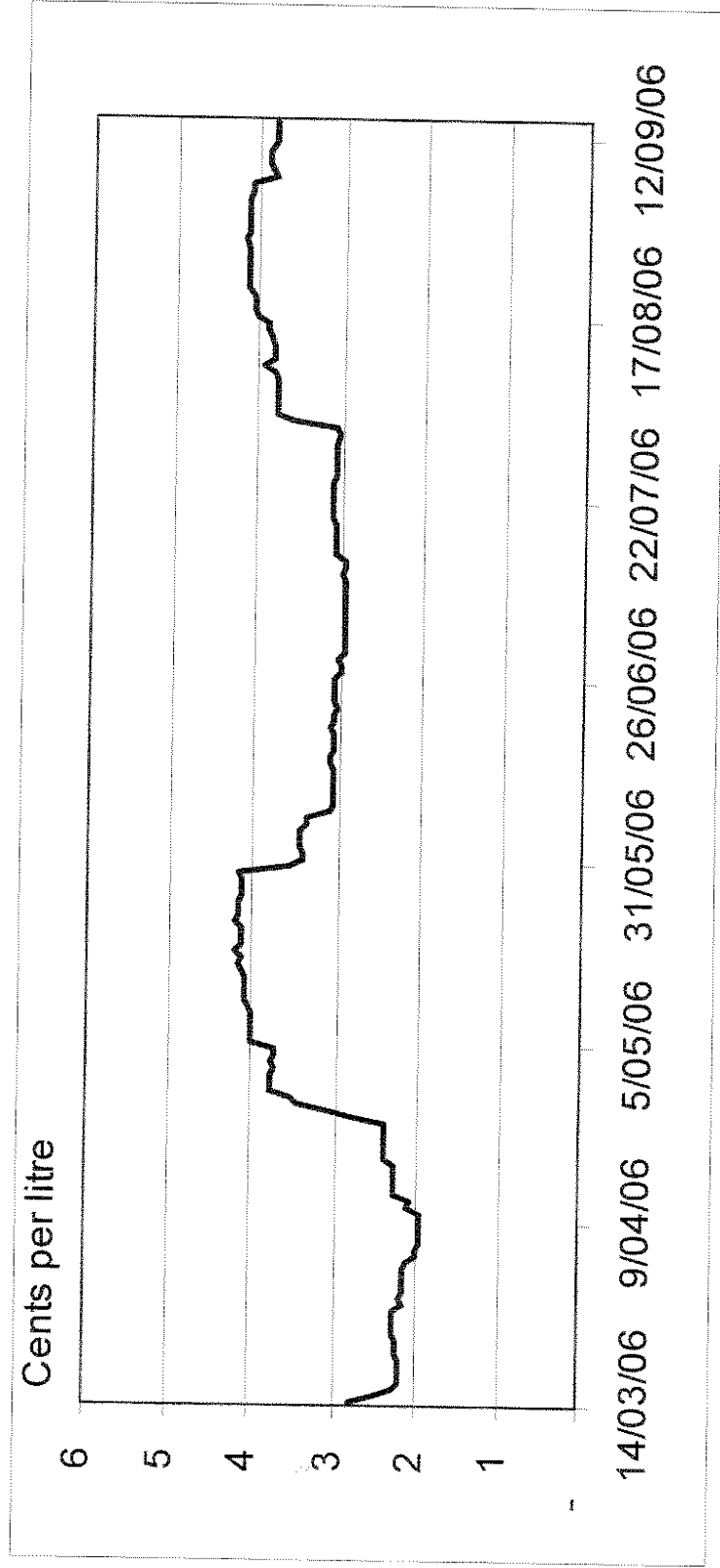


UPDATE OF FIGURE (page v) IN
AIP SUBMISSION

Increases in Freight Rates & Quality Premia

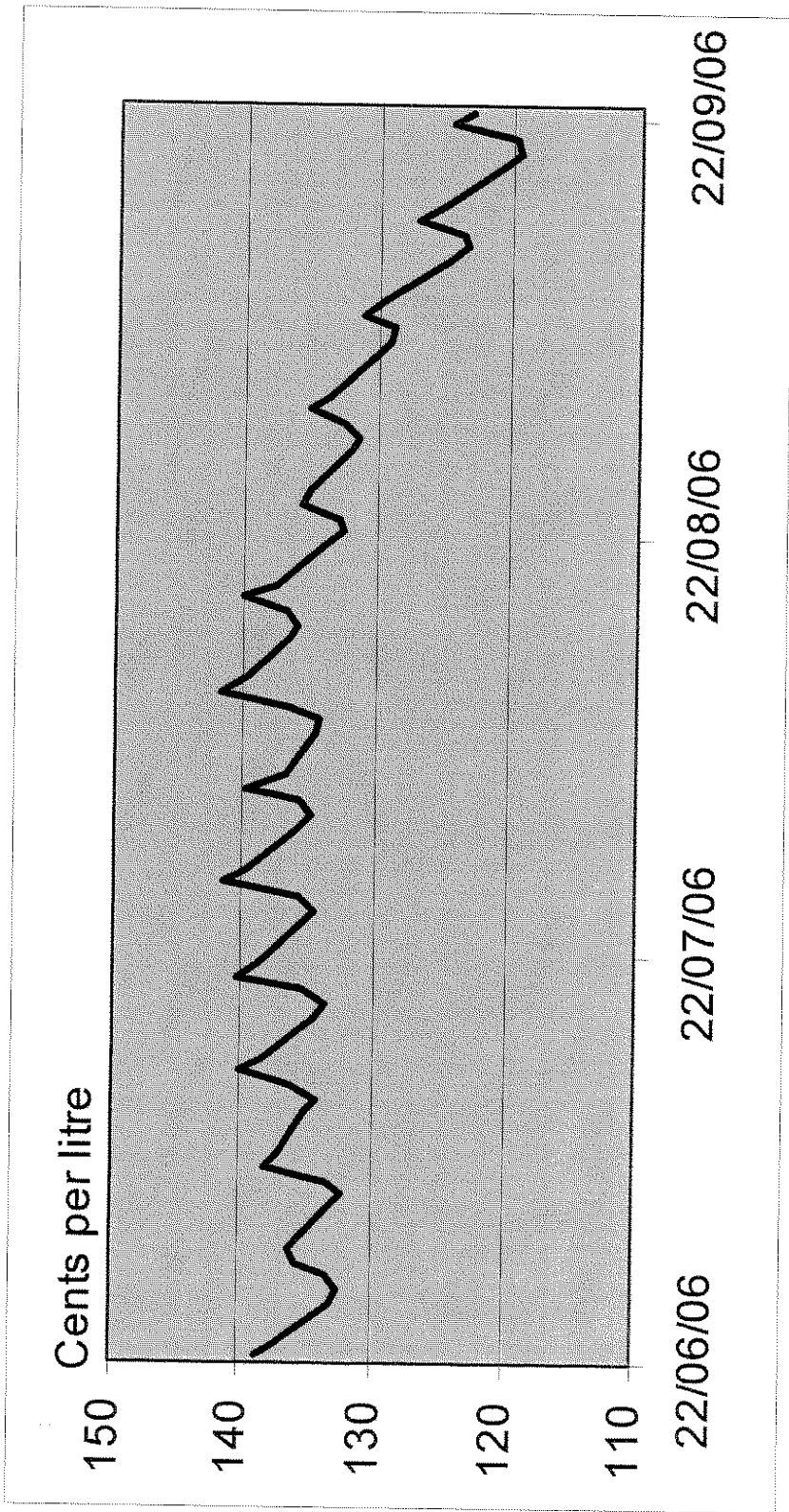


