



## Statement of Issues

16 March 2017

### Caltex Australia Petroleum – proposed acquisition of Milemaker Petroleum

---

#### Purpose

1. Caltex Australia Petroleum (**Caltex**) proposes to acquire 46 retail service stations from Milemaker Petroleum (**Milemaker**) (the **proposed acquisition**).
2. This Statement of Issues:
  - a) gives the Australian Competition and Consumer Commission's (**ACCC's**) preliminary views on competition issues arising from the proposed acquisition
  - b) identifies areas of further inquiry
  - c) provides all interested parties with an opportunity to comment, and
  - d) invites interested parties to submit comments and information to assist our assessment of the issues.

#### Overview of ACCC's preliminary views

3. The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.
4. The ACCC divides its preliminary views into three categories, 'issues of concern', 'issues that may raise concerns' and 'issues unlikely to raise concerns'. For this acquisition the ACCC has identified one 'issue that may raise concerns', which relates to multiple markets.

**Issue that may raise concerns: removal of a vigorous and effective competitor in the retail supply of petrol to consumers in local geographic markets and in the Melbourne metropolitan market**

5. The ACCC's preliminary view is that the proposed acquisition may substantially lessen competition in the retail supply of petrol to consumers by removing a vigorous and effective competitor. While to most consumers Milemaker sites are not obviously distinguishable from Caltex company operated sites, Milemaker sets its own retail prices and operates as a large independent price setter across the Melbourne metropolitan market. At each of the sites currently operated by Milemaker, Caltex is likely to substitute its own pricing strategy in place of the pricing strategy currently adopted by Milemaker.
6. Currently, pursuant to its pricing strategy, Milemaker is often quicker to lower prices and slower to raise prices within the retail petrol price cycle than Caltex. The proposed acquisition would eliminate Milemaker's contribution to price competition and replace it with Caltex's, which will potentially be less vigorous and less effective.
7. This would have an effect on the competitive process in both:
  - a) each local geographic market in parts of Melbourne and regional Victoria where there is currently a Milemaker site
  - b) the broader Melbourne metropolitan market.
8. The ACCC is still undertaking analysis to determine whether the resulting lessening of competition would be 'substantial'.

**Making a submission**

9. The ACCC is seeking submissions from interested parties, particularly on the following key issues:
  - a) the likely impact of common ownership of Caltex and Milemaker sites on retail petrol prices in the relevant markets
  - b) the extent to which Caltex and other fuel retailers in the relevant markets respond to Milemaker's pricing strategy by reducing their own prices or improving their non-price offerings.
10. Detailed discussion of these and other issues, along with specific questions, is contained in this Statement of Issues.
11. Interested parties should provide submissions by no later than 5pm on **30 March 2017**. Responses may be emailed to [mergers@acc.gov.au](mailto:mergers@acc.gov.au) with the title: Submission re: Caltex Milemaker - attention Cameron McKean/Suiyi Zhang. If you would like to discuss the matter with ACCC officers over the telephone or in person, or have any questions about this Statement of Issues, please contact Cameron McKean on (02) 6243 1006 or Suiyi Zhang on (02) 9230 9122.
12. The ACCC anticipates making a final decision on 20 April 2017, however, this timeline can change. To stay up to date with changes to the timeline and to find

relevant documents, interested parties should visit the Mergers Register on the ACCC's website at [www.accc.gov.au/mergersregister](http://www.accc.gov.au/mergersregister).

### Confidentiality of submissions

13. The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

### About ACCC 'Statements of Issues'

14. 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.
15. 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.

