



Australian  
Competition &  
Consumer  
Commission

2 September 2009

## **Statement of Issues — Caltex Australia Limited - proposed acquisition of the retail assets of Mobil Oil Australia Pty Ltd**

1. Outlined below is the Statement of Issues released by the Australian Competition and Consumer Commission (ACCC) in relation to the proposed acquisition of the retail business of Mobil Oil Australia Pty Ltd by Caltex Australia Limited (**the proposed acquisition**).
2. A Statement of Issues published by the ACCC is not a final decision about a proposed acquisition, but provides the ACCC's preliminary views, drawing attention to particular issues of varying degrees of competition concern, as well as identifying the lines of further inquiry that the ACCC wishes to undertake.
3. In line with the ACCC's *Merger Review Process Guidelines* (available on the ACCC's website at [www.accc.gov.au](http://www.accc.gov.au)) the ACCC has established a secondary timeline for further consideration of the issues. The ACCC anticipates completing further market inquiries by 16 September 2009 and anticipates making a final decision on 7 October 2009. However, the anticipated timeline can change in line with the *Merger Review Process Guidelines*. To keep abreast of possible changes in relation to timing and to find relevant documents, market participants and interested parties should visit the Mergers Register on the ACCC's website at [www.accc.gov.au/mergersregister](http://www.accc.gov.au/mergersregister).
4. A Statement of Issues provides an opportunity for all interested parties (including customers, competitors, shareholders and other stakeholders) to ascertain and consider the primary issues identified by the ACCC. It is also intended to provide the merger parties and other interested parties with the basis for making further submissions should they consider it necessary.

## Background

5. On 9 June 2009 Caltex Australia Limited (**Caltex**)<sup>1</sup> provided a submission seeking informal clearance from the ACCC in relation to the proposed acquisition.

## The parties

### Caltex Australia Limited

6. Caltex is one of the four major refiner-marketers of petrol, diesel and automotive LPG (**LPG**) operating in Australia. It owns the Kurnell refinery in Sydney and the Lytton refinery in Brisbane, and holds an ownership interest in 15 fuel terminals located across Australia.
7. At the wholesale level, Caltex's customers include its own retail sites and independent fuel retailers (including Woolworths, and Caltex branded independent retailers). Caltex also supplies a very small volume of fuel to other non-Caltex branded independents.
8. There is a national network of 1826 Caltex branded or co-branded retail service station sites, consisting of:
  - 333 sites operated by Caltex or its commission agents
  - 258 sites operated by Caltex franchisees
  - 695 sites that are Caltex branded, but operated independently
  - 540 sites that are co-branded with Woolworths (the 'Retail Alliance sites').
9. The key elements of Caltex's retail alliance with Woolworths are summarised below:
  - 407 Woolworths retail sites are co-branded as Caltex retail sites. Woolworths sets the price at these sites.
  - Certain Caltex owned sites (the 133 'Caltex contributed sites') are co-branded with Woolworths and the pricing at these sites is controlled by AIR (a Woolworths subsidiary) at the direction of Woolworths.
  - Caltex is the exclusive wholesale petrol and diesel supplier to both Woolworths and AIR.

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<sup>1</sup> References to Caltex include a reference to Caltex Australia Petroleum Pty Limited.

### **Mobil Oil Australia Pty Ltd**

10. Mobil Oil Australia Pty Ltd (**Mobil**) and its parent company ExxonMobil Australia Pty Ltd, operate one of the four major refiner-marketing businesses of petrol, diesel and LPG in Australia. The ultimate holding company of Mobil is ExxonMobil Corporation (**ExxonMobil**), a US-based corporation. Mobil owns a refinery in Altona, Melbourne, and has an ownership interest in five fuel terminals and the 'mothballed' Port Stanvac refinery in South Australia. Mobil has recently announced the Port Stanvac refinery will be demolished and the site rehabilitated.
11. At the wholesale level, Mobil's customers include its own retail sites as well as independent fuel retailers (including United, Liberty, and Mobil branded independent retailers in regional areas).
12. Strasburger Enterprises (Properties) Pty Ltd (**SEP**) is currently 50% owned by Mobil. The remaining 50% will be acquired by Mobil prior to completion of the proposed acquisition. SEP operates the 302 retail sites that are part of the sale. These retail sites consist of 202 fully owned sites and 100 head leased sites. Nine of these sites are vacant or idle.