Freight Rates last 6 months (Singapore – Australia : Platts)



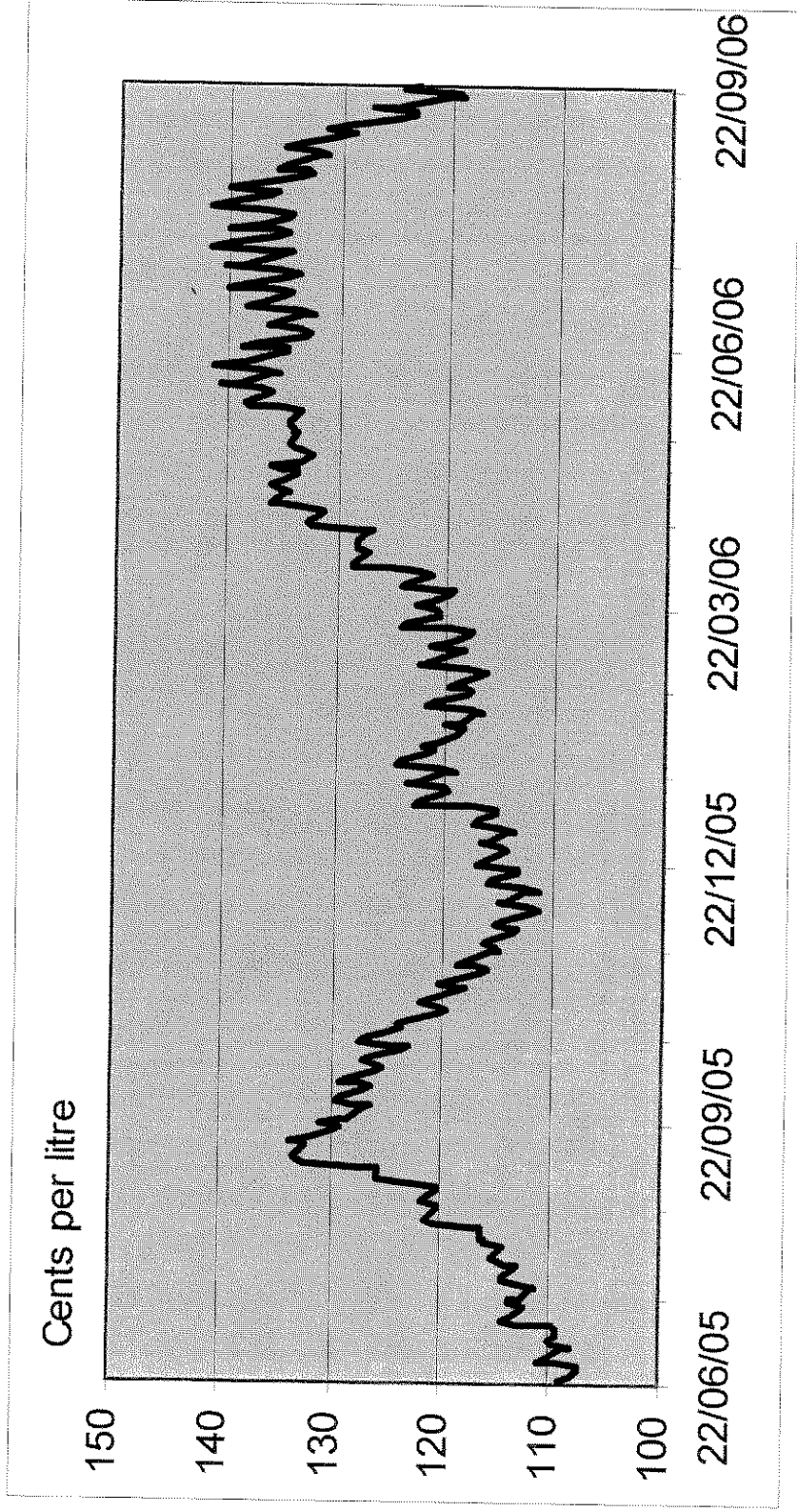
UPDATE OF FREIGHT RATES
Fig.12 (p20) IN AIP SUBMISSION