### Timeline

Date	Event
<b>17 November 2016</b>	ACCC commenced review of the proposed acquisition
<b>15 December 2016</b>	Closing date for submissions from interested parties
<b>25 January 2017</b>	Provisional decision date extended from 16 February 2017 to 2 March 2017
<b>1 March 2017</b>	Proposed decision date extended to 3 March 2017
<b>2 March 2017</b>	Proposed decision date extended to 16 March 2017
<b>16 March 2017</b>	ACCC issued Statement of Issues
<b>30 March 2017</b>	Deadline for submissions from interested parties in response to the SOI
<b>20 April 2017</b>	Anticipated date for ACCC final decision (subject to change)

## The parties

### Caltex

16. Caltex Australia Limited is the parent company of the Caltex Australia Group, which includes Caltex. Caltex Australia Group's business operations include the refining, wholesaling and retailing of transport fuels.
17. Caltex's business operations include the retail supply of fuel through its Caltex owned and operated service stations.
18. Caltex or its agents operate 59 sites in the Melbourne metropolitan area, and set the retail price at those sites. There are approximately a further 35 Caltex-branded sites in the Melbourne metropolitan area which Caltex and its agents do not operate, including 34 Milemaker sites (33 of which Caltex proposes to acquire). Caltex does not set the price at these 35 sites except at some sites where Caltex sets the price for diesel sold under an agent arrangement. The ACCC understands that in total there are approximately 850 service stations in the Melbourne metropolitan area.

### Milemaker

19. The Milemaker business is a family run business, which has been operating for over 30 years.
20. Milemaker operates as a Caltex franchisee but sets its own retail pricing independent of Caltex (except some sites where Caltex sets the retail price of diesel).
21. Milemaker's sites carry Caltex branding, sell Caltex fuels and accept Caltex payment cards. To most consumers, they are not obviously distinguishable from Caltex's company-operated sites.
22. Across Victoria, Milemaker owns or operates the 46 retail service stations which Caltex proposes to acquire. Milemaker operates 34 sites in the Melbourne metropolitan area and two sites in Geelong. Milemaker operates one site in the Melbourne metropolitan area which is not part of the proposed acquisition.

## The proposed acquisition

23. Caltex proposes to acquire some of Milemaker's retail fuel business assets in Victoria for \$95 million. The transaction will see Caltex acquire the business assets and take over operation of 46 retail services station sites from Milemaker. Milemaker intends to grant Caltex long-term leases to operate the fuel businesses. A full list of sites and their location is set out in the appendix to this Statement of Issues.

## Other industry participants

### BP

24. BP's business operations include the retail supply of fuel through its BP owned and operated service stations. BP also refines and supplies wholesale fuel to a number of independent retailers that own and operate service stations, including those that do so under the BP brand. The largest BP-branded independent retail chain in Victoria is BP AA (discussed below).
25. The ACCC understands that there are approximately 145 BP-branded sites in the Melbourne metropolitan area.

### Woolworths

26. Woolworths entered fuel retailing during the late 1990s, establishing service stations that offer fuel discounts to those purchasing groceries at its stores.
27. In August 2003, Woolworths entered into an alliance with Caltex to operate dual-branded service stations. These dual-branded sites are operated by Woolworths and obtain all fuels from Caltex.
28. The ACCC understands that there are approximately 95 Caltex/Woolworths dual-branded sites in the Melbourne metropolitan area.
29. On 28 December 2016, BP announced that it had agreed to acquire all of Woolworths' existing 527 sites across Australia, as well as an additional 16 sites currently under construction. The ACCC commenced a public review of that transaction on 15 March 2017, following the receipt of submissions from BP and Woolworths.

### Coles Express

30. Coles has been retailing fuel since mid-2003, following a commercial alliance with Shell Australia (now owned by Viva Energy Australia Ltd), which involved Coles becoming the operator of franchisee-operated dual-branded Shell service stations Australia-wide.
31. The ACCC understands that there are approximately 159 Coles-Shell branded sites in the Melbourne metropolitan area.

### 7-Eleven

32. 7-Eleven Stores has been retailing fuel since the late 1970s.
33. In 2010, 7-Eleven Stores purchased a large number of retail service stations from ExxonMobil, which significantly lifted its presence in fuel retailing.
34. The ACCC understands that there are approximately 150 7-Eleven branded sites in the Melbourne metropolitan area.

### **United**

35. United is an independent, Australian-owned petrol and convenience store company.
36. United's control of terminal facilities allows it to import fuels from overseas and operate in both wholesale as well as retail fuel markets in Australia.
37. The ACCC understands that there are approximately 96 United branded sites in the Melbourne metropolitan area.