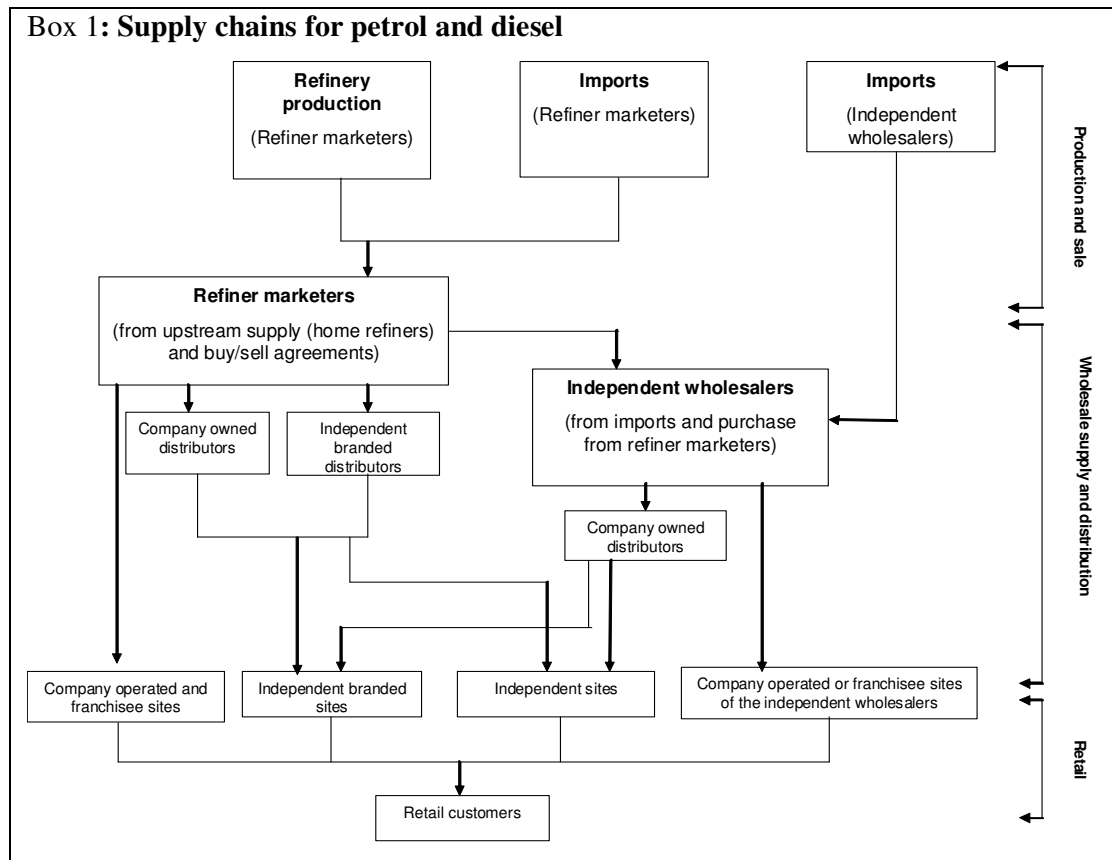
### **The transaction**

13. During mid to late 2008 ExxonMobil commenced a tender process to divest Mobil's retail fuel business (SEP). Parties invited to participate in due diligence were requested to submit a binding offer by December 2008.
14. On 26 May 2009, Caltex and Mobil executed a Share Sale Agreement and a Business Sale Deed.
15. Under the Share Sale Agreement, Caltex would acquire all of the issued shares in SEP. Under the Business Sale Deed, Caltex would acquire the fuel retail business operated by Mobil and SEP, and the assets used in connection with the business, including the 302 Mobil service station sites (**the Sale Sites**).
16. The Sale Sites are located in Queensland, New South Wales/Australian Capital Territory, Victoria and South Australia. These states are therefore the focus of the competition analysis below.
17. Caltex and Mobil have also negotiated a fuel supply agreement that involves Caltex acquiring fuel from Mobil fuel terminals in Melbourne and Adelaide sufficient to support the supply of the Sale Sites in Victoria and South Australia. Caltex will also use fuel storage services at Mobil terminals sufficient to support the supply of the Sale Sites upon completion in each of the relevant states.

18. Mobil has indicated to the ACCC that it will continue to operate its production/import business, and as a wholesale fuel supplier to independent retailers, after the proposed acquisition.

## Industry background

19. The Australian petrol and diesel industry operates at three broad levels: production and importing; wholesale and distribution; and retail. The broad structure of the industry is summarised in box 1. Each of these functional levels is discussed further below.



### *Production and importing*

20. Petrol and diesel sold in Australia is either refined from crude oil at local refineries or imported as a finished product from overseas refineries.
21. There are seven refineries currently operating in Australia. These are owned and operated by four companies that also participate in the wholesale and retail supply of fuel, known as the 'refiner-marketers' (BP, Shell, Mobil and Caltex). The refineries they operate are:

- Shell — Clyde (NSW) and Geelong (Victoria)

- Mobil — Altona (Victoria)
  - Caltex — Lytton (Queensland) and Kurnell (NSW)
  - BP — Kwinana (WA) and Bulwer Island (Queensland).
22. Refining volumes in each state are not sufficient to meet demand. Imports of petrol and diesel are therefore a feature in each state. Each of the refiner-marketers import petrol and diesel. In each state the majority of imports by the refiner marketers are by the operator of the home refineries. Independent imports are also a feature in some states — for example, Neumann imports into Queensland and United into Melbourne.
23. In states where they do not operate a refinery, the refiner-marketers will contract to purchase petrol and diesel from one of the other refiner-marketers. These are known as ‘buy/sell’ agreements. Despite the reciprocity of the arrangements — one refiner-marketer will sell to another in one state and then buy from that refiner-marketer in another state — these are actually discrete agreements. For example, Mobil has an agreement with Caltex to buy petrol and diesel in Sydney, while Caltex has an agreement to buy petrol and diesel from Mobil in Melbourne.

***Wholesale supply and distribution***

24. The refiner-marketers sell fuel from their refining and import operations and fuel purchased under the ‘buy’ arrangements to independent wholesalers.
25. The refiner-marketers also engage in the wholesale supply of petrol and diesel to their own retail sites and to independently owned sites. In regional areas in particular, this occurs through distributors. Some distributors are owned by the refiner-marketers and others are independently owned.
26. Independent wholesalers (e.g. Liberty, United and Neumann) engage in the wholesale supply of petrol and diesel to their own retail outlets and other independent retailers through distributors (company owned and independent).

***Retail***

27. Service station sites supply petrol, diesel and LPG to retail customers (individuals and businesses). There are a range of different ownership structures of service stations broadly falling into the following categories:
- supermarket-operated sites (Coles Express and Woolworths)
  - refiner-marketer owned and operated sites

- refiner-marketer franchisee sites
  - refiner-marketer branded independent sites
  - independent operator sites — ranging from large independent chains (e.g. United and Neumann) to single site operations.
28. These ownership structures generally determine who sets (or exerts control over) pricing in relation to each retail site. Most retailers maintain direct control over the board price at their ‘company owned’ (including leased) and operated sites. Refiner-marketers also influence the board price at their franchisee sites through the provision of price support.

### *Price cycles*

29. Consistent with the ACCC’s previous findings in the 2007 Petrol Inquiry, information provided to the ACCC during this investigation indicated that retail petrol prices in large capital cities are characterised by cyclical movements. The cycle generally involves a distinct period of discounting followed by a sharp increase in the price. These cycles usually occur on a weekly basis.
30. The information provided to the ACCC indicates that retail competition operates in different ways depending on which stage of the cycle the market is at. For instance, the ACCC understands that the parties that are generally the leaders in terms of discounting prices at the beginning of the cycle are not often the same parties increasing prices in the later part of the cycle.
31. The ACCC has taken into account the nature of price cycles in assessing the likely impact of the proposed acquisition on competition.

### *LPG*

32. The LPG market structure has some important differences to the petrol and diesel markets. The refiner-marketers produce around a quarter of all domestically produced LPG in their refineries, with the remainder coming from naturally occurring LPG in domestic oil and gas fields. Major naturally occurring LPG producers in Australia include BHP Billiton, Esso, Santos and Woodside.
33. A large portion of the naturally occurring LPG is produced in Western Australia, and this is largely exported. Imports of LPG into the East Coast account for around 20 per cent of the LPG sold in Australia. LPG imports are typically through entities not related to the refiner-marketers (particularly Elgas and Origin).
34. LPG is a much smaller market than petrol and diesel. In 2007-08 LPG represented around 10 per cent of total retail sales of transport fuels in

Australia (compared with 67 per cent for petrol and 22 per cent for diesel).

### **Areas of overlap**

35. The operations of Caltex's and Mobil's retail businesses overlap in regard to the retail sale of petrol, diesel and LPG in Queensland, New South Wales/Australian Capital Territory, Victoria and South Australia. Accordingly, the ACCC is examining the possible competitive effects of the proposed acquisition in relation to the retail sale of fuel and the supply of fuel card services.
36. The ACCC is also examining possible competitive effects in any related areas of activity including the wholesale supply and distribution of petrol, diesel and LPG.

### **Market definition**

37. The ACCC takes the preliminary view that the relevant markets in this matter should be defined as follows:
  - State-based markets for the *wholesale supply and distribution* of:
    - petrol
    - diesel
    - LPG
  - Local markets for the *retail supply* of:
    - petrol
    - diesel
    - LPG
  - A national market for the supply of fuel card services.
38. The appropriate geographic dimensions of the local markets for retail supply are discussed in more detail in the 'Retail Markets' section below.

<p>The ACCC welcomes any comments from market participants regarding the proposed market definitions.</p>
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### **Market inquiries**

39. On 16 June 2009, the ACCC commenced market inquiries regarding the proposed acquisition. A range of interested parties provided responses, including other fuel retailers, fuel wholesalers (including distributors), motoring groups, fuel card customers, MPs and members of the general public.