National Average Retail ULP Prices (last 3 months)

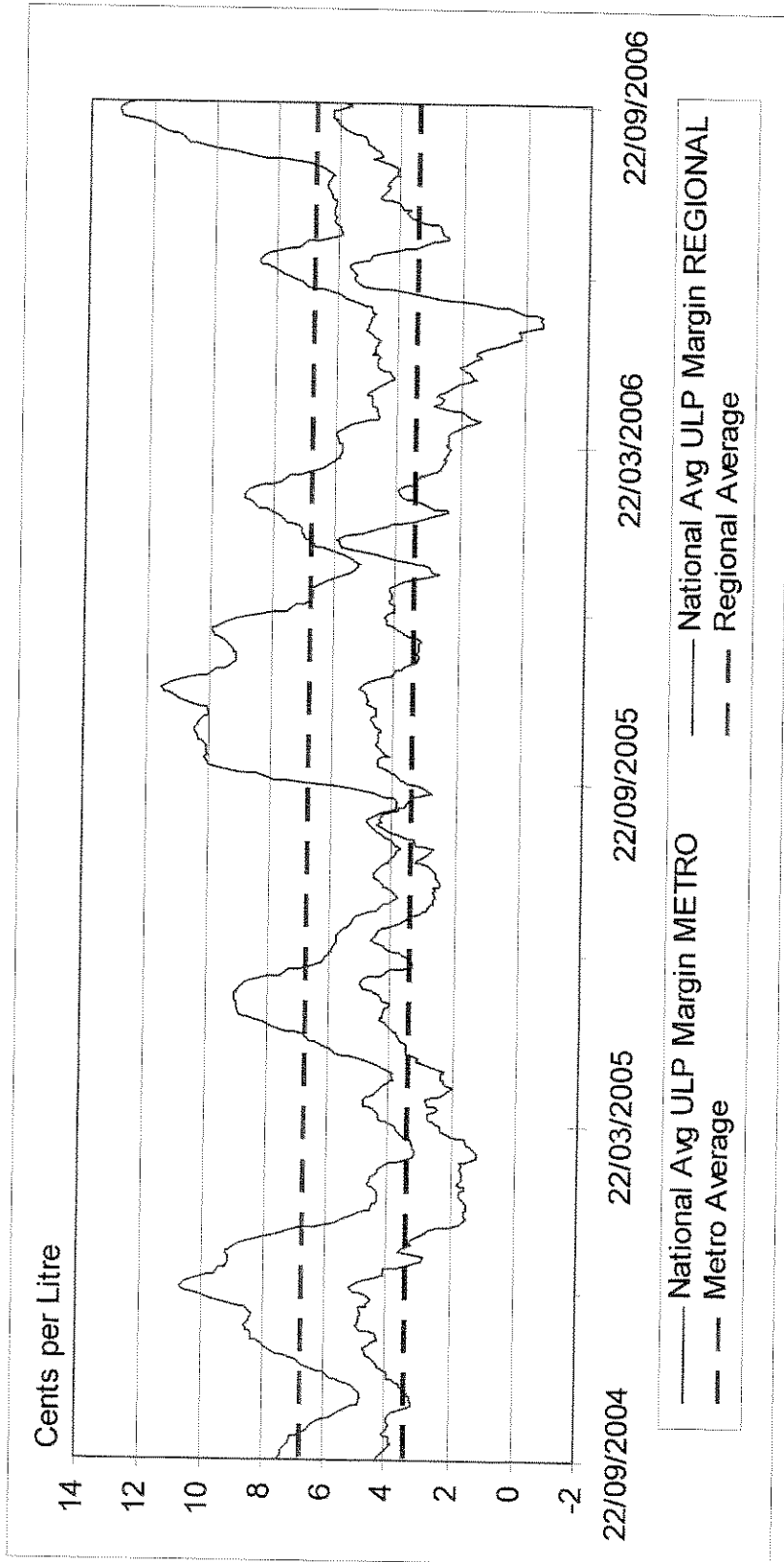


National Average Retail ULP Prices

(Impact of Hurricanes & tensions in the Middle East)