### **BP AA**

38. BP AA is a family run business, operating service stations as a BP independent franchisee but setting its own retail pricing independent of BP.
39. BP AA sites carry BP branding, sell BP fuels and accept BP payment cards. To most consumers, they are not obviously distinguishable from BP's company-owned sites.

### **Other participants**

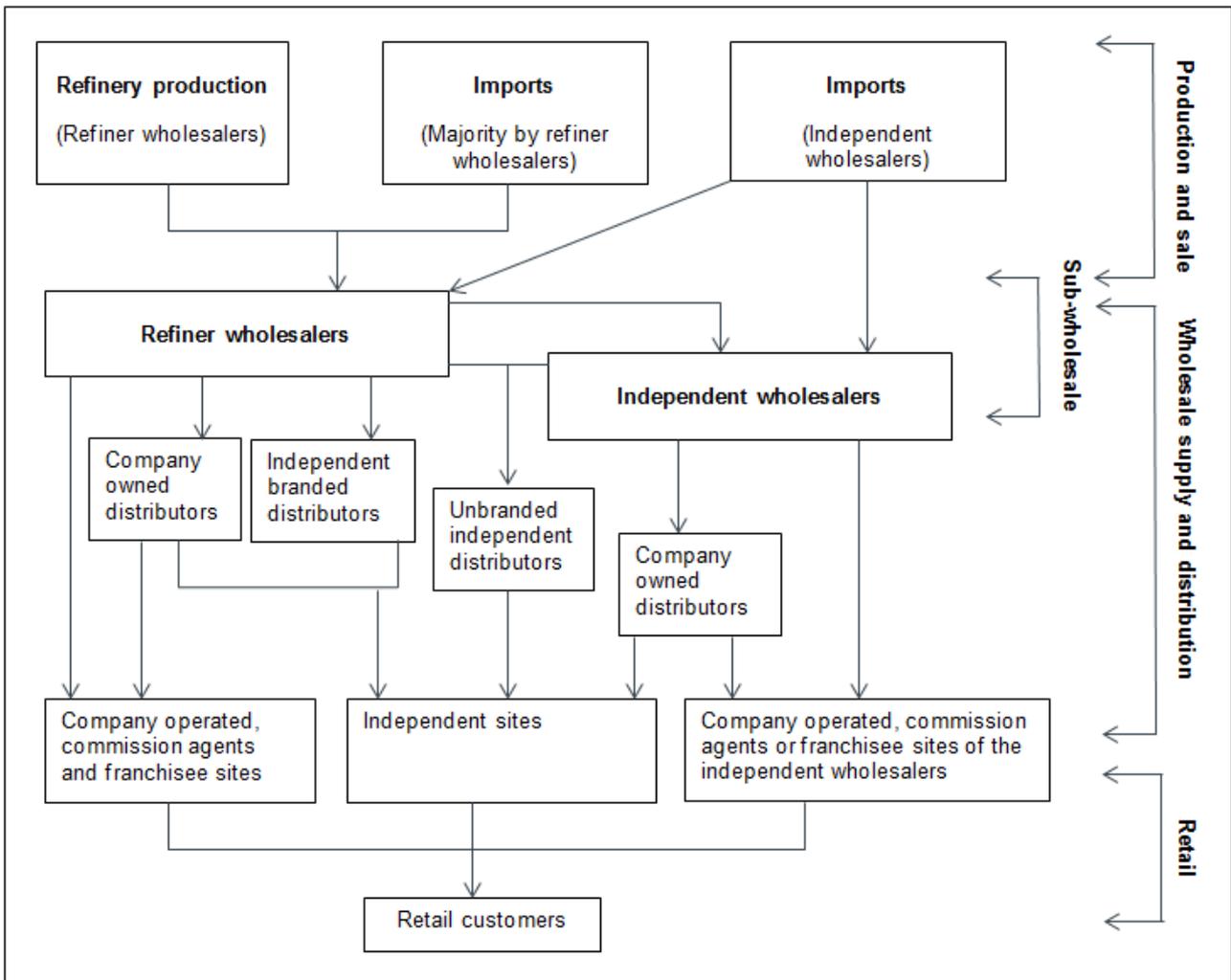
40. There are a range of other participants. The ACCC understands that collectively, they have approximately 113 sites in the Melbourne metropolitan area.