## **With/without test**

40. In assessing a merger pursuant to section 50 of the *Trade Practices Act 1974*, the ACCC must consider the effects of the transaction by comparing the likely competitive environment post-acquisition if the transaction proceeds (the “with” position) to the likely competitive environment if the transaction does not proceed (the “without” or “counterfactual” position) to determine whether the acquisition is likely to substantially lessen competition in any relevant market.
41. The ACCC has drawn on a range of sources with regard to the counterfactual, including market inquiries with other bidders for the Mobil retail business, statements from Mobil and its parent, ExxonMobil, and documentary evidence provided by these companies (including internal strategy documents).
42. Based on the above information, the ACCC is satisfied that, if the sale of the Mobil retail fuel business to Caltex does not proceed, Mobil will exit its retail business in Australia within the next two to three years.
43. The ACCC has explored the issue of whether any alternative sale in the foreseeable future would be likely to take the form of a sale of the Sale Sites to a single buyer (most likely the underbidder from the sale process) or, the sale of the Sale Sites either individually or in groups for either petroleum and non-petroleum use.
44. The ACCC considers that either of these scenarios may have a ‘real chance’ of occurring in the event that the sale to Caltex does not proceed.
45. The ACCC notes that the analysis of most of the possible competition issues is the same regardless of which of these scenarios occurs. Where the competition analysis is contingent on one of these possible ‘without’ scenarios, this is identified in the discussion.

## **Statement of issues**

46. This Statement of Issues is divided into three sections: ‘wholesale markets’, ‘retail markets’ and ‘other issues’. In each section, competition concerns are categorised as ‘issues likely to raise concerns’, ‘issues that may raise concerns’ and ‘issues unlikely to pose concerns’.



## Wholesale markets

### Issues likely to raise competition concerns

*Effect on retail and wholesale competition for petrol and diesel from the increase in Caltex's vertical integration*

47. The ACCC's preliminary view is that the proposed acquisition is likely to have the effect of substantially lessening competition in markets for the wholesale supply and distribution of petrol and diesel in NSW and Queensland. The ACCC also considers that the acquisition may raise competition concerns in wholesale markets for petrol and diesel in Victoria and South Australia.
48. In particular, the ACCC is concerned that the proposed acquisition is likely to significantly increase Caltex's ability and incentive to increase the wholesale price of petrol and diesel to non-integrated retailers. This may also lead to an increase in retail petrol and diesel prices.
49. As a result of the proposed acquisition, Caltex will increase its share of the wholesale supply of petrol and diesel. Table 1 shows the ACCC's estimates of the changes in market shares for the wholesale supply of unleaded petrol arising from the proposed acquisition in each of the four states in which the Sale Sites are located.

**Table 1** Shares of wholesale supply of unleaded petrol  
2006/07 unleaded petrol volumes (%)

	<i>NSW</i>	<i>Qld</i>	<i>SA</i>	<i>Vic</i>
<i>Pre-acquisition</i>				
<b>Caltex</b>	<b>46</b>	<b>41</b>	<b>34</b>	<b>31</b>
Mobil	18	12	24	20
Shell	28	27	25	36
BP	8	17	17	13
Other	0	3	0	0
<i>Post-acquisition</i>				
<b>Caltex</b>	<b>55</b>	<b>46</b>	<b>43</b>	<b>38</b>
Mobil	9	7	15	12
Shell	28	27	25	36
BP	8	17	17	13
Other	0	3	0	0

Source: ACCC Petrol Inquiry, 2007. Wholesalers refer to parties which own a wholesale facility as defined under the *Trade Practices (Industry Codes—Oilcode) Regulations 2006*.

50. As is evident from the table, the proposed acquisition cements Caltex's position as the largest wholesale competitor in each of the four state

markets. Caltex's main wholesale customers include its own retail sites, Caltex branded independents and Woolworths.

*How does the increase in Caltex's wholesale and retail market share change its incentive to raise wholesale prices?*

51. Importantly, post-acquisition, the share of Caltex's wholesale supply going to its own sites, or sites that it receives direct financial returns from — Caltex owned (including the Sale Sites), Caltex franchisee, and Caltex contributed sites — increases. For example, in NSW before the acquisition approximately 22% of Caltex's wholesale supply was supplied to such sites, however post-acquisition the volume supplied by Caltex to these sites will increase to approximately 45%.<sup>2</sup> Essentially, Caltex becomes more vertically integrated.
52. An increase in the degree of vertical integration between Caltex's wholesale operations and retail operations will provide it with an incentive to increase the wholesale price it charges to other retailers (known as 'raising its rivals' costs') in the metropolitan areas where the Sale Sites are located. In particular, post-acquisition, Caltex will have more of its own sites competing with the retail sites of its other wholesale customers. For example, the ACCC estimates that between 79% and 85% of the Sale Sites in each state have a Woolworths or Caltex branded independent situated within a 3km radius of that site. Assuming increased prices to its wholesale customers resulted in a corresponding rise in their retail prices, following the acquisition, Caltex will take into account the potential gains in retail volumes at the Sale Sites when setting the wholesale prices for its independent wholesale customers.

*Does Caltex have the ability to raise wholesale prices?*

53. Relevant considerations in determining Caltex's ability to implement a significant increase in wholesale prices include, the extent to which:
  - non-integrated wholesale customers can switch to other wholesale suppliers in response to a price increase
  - other wholesale suppliers have an incentive to follow any price increases implemented by Caltex.
54. The ACCC's preliminary view is that Caltex's position as the largest wholesale provider in each state is likely to provide it with the ability to increase wholesale market prices. This is particularly the case in NSW and Queensland where it is one of the two refiner/importers and therefore may be able to leverage its upstream position to limit the competitiveness of competing wholesale suppliers.

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<sup>2</sup> ACCC Petrol Inquiry, 2007.

55. In any case, market inquiries to date indicated that some non-integrated retailers — particularly the Caltex branded independents and Woolworths — may have limited alternative wholesale supply options in all four states because of the ‘bundle’ of services they acquire from Caltex.
56. The metropolitan Caltex branded independents acquire a brand/fuel card/wholesale fuel package that may not be easily replicated by other wholesale suppliers. The ability to accept a fuel card from one of the refiner-marketers and display their brand are important elements of this package for an independent retailer because of the additional sale volumes these can generate. Post-acquisition, Caltex branded independents seeking a brand/fuel card/wholesale fuel supply package may have limited alternatives because:
  - post-acquisition Mobil will no longer be an alternative for these operators because its brand and fuel card will exit the market as a result of the sale (discussed in more detail below)
  - the ACCC understands that, because of its contractual arrangement with Coles, Shell does not compete as a branded supplier to independents in metropolitan areas
  - BP will remain as a potential alternative wholesale supplier, however, the extent to which an independent retailer can switch to BP will depend on the proximity of its site to other BP company owned or branded independent sites.
57. Similarly, the ACCC considers Woolworths may have limited options for switching wholesale fuel suppliers because:
  - given the large volumes it acquires, there may not exist an alternative supplier with access to the necessary infrastructure
  - the 133 sites Caltex has contributed to the Retail Alliance are likely to be of strategic importance to Woolworths.
58. BP appears to be the only alternative competitor that would be in a position to provide the brand/sites combination that Woolworths currently acquires from Caltex.
59. In addition, the proposed acquisition is likely to weaken the competitive reaction of other wholesalers to a wholesale price increase by Caltex. This is because the acquisition of the sites by Caltex reduces the size of the ‘contestable’ wholesale market, relative to a counterfactual under which some or all of the sites are sold to a non-vertically integrated retailer. This reduces the incentives for other wholesalers to compete against Caltex for new wholesale customers.