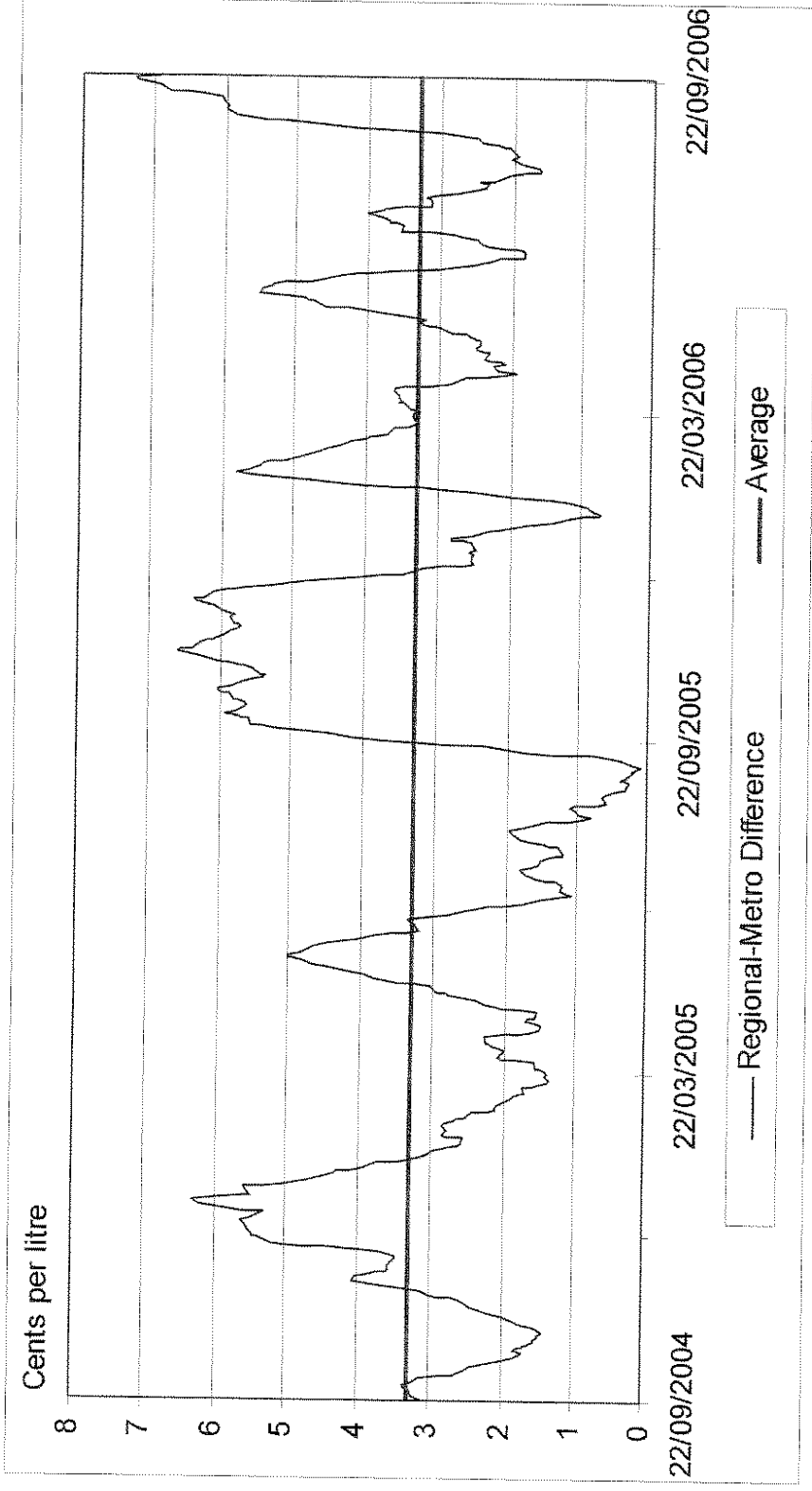
Average Metro & Regional 'Gross Retail Margins'



UPDATE OF FIGURE 30 (p47) IN
AIP SUBMISSION



Average Metro & Regional : Difference in 'Gross Retail Margins'



UPDATE OF FIGURE 31 (p47) IN
AIP SUBMISSION



Wholesale and retail prices

- **Wholesale prices are based on:**
 - Singapore fuel reference price (eg. MOPS95)
 - quality premium
 - freight costs
 - insurance
 - local wharfage and terminal costs
 - net taxation
 - 1-2 week lag in Singapore prices
- **Retail prices influenced by**
 - Market structure, competition and local area factors
 - Distributor costs for smaller metro and regional customers
 - Local site competition and local market share
 - Volume sold (city vs country)
 - Ability to spread costs over other income sources

