



**Australian
Competition &
Consumer
Commission**

Our Ref: 62113
Contact Officer: Natalie Morton
Contact Phone: (02) 6243 3003

GPO Box 3131
Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
fax: (02) 6243 1199

www.accc.gov.au

23 June 2017

Mark McCowan
Partner
Corrs Chambers Westgarth

By email only: Mark.McCowan@corrs.com.au ; alistair.newton@corrs.com.au

Dear Mr McCowan

**Re: BP Australia Pty Ltd & Ors applications for authorisation A91580 –A91582 -
interested party submissions**

I refer to the above application for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 28 April 2017.

As you are aware, on 12 May 2017 the ACCC wrote to interested parties seeking submissions in relation to the application. The ACCC requested submissions be provided by 1 June, with an extension until 14 June for BP Resellers.

The ACCC has received public submissions from the following interested parties:

- Endeavour Petroleum
- Australian Small Business and Family Enterprise Ombudsman
- 7-Eleven
- Other interested parties (identity excluded from the Public Register)

A copy of each of these public submissions is attached. All publicly available submissions are also posted on the ACCC internet site at www.accc.gov.au/AuthorisationsRegister.

We are currently still processing three submissions, and anticipate that they will be accessible on the Public Register next week. This letter also includes issues raised in confidential submissions.

If you wish to comment on any issues raised in submissions, please do so by **cob 7 July 2017**.

In particular, the ACCC would appreciate a response from the Applicants to the following issues raised by interested parties:

- Other fuel retailers (in particular independents) will not be able to compete as a result of the significant increase in sites participating in the shopper docket and Woolworths rewards schemes
- The commercial alliance enhances Woolworths' ability to leverage its power in grocery markets into convenience store offerings .
- The implementation of the arrangements will involve greater coordination between BP and BP Resellers and reduce competition between them
- The current section s 87B undertaking prevents the cross-subsidisation of the fuel discounts and imposes a 4cpl cap on shopper docket discounts but may be withdrawn by Woolworths in 2018, in which case those constraints would not be in place for the duration of the authorisation.
- Whether the proposed acquisition by BP of Woolworths sites is so intrinsically linked to the conduct for which authorisation is sought that the benefits and detriments resulting from the proposed acquisition are relevant public benefits and detriments to be taken into account by the ACCC in assessing the applications for authorisation.

In addition, the ACCC requests a response from the Applicants to the following issues:

- Do the proposed arrangements limit BP to offering a shopper docket discount of no more than 4 cents per litre?
- Would BP receiving partial funding of the shopper docket discount from Woolworths (which will not have a retail fuel business) potentially result in cross subsidisation of fuel discounts from the supermarket sector in a way that might distort competition in fuel retailing?
- Does BP expect total funding (by BP and Woolworths) of the shopper docket discounts to increase under the proposed arrangements compared to previous years and, if so, by how much?
- Please describe the process and criteria BP intends to use to determine which BP Reseller sites participate in the redemption scheme over time.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Natalie Morton on (02) 6243 3003.

Yours sincerely



David Hatfield
Director
Adjudication Branch