*What is the likely effect of any increase in wholesale petrol and diesel prices on competition in retail markets?*

60. To the extent that the proposed acquisition provides Caltex with the ability and incentive to increase its wholesale prices, the ACCC considers this is likely to have an effect on retail petrol prices through reducing the price competitiveness of the non-vertically integrated retail competitors.
61. This is especially the case if Caltex is able to increase the cost of fuel to Woolworths. According to analysis conducted by the ACCC, over the past 18 months Woolworths on average offered the lowest or very close to the lowest prices for regular unleaded petrol in Brisbane, Sydney, Adelaide and Melbourne (relative to the other major retailers). This result is excluding the shopper docket discounts offered by Woolworths. If the shopper docket discounts are accounted for, then Woolworths is a very significant discounter in each market.

The ACCC invites further information and comments on the likely effects of Caltex's increased vertical integration on competition for the wholesale and retail supply of petrol and diesel in NSW, Queensland, South Australia and Victoria.

In particular, the ACCC invites market participants to comment on how Caltex's incentives to increase price to other retailers might change as a result of the acquisition of the Sale Sites.

The ACCC seeks information from market participants on any barriers to switching wholesale suppliers that exist for the following types of petrol and diesel retailers.

- Independently-owned retailer operations that are wholesaler branded.
- Independently-owned retail operations that are co-branded (supermarket chains).
- Independently-owned retail operations that carry their own brand (e.g. chains such as 7-Eleven, United and smaller independents).

The ACCC seeks the views of market participants on how any barriers to switching might change, if at all, as a result of the proposed acquisition.

The ACCC is also interested in the views of market participants regarding the extent to which other competitors in the wholesale market are likely to follow any increase in Caltex's wholesale market price.

### **Issues unlikely to raise competition concerns**

*Impact of the proposed acquisition in wholesale LPG markets*

62. The ACCC does not hold the same competition concerns for the wholesale supply of LPG as it does in relation to petrol and diesel.
63. In discussions with the ACCC, Caltex has indicated that it has not yet decided the likely wholesale supplier of LPG to the Sale Sites in each state. Even if it is assumed that Caltex and/or Vitalgas (Caltex's 50:50 LPG joint venture marketing company with Origin Energy) will be the suppliers to the Sale Sites, the ACCC does not consider that Caltex/Vitalgas will have the ability to increase prices to non-integrated retailers.
64. Caltex has a significantly smaller share of the wholesale LPG supply in each state than it does for either petrol or diesel, even if LPG supplied through Vitalgas is also taken into account. There are a number of competing wholesale LPG suppliers (including the refiner-marketers, Santos, Origin and Unigas). Therefore the ACCC considers it unlikely that Caltex (whether independently or through Vitalgas) would have the ability to increase the wholesale price as a result of the acquisition.

The ACCC is willing to accept further submissions from interested parties on this issue.
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## **Retail markets**

65. The ACCC understands that competition in local markets is an important determinant of retailers' pricing decisions, particularly in the discounting phase of the price cycle. However, pricing analysis conducted by the ACCC suggests that there are also broader pricing strategies adopted by retail chains which influence the prices charged at their sites, in addition to these local market competition effects.
66. This section provides some background information on retail pricing analysis conducted by the ACCC, including some preliminary findings on relative prices across retail chains.
67. The degree of competition concern arising from the proposed acquisition in particular local markets is then discussed.

## **Pricing analysis conducted by the ACCC**

68. The ACCC has analysed site-by-site pricing data for regular unleaded petrol sold in Adelaide, Brisbane, Melbourne and Sydney. The prices are based on the board price and do not include any other discounts received (e.g. shopper docket discounts).
69. The data set analysed includes price observations on an hourly basis (6am to 6pm) and covers the period 1 January 2008 to 15 June 2009.
70. Price comparisons were made for five major retailers — Caltex, 7-Eleven, Mobil (Sale Sites), Coles Express and Woolworths. BP was excluded from the price comparisons due to insufficient information on

the manner in which the price data were collected for individual BP sites. Price comparisons with other major retailers (such as United) were not made due to significant differences in the manner and frequency with which price data for these sites were collected.

71. For the purposes of the comparative price analysis, the ACCC examined Caltex sites where Caltex directly sets the retail price — that is the sites operated by Caltex or its commission agents.
72. Caltex franchisee sites (where Caltex can influence the retail price through price support) and sites that are branded ‘Caltex’ but where Caltex does not have any direct influence on the retail price — that is, independently operated sites, including Woolworths sites — were not included as Caltex sites for this analysis.
73. The pricing comparisons undertaken are between sites located in the same local areas. The relative prices between retailers in each capital city are calculated based on the average price differences across the local areas in the city.
74. Although there were some differences across capital cities and from one month to the next, there was a distinct ordering in the average retail prices offered by the major retailers examined over weekly price cycles. Among the five retailers examined:
  - 7-Eleven and Woolworths generally had the lowest average prices over the cycle – with average retail pump prices up to 0.4 cpl below those of the Mobil sites depending on the capital city
  - Coles Express had average prices over the cycle that were lower than those of Caltex in 3 of the 4 capital cities
  - Mobil had average prices over the cycle that were between 0.1 cpl and 0.7 cpl lower than Caltex.
75. The ACCC’s preliminary view is that there are two reasons for these differences in average prices over weekly cycles.
76. First, Mobil and the Caltex sites on average increased prices at the start of the price cycle earlier and often more quickly than Woolworths and 7-Eleven. As a result, there were periods (usually lasting a few hours), when Mobil and the Caltex sites had significantly higher prices than 7-Eleven or Woolworths.
77. Second, during the discounting phase of the price cycle, it appears that the Caltex sites on average did not reduce its prices as rapidly or by as much as Woolworths, 7-Eleven and Mobil.
78. The differences in the pricing behaviour of the major retailers may disguise the importance of independent chains (such as United) in the dynamics of retail petrol prices. The major retailers have indicated that they generally adopt a strategy of following lower prices in the market.

In some cases, the discounting phase of the price cycle may be led by independent chains. However, direct price comparisons with these retailers were not made due to a lack of comparable price data.

79. Caltex submitted that comparing average prices by retailers using the pricing data set adopted by the ACCC can be misleading. Caltex has made the following points in support of its claim:
- it is necessary to weight the data by volumes in order to calculate 'genuine' average prices for comparison across brands
  - differences in the average prices will arise from time lags in price information processing, including the fact that Caltex supplies price data more intermittently than some other major retailers
  - the ACCC's analysis includes a period of discounting by Mobil which was inconsistent with its pricing before and after that period.
80. The ACCC recognises that it is possible that some biases may exist in comparing average petrol prices across retailers. However, the direction of any bias and its size is unclear. The ACCC has undertaken rigorous sensitivity analysis to assess any bias. This analysis includes (but is not limited to) examining relative pricing levels:
- over different periods (as well as over the entire period 1 January 2008 to 15 June 2009)
  - for individual days of the week
  - for individual hours of the day
  - within regions of a metropolitan area
  - weighted by volume
  - only where a Caltex price change is recorded.
81. Regardless of the approach adopted, the relative pricing result remains largely unaltered — sites at which Caltex set the price are more expensive on average than Mobil sites across each of the four metropolitan regions where the Mobil sites are located.