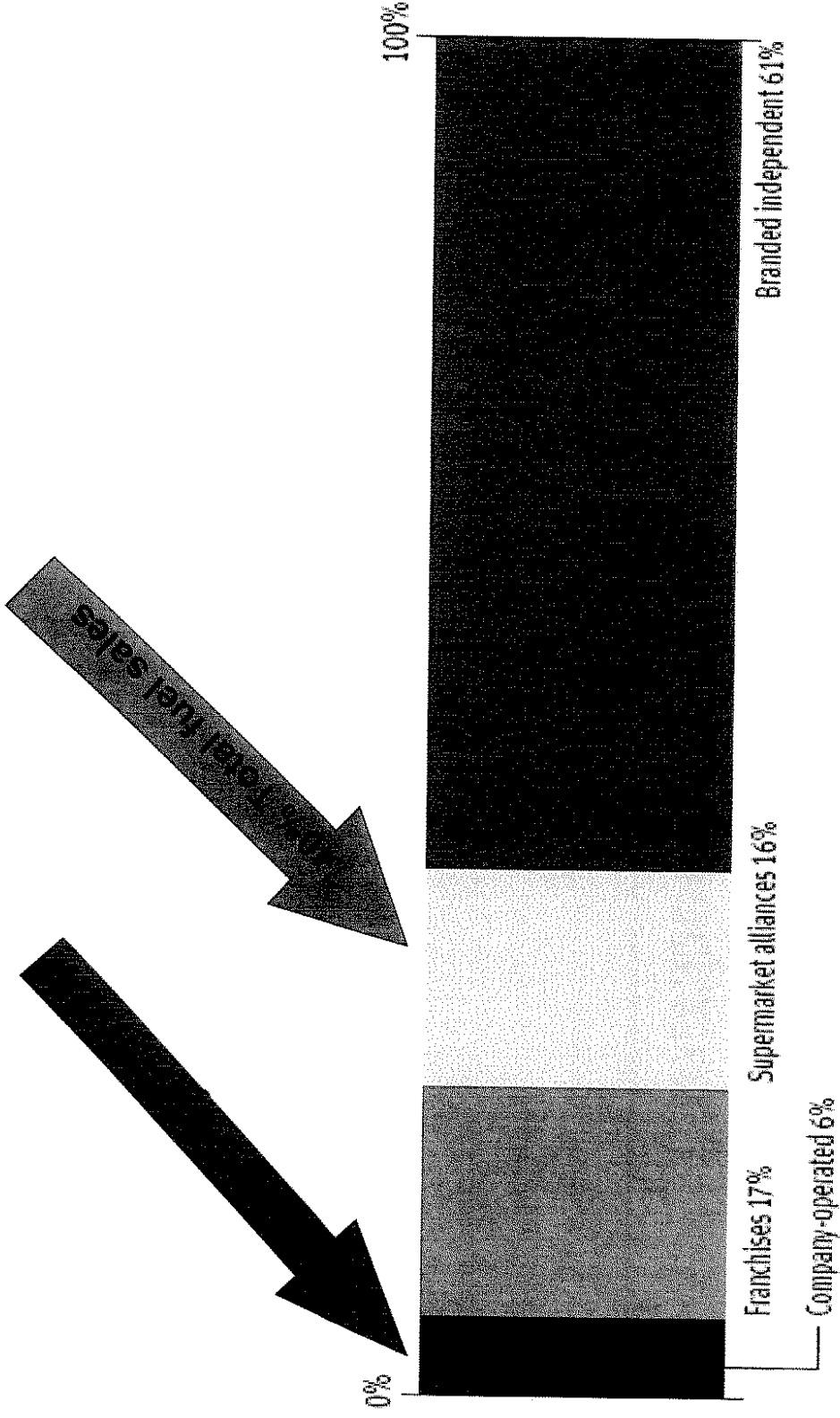
Components of National Average Retail Prices

30 June 2005

30 June 2006

112 cpl		136 cpl	
7 cpl	7 cpl	7 cpl	7 cpl
48 cpl	48 cpl	51 cpl	51 cpl
57 cpl	57 cpl	78 cpl	
Wholesale/Retail Margin & Freight - 6%	Wholesale/Retail Margin & Freight - 6%	Wholesale/Retail Margin & Freight - 5%	
Taxes - 43% (GST 10cpl & Excise 38cpl)	Taxes - 43% (GST 10cpl & Excise 38cpl)	Taxes - 38% (GST 13cpl & Excise 38cpl)	
Refined Product Cost 51%	Refined Product Cost 51%	Refined Product Cost - 57%	

Retail market structure

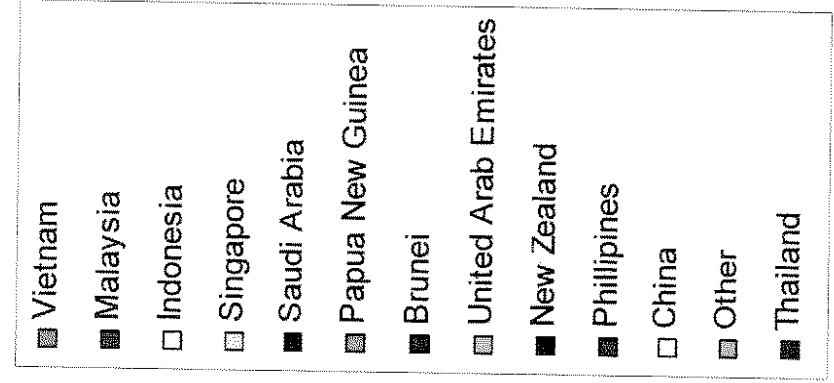


Australian Service Stations

(numbers & types)