## **Industry background**

### **Overview of Australia's downstream petroleum industry**

41. Australia's downstream petroleum industry consists of three broad levels – production and importing, wholesale supply and retail supply. This structure is depicted in the figure below.

**Figure 1: Australia’s downstream petroleum industry**



*Refining and importing*

42. Petrol sold in Australia is either refined from crude oil at local refineries or imported as a finished product from overseas refineries.
43. There are four refineries currently operating in Australia (down from eight refineries in 2003). They are owned and operated as follows:
  - a) Corio, Geelong (Viva Energy)
  - b) Kwinana, Perth (BP)
  - c) Lytton, Brisbane (Caltex)
  - d) Altona, Melbourne (Mobil).
44. These four companies also operate in wholesale markets and are known as “refiner-wholesalers”.

*Wholesale supply*

45. Wholesale supply is dominated by the four refiner-wholesalers and large independent wholesalers including United and Puma Energy. The refiner-wholesalers supply wholesale petrol to their own outlets as well as supermarkets and independent distributors and retailers.
46. In 2013-14 (the latest data available) the four refiner-wholesalers accounted for over 90% of wholesale petrol volumes in Australia.

*Retail supply*

47. At the retail level, service stations supply petrol to retail customers. Service stations can be:
  - a) supermarket operated sites (Woolworths or Coles Express)
  - b) refiner-wholesaler company owned and operated sites (COCO), where the refiner-wholesaler sets prices
  - c) refiner-wholesaler commission agent (CA) sites, where the refiner-wholesaler typically sets the price
  - d) refiner-wholesaler franchisee sites, where typically the franchisee sets the price, but this may be influenced by price support from the refiner-wholesaler
  - e) refiner-wholesaler branded but independently operated sites, where typically the independent operator sets the price
  - f) independently owned and/or operated sites which range from large independent chains to single-site operations (these may be operated on a COCO, CA or franchisee basis).
48. A given site may fit more than one of these categories.

**Retail petrol price cycles**

49. Price cycles are a prominent feature of retail petrol prices in Australia's largest cities. Price cycles have two distinct phases:
  - a) a substantial increase in prices that generally occurs across a city (the **price increase phase**). In 2016 in Melbourne:
    - i. the average increase in daily average petrol prices from the trough to the peak of the cycle was about 21.6 cpl
    - ii. the average length of time from the trough to the peak of the cycle was about five days
  - b) a more prolonged phase of decreasing prices over the rest of the cycle (the **discounting phase**) – in 2016 in Melbourne, the average duration of the discounting phase was about 33 days

### *Price increase phase*

50. The price increase phase is generally initiated by one or two of the major retailers substantially increasing prices at a number of retail sites in a city (or in some cases all of their retail sites in that city). If other retailers respond to this move with similar increases, then the increased price usually spreads across the retail networks within a city.
51. Some retailers follow shortly after the leader (or ‘first mover’) raises prices, others ‘lag’ their price increase. This is because there is a (short-term) incentive for individual retailers to delay their price response during the price increase phase of the price cycle, thereby potentially gaining a temporary increase in sales and a reputation for low prices. The risk for retailers who delay is that the first mover (or those that follow quickly) may abandon their attempt to increase prices, and return their prices to the previous, lower level. The longer other retailers delay in following an attempted price increase, the greater the potential that the first mover or early followers will abandon their price increase.
52. During the price increase phase, retailers tend to adjust prices across a broad number of sites within a city within a short space of time. In the vast majority of cases, prices tend to be increased to the same or a similar price point across all retailers and across different local areas within a city. However, in recent times in Melbourne, the ACCC has observed some retailers increasing prices to a level below what was initially set by the first mover.