The ACCC is interested in market participants' comments on the ACCC's comparison of average prices across major fuel retailers.

- Do the ACCC's preliminary findings concord with your understanding of the relative pricing position of each of the major retailers and how these pricing differences manifest over the pricing cycle?
- Are there other factors that could explain the result?

82. As noted above, these average retail price differentials were calculated by comparing the pricing of sites within the same local areas. As a result, they do not reflect differences in the structures or the competitive dynamic of the local markets in which Caltex are operating — as might occur if Caltex sites tended to be located in regions with fewer competitors, for example. These differentials seem to suggest some difference in the pricing strategy that Caltex adopts relative to its competitors.
83. The ACCC considers that an understanding of the reasons that Caltex can sustain a higher price, if this is indeed the case, is important in determining the likely extent to which the proposed acquisition may affect competition in retail markets more broadly.
84. The ACCC intends to seek further information from Caltex with regard to their pricing strategies.

The ACCC also seeks the views of market participants with regard to the possible reasons that Caltex might be able to profitably sustain higher prices than many of its major competitors. For example:

- Does Caltex's brand perception/location/convenience offer allow it to charge a higher retail petrol price?
- Does the fact that Caltex (and the refiner-marketers in general) obtain a significant proportion of their sales volume through fuel cards sales (which tend to be less price sensitive), somewhat reduce their incentive to compete on board price?
- Does Caltex's position as the largest wholesale supplier mean that it has less incentive to compete with the parties to which it provides wholesale supply?

Given your responses to the above, what do you consider to be the likely impact on retail prices from the acquisition of the Mobil retail sites by Caltex? Please explain the reasons for your response.

### **Competition analysis in local markets**

85. As the ACCC noted in the 2007 Petrol Inquiry Report, competition in the local market is an important determinant of retail prices. The ACCC's understanding is that all retailers take into account the prices of their local competitors when setting their own prices.
86. The ACCC's pricing analysis has provided evidence that local market structure (in terms of the number of competing site operators, and the identity of those operators) can have an effect on local retail price.



87. As a result of the proposed acquisition, Caltex will acquire a number of retail sites which are local retail competitors to their own sites, or sites where they have a direct influence over price. In these circumstances, and where there are not other sufficient competitive constraints, a substantial lessening of competition in a local market may result.

*Defining local geographic areas*

88. In considering the appropriate geographic scope for particular local areas, the ACCC examined the pricing systems of the merger parties and some other retailers. These systems set out how these retailers set prices in local regions, and, in particular, the competitors they respond to.
89. The ACCC's preliminary analysis indicates that the sites identified by petrol retailers as competitors tended to be within a relatively short distance away from their own sites. While there is some variation by location, the sites identified as competitors were on average around 2km to 3km away from a given site. In some cases, retailers up to 5km away were identified as competitors, particularly where they are located on the same major road.
90. Quantitative analysis of retail petrol pricing undertaken by the ACCC was also generally consistent with this finding.
91. In light of the above information, the ACCC's preliminary view is that the geographic scope of local markets for the retail supply of petrol is likely to be approximately 3km, and at most, 5km around each Sale Site. In forming this preliminary view, the ACCC recognises that certain features of local markets, such as the layout of roads in the area, are potentially important when defining the geographic scope of a local market.
92. In relation to the retail supply of diesel, the ACCC received some submissions which suggested that competition for retail diesel sales occurred across larger geographic areas, because trucks and other large vehicles that use diesel travel longer distances and tend to require certain site attributes, such as truck parking bays. While acknowledging these issues, the ACCC notes that almost all the local areas in which the Sale Sites are located are metropolitan and therefore the geographic scope of the diesel competition for the relevant sites are likely to be narrower in scope than for highway sites in regional areas.
93. Accordingly, the ACCC's preliminary view is that it is appropriate to adopt an indicative measure of the geographic scope of the markets for the retail supply of diesel to be a radius of between 3km and 5km around each Sale Site.
94. To date, the ACCC has not received any information to suggest that the geographic scope of the markets for the retail supply of LPG are significantly narrower or wider than the geographic scope of the

markets for the retail supply of petrol or diesel. Accordingly, the ACCC has taken the preliminary view that the geographic scope of the markets for the retail supply of LPG to be a radius of between 3km and 5km around each Sale Site.

The ACCC invites comments from market participants on the geographic dimensions of the local areas identified to date by the ACCC.

*The ACCC's approach to identifying concerns in retail markets*

95. The ACCC's preliminary view is that retail barriers to entry are high. Market participants indicated that there is significant difficulty in obtaining suitable sites for use as petrol stations, particularly in metropolitan and suburban areas. These participants noted that regulatory approvals for new sites may take several years and that the ability to obtain sites is effectively limited to circumstances where existing sites are being sold off. In this regard, the ACCC considers that the key source of competitive constraint in each local market, post-merger, is likely to be the existing competitors in each area.
96. Therefore, the analysis of areas of concern focused on existing local market structures. The ACCC focused on examining the aggregation arising between the Sale Sites and 'Caltex controlled sites' in particular local areas. Caltex controlled sites are defined as sites at which Caltex controls the price or exerts an influence over retail prices through the provision of price support. Further, sites which Caltex owns or leases but does not currently set the price, for example, Caltex contributed sites to the Woolworths alliance, have been treated as 'Caltex controlled' sites for this analysis because these sites could return to Caltex price control if the current arrangements were terminated.
97. The ACCC applied different screening tests (based on the market share of 'Caltex controlled sites' and number of competing operators) as a means of identifying regions most likely to raise competition issues. In particular, the ACCC considered that in local areas where there was overlap between the Sale Sites and Caltex controlled sites:
  - the acquisition would be likely to raise competition concerns if, post-acquisition, Caltex controlled sites represented 50% or more of the number of sites in the region; or there will be two or less remaining competing retail operators in the region
  - the acquisition may raise competition concerns if Caltex controlled sites represented more than 40% of the number of sites in a local region; or there will be three or less competing retail operators in the local market.
98. After screening areas based on local market structure as described above, the ACCC undertook further qualitative and quantitative analysis, including:

- reviewing maps of the area to identify particular geographic features of the region which may influence the competitive dynamic (for example, road system layout)
  - reviewing the identity of the remaining competitors.
99. The ACCC conducted separate analysis for retail sales of petrol, diesel and LPG. This is because not all sites sell all of these types of fuel so the retail analysis can vary depending on the fuel type.
100. Coming out of this process the ACCC has formed preliminary views about whether the acquisition of each Sale Site by Caltex:
- would be likely to substantially lessen competition;
  - may raise competition concerns; or
  - would be unlikely to raise competition concerns.
101. The sites in each of these categories are outlined below.

The ACCC invites comments from market participants on the ACCC's approach to identifying local areas in which the proposed acquisition may raise competition concerns.