	2000	2004	Change
AIP Related Service Stations:			
Company operated	296	316	20
Franchises	2019	958	-1061
Supermarket	156	872	716
Other - AIP branded independ. & other related brands	5047	3895	-1152
Total	7518	6041	-1477
Non-AIP Service Stations:			
	659	608	-51
TOTAL ALL SERVICE STATIONS	8177	6649	-1528

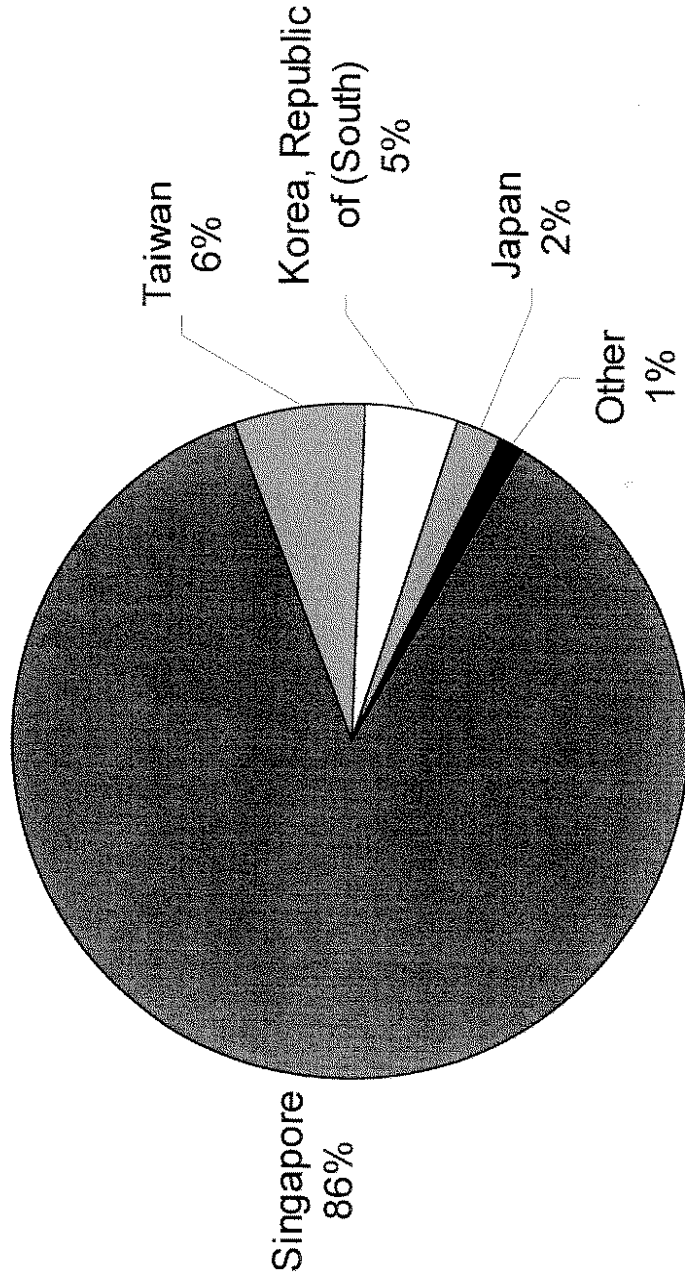
Crude Oil Imports: 2005-06



Crude Oil imports from the Middle East were around 12% in 2005-06

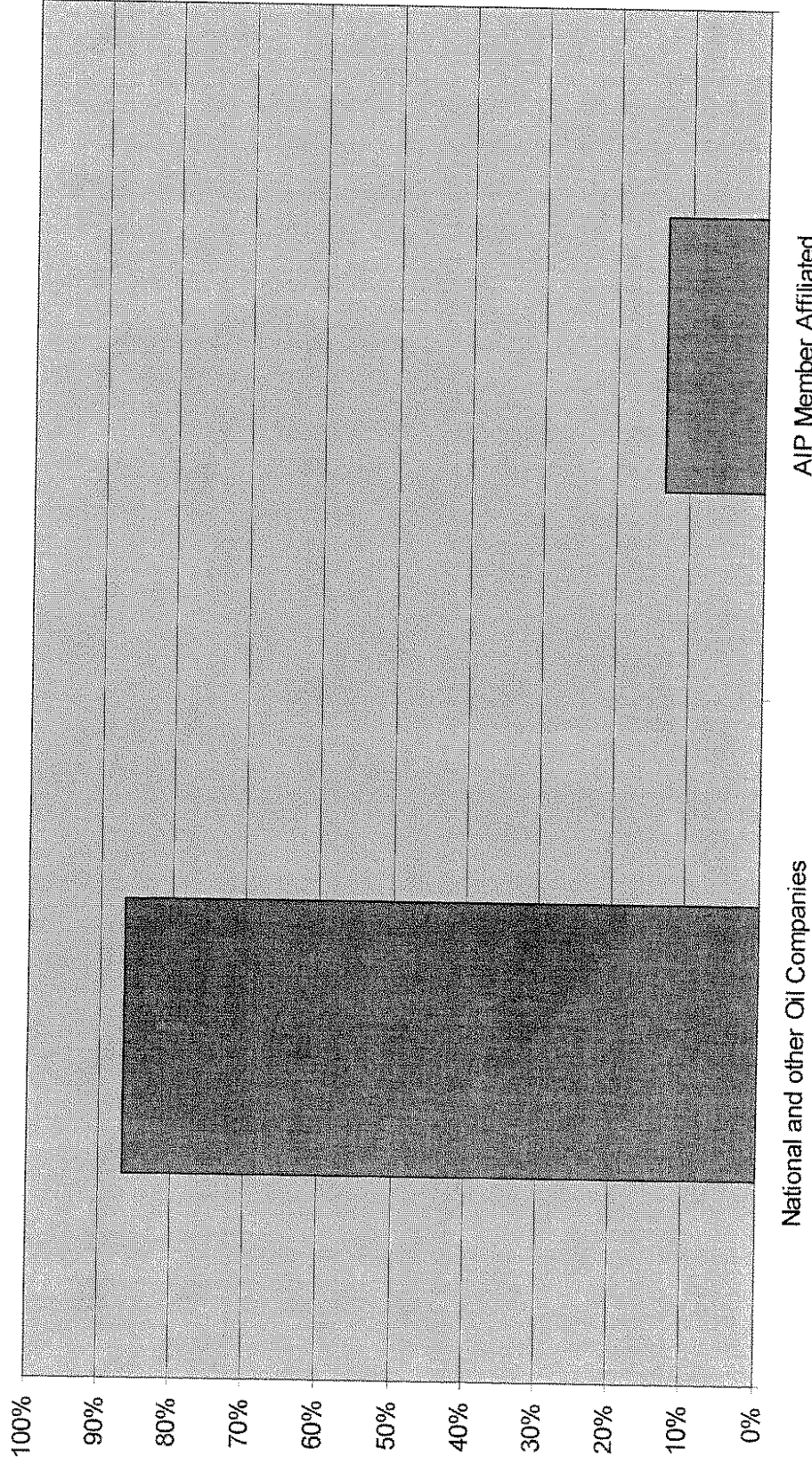
UPDATE OF FIGURE 1 (p3) IN AIP SUBMISSION