### *Discounting phase*

53. In contrast, the discounting phase involves a slower process of retailers undercutting and matching each other’s prices on a local basis, with price reductions generally spreading across greater Melbourne.
54. During the discounting phase, the rate at which retailers reduce their prices from the cyclical peak tends to vary on a site-by-site basis depending on factors that include the prices of nearby sites. This has the result that during the discounting phase, a retailer will often have a degree of price variability at its different sites across a city, although the market as a whole tends to shift downwards within a price band.

## **Future with and without the acquisition**

55. Section 50 of the Act prohibits mergers or acquisitions that would have the effect or be likely to have the effect of substantially lessening competition in a market. In assessing a proposed acquisition pursuant to section 50 of the Act, the ACCC considers the effects of the acquisition by comparing the likely future competitive environment post-acquisition if the acquisition proceeds (the “with” position) to the likely future competitive environment if the acquisition does not proceed (the “without” position) to determine whether the proposed acquisition is likely to substantially lessen competition in any relevant market.
56. On the basis of the information currently available, the ACCC considers the likely scenario in the absence of the proposed acquisition would be that Milemaker continues to operate under ownership independent of its retail competitors.

## Previous ACCC public merger reviews

### Caltex/Mobil (2009)

57. In December 2009, the ACCC opposed the proposed acquisition by Caltex Australia Limited of the retail assets of Mobil Oil Australia Pty Ltd. At the time, Caltex had a national network of 1826 branded or co-branded service stations, 333 of which were operated by Caltex or by commission agents on behalf of Caltex. Mobil had 302 service stations.
58. The ACCC analysed local areas where there was competitive overlap between a Caltex controlled site and a Mobil site. The ACCC formed the view that the acquisition by Caltex of 53 of Mobil's retail sites would be likely to substantially lessen competition in local retail fuel markets.
59. The ACCC also noted the weekly price cycles that were a feature of retail petrol prices in major cities at the time (and still are, as discussed at paragraphs 49 to 54 above). Petrol price cycles pose a co-ordination problem for retailers. While sharply increasing retail petrol prices in the price increase phase is in the interests of all retailers, it is in the individual interests of each retailer to follow rather than lead the price increases. The ACCC noted at the time that Caltex regularly led price increases in some cities. The ACCC formed the view that by increasing the retail presence of Caltex, the proposed acquisition would be likely to substantially lessen competition in city-wide retail petrol markets. The ACCC concluded the proposed acquisition would create a greater risk of more stable and more effective coordinated pricing behaviour in the price increase phase of the weekly price cycles.

### Peregrine/BP (2014)

60. The ACCC announced in May 2014 its decision not to oppose Peregrine Corporation's proposed acquisition of 25 BP petrol retail sites in South Australia, after accepting a court-enforceable undertaking. Peregrine operates under the trading name of 'On The Run'. The undertaking required Peregrine to divest three sites that it would otherwise have acquired from BP, and one of its existing sites.
61. The undertaking addressed concerns that Peregrine's acquisition of these sites could have resulted in higher fuel prices in some local areas.
62. The ACCC also considered whether Peregrine's acquisition of the sites would have a broader impact on prices across metropolitan Adelaide, but concluded that any changes to pricing that may occur post-acquisition would be unlikely to substantially lessen competition in an Adelaide-wide market.

## Market definition

63. The ACCC's starting point for delineating relevant markets, to assess the competitive effects of the proposed acquisition, involves identifying the products and geographic regions actually or potentially supplied by the parties to the transaction. The ACCC then focuses on areas of activity where competitive harm could occur as a result of the proposed acquisition.

64. The ACCC focuses on two key dimensions of substitution in characterising markets: the product dimension and the geographic dimension. These are discussed below.

#### **Product dimension**

65. Three types of fuel products are commonly sold at retail service stations in Victoria: petrol (including regular unleaded, premium unleaded and ethanol blends), diesel and automotive liquefied petroleum gas (**LPG**).
66. At this stage of its review, the ACCC does not consider it necessary to form a definitive view as to the specific product dimension of the relevant retail markets. For simplicity, this Statement of Issues discusses the effect or likely effect of the proposed acquisition on competition in the retail supply of petrol. The ACCC has not, at this stage, identified issues likely to arise from the proposed acquisition that affect competition for the retail supply of diesel (at Milemaker sites where Caltex does not already set the price of diesel) and LPG, but do not affect retail petrol, therefore the ACCC's focus has been on petrol.