## **Petrol**

### *Areas in which the proposed acquisition is likely to substantially lessen competition*

102. The ACCC has formed the preliminary view that Caltex's acquisition of 22 of the Sale Sites would be likely to substantially lessen competition in markets for the retail supply of petrol. A list of these sites is included at Attachment A to this document.
103. In each of these markets, the ACCC's information to date suggests that the acquisition of relevant Sale Sites by Caltex would enable it to unilaterally increase prices to a significant extent, given high barriers to entry and limited constraints imposed by competitors.

### *Areas which may raise competition concerns*

104. The ACCC has formed the preliminary view that Caltex's acquisition of 45 of the Sale Sites may raise competition concerns in retail petrol markets. A list of these sites is included at Attachment A to this document.

### *Areas which are unlikely to raise competition concerns*

105. The ACCC considers that the acquisition by Caltex of 32 sites would be unlikely to raise competition concerns since there are no Caltex controlled sites in the local area.

106. The ACCC understands that a further nine sites proposed to be acquired by Caltex are idle and not presently operating as retail petrol stations. The ACCC considers that the acquisition of these sites is unlikely to raise competition concerns.
107. For the remaining 194 sites, the ACCC considers that these sites are unlikely to raise competition concerns because there will remain sufficient competitors post-acquisition such that Caltex is unlikely to be able to institute a significant increase in retail prices in those markets.

### **Diesel**

108. In examining the potential competitive effects of the proposed acquisition on markets for the retail supply of diesel, the ACCC has adopted the approach taken in relation to examining markets for the retail supply of petrol outlined above.
109. The ACCC has identified significant overlap between sites that appeared likely to raise competition concerns in relation to markets for the retail supply of petrol and markets for the retail supply of diesel.
110. Where additional concerns were raised in relation to diesel markets these have been identified below.

#### *Areas in which the proposed acquisition is likely to substantially lessen competition*

111. The ACCC has identified 15 markets for the retail supply of diesel for which its preliminary view is that the proposed acquisition is likely to substantially lessen competition. All but 2 of these markets were also identified as likely to substantially lessen competition for petrol.
112. These sites are listed in Attachment A to this document.

#### *Areas which may raise competition concerns*

113. The ACCC has identified 35 markets for the retail supply of diesel in which it considers the proposed acquisition may raise competition concerns (6 of which are considered as markets which are unlikely to raise competition issues in relation to the retail supply of petrol). These sites are listed in Attachment A to this document.

### **LPG**

114. LPG is sold at most retail sites that sell petrol and diesel. Of the 302 Sale Sites proposed to be acquired by Caltex, 266 sell LPG. The proposed acquisition will result in Caltex becoming responsible for setting the LPG price at these sites. In this respect, the method by which LPG markets were analysed was similar to the method used to analyse petrol and diesel retail markets (outlined in paragraph 96).

115. In addition, the ACCC is considering whether the proposed acquisition may have competitive implications in further retail LPG markets. The ACCC notes that by virtue of Caltex's interest in Vitalgas, Caltex has an interest in the wholesale supply and, in some cases, price setting or price-support arrangements at non-Caltex sites.
116. In light of the Vitalgas arrangements, the ACCC is considering whether it is appropriate to consider whether there is potential for a substantial lessening of competition in retail LPG markets if the proposed acquisition results in aggregation of a Sale Site and a site at which Vitalgas sets the LPG board price and/or provides price support for LPG.

*Areas in which the proposed acquisition is likely to substantially lessen competition*

117. The ACCC has identified 43 markets for the retail supply of LPG in which its preliminary view is that the proposed acquisition is likely to substantially lessen competition. Thirty two of these markets were not identified as likely to substantially lessen competition in relation to markets for the retail supply of petrol.
118. The ACCC's preliminary view is that the sale of 38 of these sites to Caltex are likely to substantially lessen competition regardless of the Vitalgas arrangements.
119. In contrast, the ACCC considers that the acquisitions of Seven Hills North, Parramatta North, Bexley, Granville East and Moorvale will only substantially lessen competition in the event that it is held that the Vitalgas arrangements create the incentive for Vitalgas and the Sale Site to compete less vigorously in those local regions. The ACCC is seeking further information in relation to these issues during the second phase of its review.

*Areas which may raise competition concerns*

120. The ACCC has also identified that the proposed acquisition of 24 sites may raise competition concerns in LPG markets (14 of which are considered unlikely to raise competition issues in relation to the retail supply of petrol).
121. The ACCC considers that the sale of 15 of these sites to Caltex may raise competition concerns regardless of the Vitalgas arrangements.
122. In contrast, the ACCC considers that the acquisitions of Elizabeth Vale, Lakemba, New Lambton North, Quakers Hill, Greenslopes, Rydalmere, South Plympton, Marsden and Para Hills have the potential to raise competition concerns in the event that it is held that the Vitalgas arrangements create the incentive for Vitalgas and the Sale Sites to compete less vigorously in those local regions. The ACCC is seeking

further information in relation to these issues during the second phase of its review.

123. The full list of sites which are likely to or may raise concerns with respect to LPG markets are identified in Attachment A.

The ACCC invites comments from market participants in regard to the ACCC's preliminary views on competition issues that may arise from the proposed acquisition of particular Sale Sites by Caltex.

If you are seeking to provide comments about particular sites, please be as specific as possible in regards to the location of each site. Please provide reasons for your view that the proposed acquisition of a particular site does/does not raise competition concerns.

## Other issues

124. The ACCC also considered other possible competition concerns raised by market participants in examining the proposed acquisition:
- the impact of the withdrawal of Mobil's fuel card (Mobilcard) on competition in various markets
  - the reduction in competition in wholesale markets arising from the acquisition of the sites by Caltex relative to the acquisition by a party that might become a large scale importer of petrol and diesel.
125. However, based on the ACCC's preliminary views regarding the likely counterfactual, these issues appear unlikely to raise competition concerns *relative to* the counterfactual.

## Issues unlikely to pose concerns

### *Impact of the withdrawal of the Mobilcard*

126. Two potential competition concerns relating to the sale of Mobil retail sites and the associated withdrawal of Mobilcard were raised with the ACCC by market participants.
- Fuel card customers raised concerns that the withdrawal of the Mobilcard would see a reduction in the number of major fuel card providers from four to three (Caltex, Shell, BP). Customers considered that this removal of a significant competitor could lead to higher fuel card 'prices' in terms of higher fees or lower rebates off the board price.
  - Mobil branded independent retailers and distributors (in regional areas) raised concerns that the exit of the Mobil brand and the withdrawal of the Mobilcard would reduce their options for the wholesale supply of fuel because of the importance of the 'brand'

and 'fuel card' elements of the package they source from wholesale suppliers along with their fuel. Many Mobil branded retailers and distributors provided evidence that a significant proportion of their fuel sales (in some cases in excess of 40%) are through the Mobilcard.

127. The ACCC has closely investigated these issues. However, as set out in paragraph 42, Mobil has since provided credible information to suggest that, in the absence of the sale to Caltex, it will exit the retail petrol market (and therefore the Mobilcard will be withdrawn) in any case. The proposed timeframe for Mobil to exit the retail market under this 'counterfactual' scenario is two to three years. The ACCC notes that even if the network was sold to a single buyer, the ACCC considers it unlikely that the buyer could put together a comparable card offer to that of Mobil, without a significant network of branded regional sites, including highway sites.
128. The ACCC therefore does not consider that the proposed acquisition is likely to result in a substantial lessening of competition in the relevant markets.
129. Nonetheless, the ACCC will accept further submissions from industry participants and will further consider these issues if raised by market participants.