Petrol Imports: 2005-06



UPDATE OF FIGURE 2 (p4) IN
AIP SUBMISSION

Asian Refining Capacity

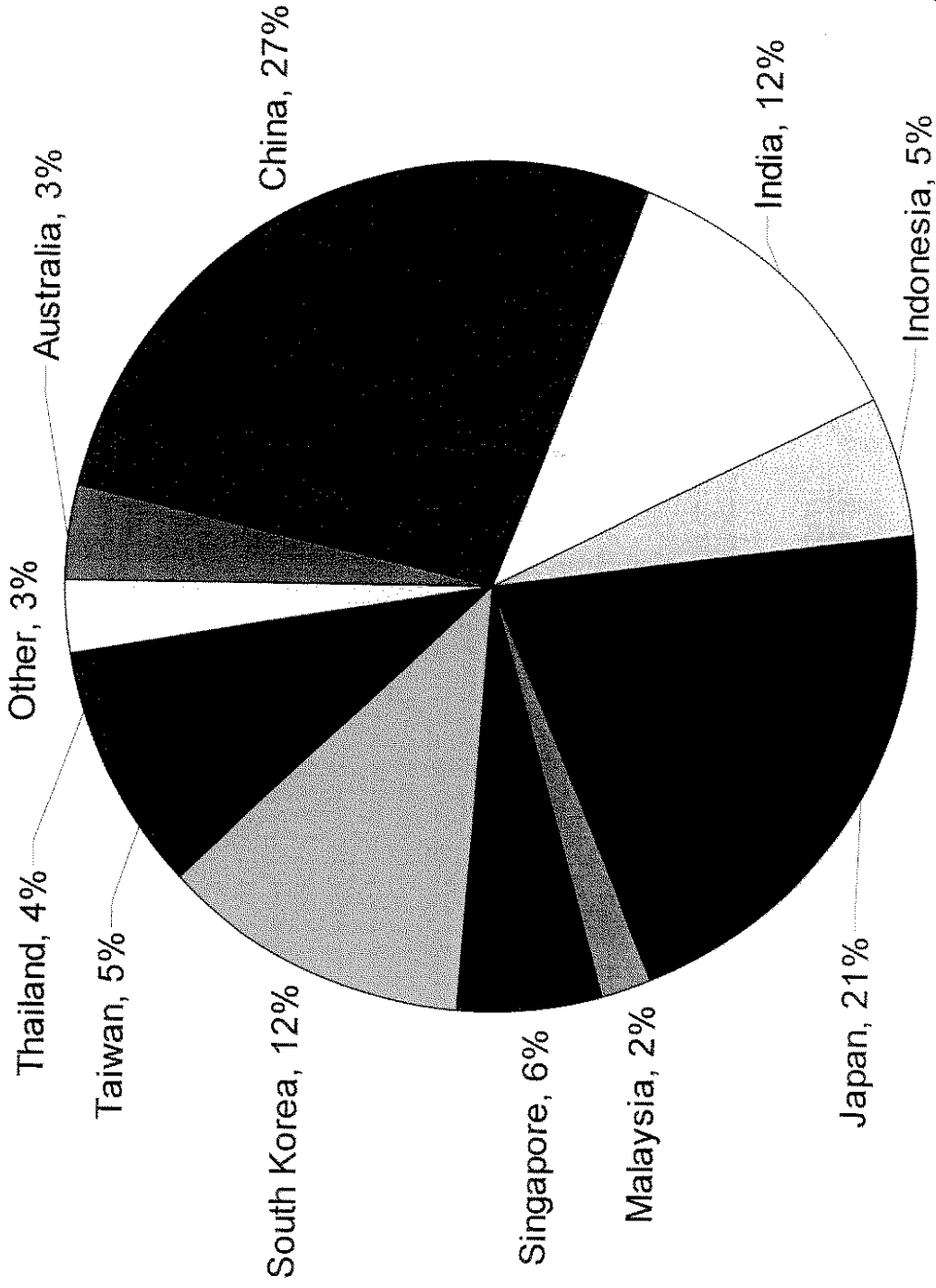


National and other Oil Companies

AIP Member Affiliated

Asian Regional Refining

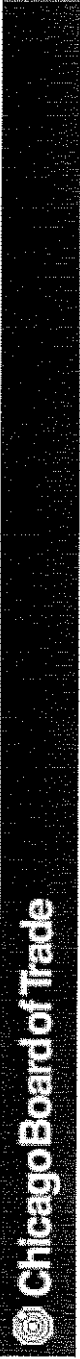
Proportions of Distillation Capacity



Industry performance in 2004

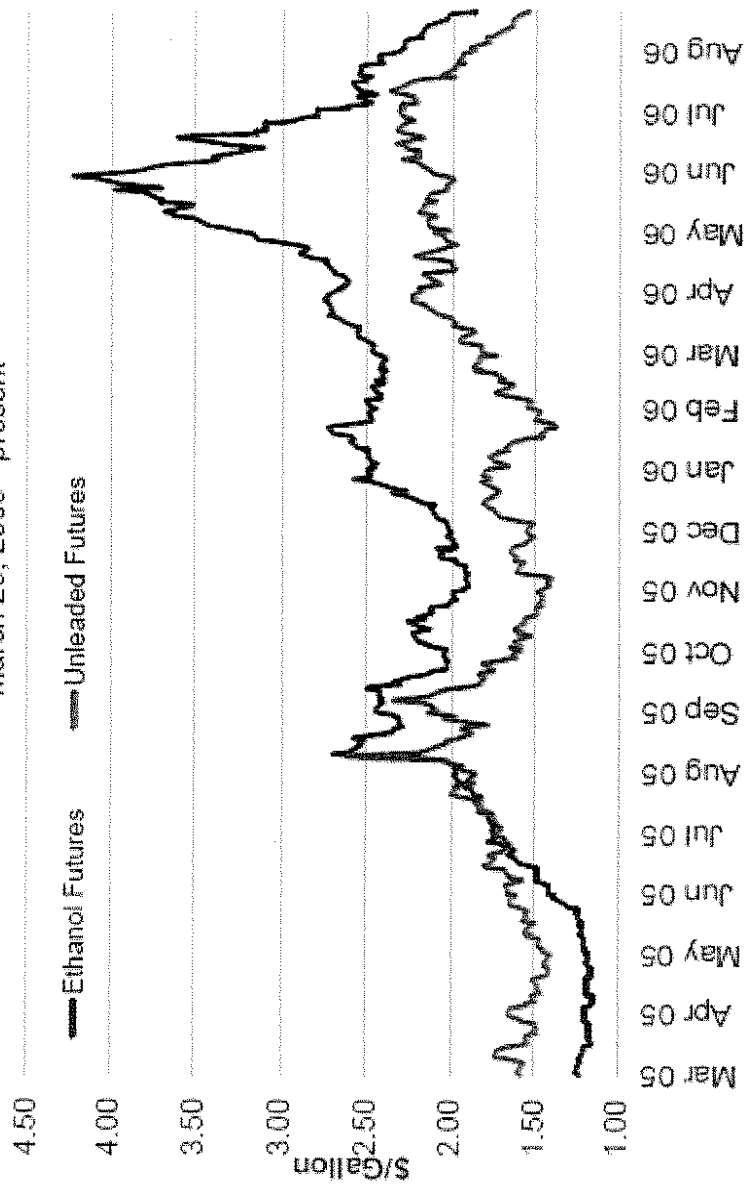
- Assets of around \$14 billion
- Investment of \$580 million in total
- Net profits (underlying) of 1.8 cents per litre
- Return on assets finally above L/T bond rate
- Contribution to Govt revenue of \$16.5 billion
 - fuel excise provided 7.5% of Federal Revenue

Ethanol vs Unleaded Futures



CBOT Ethanol Futures versus NYMEX Unleaded Futures

March 23, 2005 - present



Source: Oil Price Information Service (OPIS) and The Chicago Board of Trade



UPDATE OF FIGURE 35 (p55) IN
AIP SUBMISSION

