

[REDACTED]

[REDACTED]

Sent: Tuesday, 13 June 2017 4:35 PM
To: Adjudication

Subject: A91580,A91581,A91582-BP Australia Pty Ltd & Ors-submission proposed acquisition of Woolworths retail service station sites - attention Andrew Gallagher and Natalie Morton

[REDACTED]

Attention Natalie Morton, Andrew Gallagher, Mandy Bendelstein and Suiyi Zhang

Please note details below of our submission, deadline extended verbally until 14th June with Natalie.

[REDACTED]

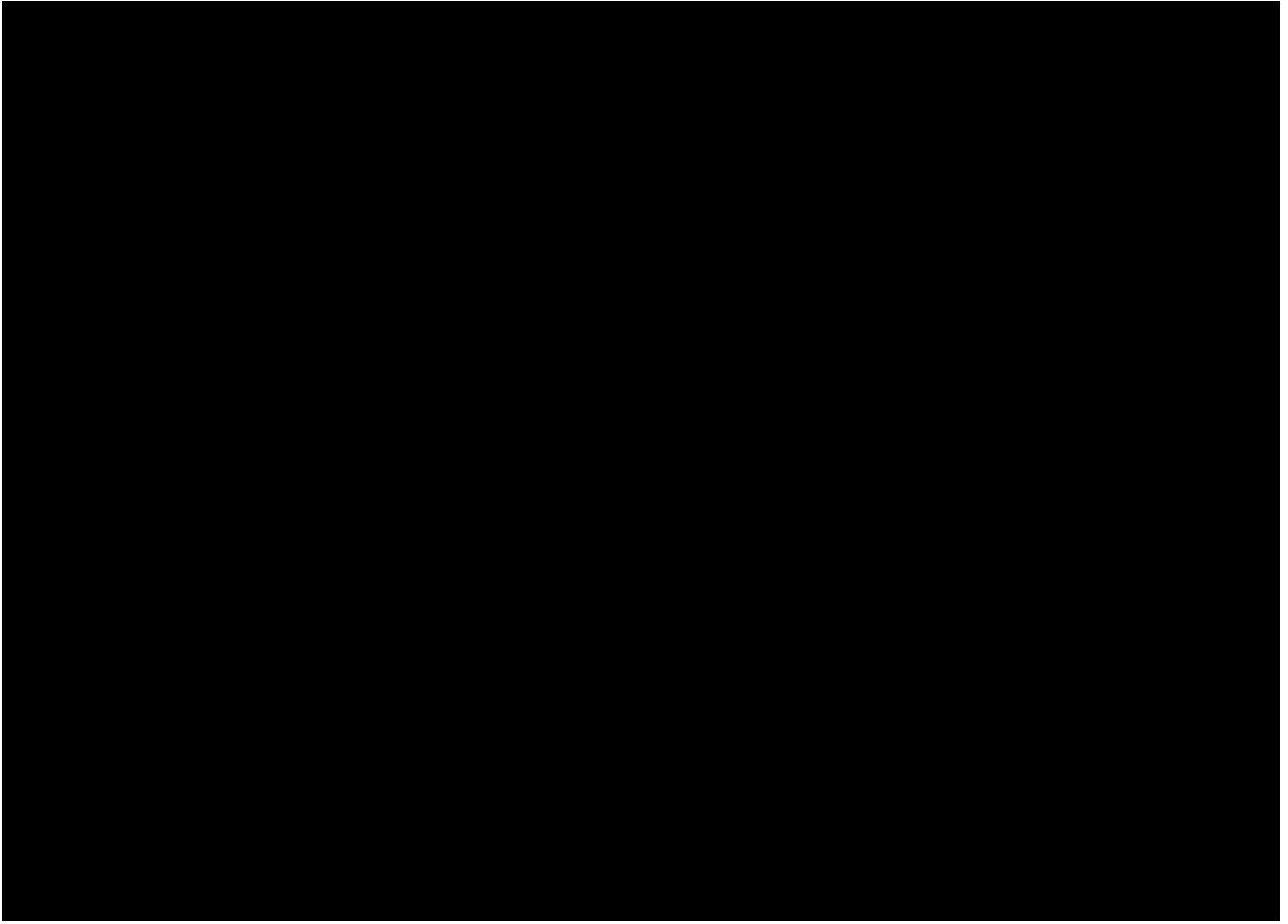
The reason for stating my working history is to establish the fact that I have been involved in the oil industry for decades and instrumental in setting up corporate company networks, including the Caltex Woolworths network here in WA and reasonably aware of the competition it creates, or inhibits.

The industry is very challenging, more so in this state in the current economic environment. We are cutting margins to remain competitive with new players entering the market as well as existing company sites all competing for customer's business. Perhaps good for competition however if independents are squeezed out of the market history shows that less players results in less competition. Large multinationals are directed from bureaucratic head offices. Our business is locally owned with the directors on the company "hands on" in daily business decisions such as pricing of our petroleum products. Significantly different to the large corporations.

In this state we operate within the state governed "Fuelwatch" framework and fuel pricing is open to public scrutiny from 2:30pm every day. It cannot be changed outside of set times and is fixed from 6am one day to 6am the next. If we set our prices significantly different then we must remain at that price until we enter a new price the next day to change the following day, it can be very damaging if we get it wrong. Unlike our eastern state operators we cannot just go and change the price.

Our submission is difficult to compile because BP management have given us minimal information and we are unsure of several key components:-

1. Which BP company operated stores will be changed over to Woolworths branding. Some may be divested?
 2. Which independent sites (eg ours) will be offered the Woolworths branding to: A) Accept shopper dockets/rewards program and B) show the discounted price (4cpl) to the public?
 3. **If** we are offered the 4cpl shopper docket then at what price. ie how much is subsidised by BP/Woolworths. We currently part pay the IGA shopper docket offer.
 4. We currently offer the IGA 4 cpl shopper docket to our customers at all of our service stations. We claim back from Metcash a component of the 4cpl on a weekly basis.
 5. We own all of our petroleum stock and would need clarification from BP how they would contract with us for the reimbursement of the portion of the 4cpl discount.
- [REDACTED]



We hope this helps state our position and we look forward to further discussions once we have more information

Please contact me if you require further information or clarification