*Reduction in competition in wholesale markets relative to an acquisition by an independent importer*

130. The ACCC's petrol inquiry report in 2007 put forward the view that entry of a large scale importer would be able to put downward pressure on wholesale petrol prices. The ACCC further noted that one way this might occur is if an independent were to purchase the retail network of one of the refiner-marketers. This conclusion was based on the view that a large retail presence is necessary to achieve the scale to import competitively.
131. In the present investigation, the ACCC had regard to the question of whether, in the absence of the sale of the sites to Caltex, an independent would be likely to purchase the sites and commence large scale importation. However, as a long-term supply contract was attached to the sale of the sites, there is little prospect that any independent acquirer would have been in a position to use the sites as a basis for importation in the foreseeable future. The ACCC therefore does not consider that this is a likely alternative scenario for the purposes of the competition analysis.

The ACCC is willing to accept further submissions from interested parties on this issue.
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### **ACCC's future steps**

132. The ACCC will finalise its view on this matter after it considers market responses invited by this Statement of Issues.
133. The ACCC now seeks submissions from market participants on each of the issues identified in this Statement of Issues and on any other issue that may be relevant to the ACCC's assessment of this matter.
134. Submissions are to be received by the ACCC no later than 16 September 2009. The ACCC will consider the submissions received from the market and the merger parties in light of the issues identified above and will, in conjunction with information and submissions already provided by the parties, come to a final view as to the appropriate course of action to take to resolve any competition concerns that remain.
135. The ACCC intends to publicly announce its final view by 7 October 2009. However the anticipated timeline may change in line with the *Merger Review Process Guidelines*. A Public Competition Assessment for the purpose of explaining the ACCC's final view may be published following the ACCC's public announcement.



**ATTACHMENT A – list of Sale Sites and summary of whether local retail  
competition concerns arise**

	PETROL			DIESEL			LPG		
	Competition concerns			Competition concerns			Competition concerns		
	Likely	Possible	Unlikely	Likely	Possible	Unlikely	Likely	Possible	Unlikely
Adelaide (315)			X			X			X
Aldinga			X			X			X
Algester			X			X	X		
Allawah			X			X	X		
Altona (250)			X			X			X
Amberley			X			X			X
Angle Valex (320)			X			X			X
Artarmon (170)			X			X		X	
Ashfield (132)			X			X			X
Ashgrove (413)			X			X			X
Ashmore (405)	X			X			X		
Ashmore Village (410)		X			X		X		
Aspley (417)			X			X			X
Bankstown (148)			X			X			X
Bateau Bay			X			X			X
Bayswater (229)			X			X			X
Bayswater East (261)			X			X			X
Beacon Hill		X				X	X		
Beenleigh			X			X			X
Belmont			X			X			X
Belmont East			X			X			X
Berkeley		X				X			X
Berowra (131)	X					X			X
Bexley			X			X	X		
Birkenhead (316)			X			X			X
Blackburn			X			X			X
Blackburn South Qx (215)			X			X			X
Blacktown (103) C114		X			X				X
Blacktown East (160)			X			X			X
Blacktown West (120)			X			X			X
Blaxland (116)	X			X			X		
Bligh Park (177)			X			X			X
Boambee		X				X	X		
Bonnyrigg (138)			X			X		X	
Bow Bowling			X			X			X
Bowen Hills (412) (Mayne)			X			X			X
Box Hill (260)			X			X			X
Bracken Ridge			X			X	X		
Braddon		X			X				X
Braeside Fuelzone			X			X			X
Brandon Park (272) (Mulgrave)			X			X			X

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	PETROL			DIESEL			LPG		
	Competition concerns			Competition concerns			Competition concerns		
Brisbane East			X			X			X
Broadbeach (401) (Pacific Fair)	X				X		X		
Broadmeadows (234)			X			X			X
Bulahdelah		X		X					X
Bundoora (281)			X			X			X
Burwood (128)			X			X			X
Burwood East			X			X			X
Camberwell Metrofuel			X			X			X
Camden	X			X					X
Campbellfield (203)	X			X					X
Campbelltown			X			X			X
Camperdown			X			X			X
Carina			X			X			X
Carrum Downs (233)			X			X			X
Castle Hill North			X			X			X
Chadstone			X			X		X	
Chipping Norton			X			X			X
Chirside Park (211)			X			X			X
Christies Beach (311)			X			X			X
Clayton Fuelzone			X			X			X
Clayton MetroFuel			X			X			X
Clifton Hill (227)			X			X			X
Colyton			X			X			X
Coomera		X			X				X
Corio (257)		X			X			X	
Cranbourne North (212)			X			X			X
Cronulla			X			X			X
Croydon Fueline			X			X			X
Croydon Hills (262)			X			X			X
Croydon Park (150)			X			X			X
Dandenong			X			X			X
Dandenong North			X			X			X
Dapto	X					X			X
Darlington		X			X				X
Darlington			X			X			X
Dee Why (112)			X			X	X		
Doncaster East Fuelzone			X			X			X
Donvale (266)			X			X			X
Doveton			X			X			X
East Keilor (207)			X		X				X
East Mt Gravatt		X			X		X		
Eastern Creek (129)			X			X			X
Eastwood			X			X			X
Eatons Hill	X			X					X
Edensor Park (134)		X				X			X

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	PETROL		DIESEL		LPG	
	Competition concerns		Competition concerns		Competition concerns	
Elizabeth Vale (305)		X		X		X
Eltham (222)			X		X	X
Elwood (Brighton)			X	X		X
Emerton (107)			X		X	X
Emu Plains (105)			X		X	X
Endeavour Hills			X		X	X
Epping (201)			X		X	X
Epping Bridge		X			X	X
Epping North (239)			X		X	X
Epping RDC (186)			X		X	X
Erina			X		X	X
Erindale			X		X	X
Essendon North			X		X	X
Evanston (321 )			X		X	X
Ferntree Gully Fueline (Burwood Hwy)			X		X	X
Ferntree Gully Fueline (Ferntree Gully Rd)			X		X	X
Ferntree Gully FuelZone			X		X	X
Fitzroy (225)			X		X	X
Footscray West			X		X	X
Frankston			X		X	X
Frankston OTR (278)			X		X	X
Frenchs Forest			X		X	X
Fyshwick			X		X	X
Gaven Qx (453)	X			X		X
Geelong North			X		X	X
Geelong South			X		X	X
Giralang	X				X	X
Glasshouse North (456)			X		X	X
Glasshouse South (455)			X		X	X
Glen Osmond (314)			X	X		X
Glen Waverley (271)			X		X	X
Glen Waverley Nth West			X		X	X
Glendale			X		X	X
Glenside			X		X	X
Gosford West (154)	X			X		X
Granville (135)			X		X	X
Granville East (174)			X		X	X
Green Valley (142)			X		X	X
Greenacre (151)			X		X	X
Greenslopes (457)		X			X	X
GyMEA			X		X	X
Haberfield			X		X	X
Hallam (240)			X		X	X
Hampton Park (237)			X		X	X

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	PETROL			DIESEL			LPG		
	Competition concerns			Competition concerns			Competition concerns		
Hampton Park Drive Thru (238)			X			X			X
Hassall Grove (140)			X			X			X
Hastings	X			X			X		
Hawthorn			X			X		X	
Hillbank (301)			X			X			X
Hillcrest (309)			X			X			X
Holden Hill (312)		X			X				X
Holt		X			X		X		
Hoppers Crossing (216)			X			X			X
Ingleburn (155)			X			X			X
Karingal (Frankston) (236)			X			X			X
Karuah			X			X			X
Kellyville (173)	X				X		X		
Kensington Gardens			X			X			X
Kensington North			X			X			X
Kensington South			X			X			X
Kent Town			X			X			X
Keperra			X			X			X
Keysborough (274)		X			X				X
Killara (Lindfield)			X			X			X
Kilsyth			X			X			X
Kingswood (313)			X			X		X	
Kirrawee			X			X	X		
Kogarah			X			X	X		
Lakemba			X			X		X	
Lambton (130)			X			X	X		
Langwarrin			X			X			X
Lansvale (133)			X			X			X
Lilydale			X			X			X
Lindfield (136)			X		X				X
Liverpool			X			X			X
Manly West			X			X			X
Maribyrnong			X			X			X
Marion (324)			X			X			X
Marks Point (187)		X				X			X
Marsden		X				X		X	
Mawson		X				X			X
Mayfield (106)			X			X			X
McGraths Hill			X			X			X
Melba Service Centre		X				X			X
Menai (137)	X					X			X
Mill Park (244)		X				X			X
Minchinbury (171)			X			X			X
Mona Vale (183)		X				X			X
Moonee Ponds			X			X			X

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	PETROL			DIESEL			LPG		
	Competition concerns			Competition concerns			Competition concerns		
Moorooduc			X			X			X
Moorvale			X			X	X		
Mornington			X			X			X
Morphettvale Qx (322 )		X			X			X	
Mount Pleasant (110)	X				X				X
Mt Druitt (127)			X			X			X
Murarie (Lytton)			X			X	X		
Nambour			X			X			X
Narrabeen North (114)		X				X			X
Narre Warren (231)	X			X			X		
Narre Warren Fueline			X			X			X
Nerang Qx (458)		X			X			X	
New Lambton North			X			X		X	
Newcomb (Gateway)			X			X			X
Newmarket			X			X			X
Newport (179)			X			X			X
Niddrie			X			X			X
Noarlunga Downs Qx (306)			X			X			X
Noble Park			X			X			X
North Melbourne			X			X			X
North Ryde (185)			X			X	X		
Northmead			X			X	X		
Notting Hill Fuelzone			X			X			X
Nunawading			X			X			X
Nunawading (202)			X			X			X
Oakleigh FuelZone			X			X			X
Officer East TStop			X			X			X
Officer TStop (keyall)			X			X			X
Oxley (419)			X			X			X
Paddington			X			X			X
Palm Beach Qx (451)		X			X		X		
Para Hills Qx (304)		X			X			X	
Parafield Qx (319)		X				X			X
Parkwood Qx (452)		X			X			X	
Parramatta North (158)			X		X		X		
Pascoe Vale			X			X			X
Pascoe Vale South			X			X			X
Pendle Hill			X			X			X
Penrith (101)			X			X			X
Penrith (124) (South)			X			X			X
Pheasants Nest North (175)			X			X			X
Pheasants Nest South (176)			X			X			X
Plumpton (109)		X				X			X
Prahran East (265)			X			X			X

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	PETROL		DIESEL		LPG	
	Competition concerns		Competition concerns		Competition concerns	
Quakers Hill (178)		X		X		X
Revesby			X		X	X
Richlands Qx (407)		X		X	X	
Richmond			X		X	X
Ring Rd Nth (251) Contract Name =Ardeer Nth			X		X	X
Ring Rd Sth (252) - Contract Name = Ardeer Sth			X		X	X
Ringwood (224)			X		X	X
Riverhills	X			X		X
Riverwood			X		X	X
Robertson			X		X	X
Robina Qx (404)		X		X	X	
Robina Qx (454)	X			X	X	
Rockbank RHouse TStop			X		X	X
Rockdale			X		X	X
Rooty Hill			X		X	X
Rosebud			X		X	X
Roseville (144)			X		X	X
Rowville (277)		X		X		X
Rowville FuelZone		X		X		X
Rozelle			X		X	X
Rydalmere			X		X	X
Ryde Tanks (157)			X		X	X
Salisbury Downs Qx (302)			X		X	X
Sandgate			X	X		X
Sandown Qx (217)			X		X	X
Sandringham			X		X	X
Sans Souci (184)			X		X	X
Seaford (310)			X		X	X
Seven Hills North			X		X	X
Seymour			X		X	X
Seymour North TStop (255)			X		X	X
Sheidow Park Qx (323 )			X		X	X
Smithfield (153)			X		X	X
South Brighton Qx (325)	X			X		X
South Plympton Qx (318 )			X		X	X
Southport Qx (406) (Capital Rebate)			X		X	X
Spence	X			X	X	X
Springwood			X		X	X
St Albans (230)			X		X	X
St Clair (121)			X		X	X
St Ives		X			X	X
St Kilda (223)			X		X	X
St Marys (108)			X		X	X

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	PETROL			DIESEL			LPG		
	Competition concerns			Competition concerns			Competition concerns		
St Marys (141)			X			X			X
Stafford			X			X			X
Strathfield South (156)			X			X			X
Strathpine			X			X			X
Sunbury			X			X			X
Surfers Paradise Qx (450)		X			X		X		
Sutherland			X			X	X		
Sydenham (228)	X			X			X		
Taylors Lakes (214)			X			X			X
The Entrance (111)			X			X		X	
The Gap			X			X			X
Thomastown			X			X			X
Thomastown East			X			X			X
Thomastown QX (210)			X			X			X
Thornbury			X			X			X
Toongabbie (104)		X				X			X
Tooronga Valley (241)			X			X			X
Toronto		X			X		X		
Tottenham			X			X			X
Tullamarine (242)			X			X			X
Turrumurra (125)		X			X		X		
Tweed Heads Qx (402)			X			X			X
Underdale			X			X			X
Upwey (263)			X			X			X
Victoria Point Qx (411)			X			X			X
Wahroonga		X			X			X	
Wantirna (280)			X			X			X
Wantirna South (279)			X			X			X
Warners Bay (149)			X			X			X
Welland Qx (317)			X			X			X
Werribee (235)			X			X			X
Werribee (254)		X			X		X		
West Beach Qx (307)			X			X			X
West Pennant Hills			X			X			X
West Ryde (Ryde West)			X			X			X
Wickham (152)			X			X			X
Wishart		X				X			X
Woodridge Qx (403)			X			X			X
Yagoona			X			X			X
Yallambie (232)	X					X			X
<b>TOTAL</b>	<b>22</b>	<b>45</b>	<b>235</b>	<b>15</b>	<b>35</b>	<b>252</b>	<b>43</b>	<b>24</b>	<b>235</b>