#### **Geographic dimension**

67. The ACCC considers that competition in local areas is an important determinant of retailers' pricing decisions, particularly in the discounting phase of the price cycle. In addition, the ACCC is of the view that it is also relevant to consider the effect of the proposed acquisition on competition across the Melbourne metropolitan area. Considering competition across the Melbourne metropolitan area recognises that:
- a) Milemaker operates 34 sites in metropolitan Melbourne across a significant number of local areas (33 of which Caltex proposes to acquire)
  - b) the effect a Milemaker site may have on competition in a local area may transmit to neighbouring areas
  - c) cyclical price increases in Melbourne typically occur across the city more broadly.

#### **Preliminary views on relevant markets**

68. The ACCC takes the preliminary view that two types of markets are relevant for assessing the likely competitive effects of the proposed acquisition.
- a) The first is the retail supply of petrol in the local areas in the vicinity of each Milemaker site.
  - b) The second is the market for the retail supply of petrol in the Melbourne metropolitan area.
69. The ACCC's analysis of local areas is not limited to areas where Milemaker sites overlap with Caltex sites. This is because the removal of Milemaker's pricing strategy and its replacement with Caltex's pricing strategy, could impact on local markets, even where there is currently no geographic overlap with Caltex in that local market.

70. While the analysis in this Statement of Issues focuses on competition for the retail supply of petrol, it is possible that any competition concerns may also occur in markets for the retail supply of diesel and LPG.

The ACCC invites comments from market participants regarding the ACCC's preliminary views on relevant markets.

### **Issue that may raise concerns: removal of a vigorous and effective competitor in local markets and in the Melbourne metropolitan market**

71. Based upon its inquiries and analysis to date, the ACCC's preliminary view is that the proposed acquisition may substantially lessen competition for the supply of retail petrol to consumers in both local markets and the Melbourne metropolitan market, because it would remove Milemaker, which is a vigorous and effective competitor.
72. The ACCC considers that retail competition in petrol occurs in local markets, in addition to metropolitan-wide markets. The discussion in this section explores how the proposed acquisition may reduce the competitive constraint imposed by Milemaker on other retailers in local areas, which can collectively form part of broader competition impacts across a metropolitan area.
73. Petrol retail chains generally set individual prices for each of their sites (although these prices are normally set centrally rather than being determined by individual site managers). When setting prices at a site, retailers often identify local competitors to monitor. These are commonly known as 'marker sites'. Marker sites are frequently located close to the site at which the price is being set.
74. Accordingly, local competition is important for retail petrol prices, especially in the discounting phase of the price cycle. The proposed acquisition has the potential to lessen competition in local markets, especially, but not only, in those where Caltex and Milemaker currently compete. It appears that Milemaker is sometimes a leader in the discounting phase of the petrol price cycle or rapidly reduces its prices in response to discounting by other retailers and, during the price increase phase, follows or delays implementing price increases made by other retailers.
75. Previous studies of retail petrol markets by the ACCC have revealed the critical importance of independent retailers with a discounting strategy. Consumers obtain cheaper prices if such retailers are present. The ACCC considers that in large cities such as Melbourne, the presence of more large independent chains with a discounting strategy can enhance price competition – both with other independents and with the major retailers. The ACCC's analysis to date suggests that Milemaker is one such independent chain in Melbourne, with potentially a significant influence on competition.
76. Caltex appears in general to either lead price increases or follow the lead of other retailers quickly. It also appears unusual for Caltex to lead prices down during the discounting phase. Rather, Caltex typically follows the discounting of other retailers with a lag. The ACCC is concerned that if the proposed acquisition proceeds, Caltex would implement its own pricing strategies at the sites it acquires from Milemaker. This would remove the contribution that Milemaker's

pricing strategy makes to competition in both the local markets where Milemaker currently operates and the Melbourne metropolitan market. The proposed acquisition would also reduce the number of large independent chains in the Melbourne metropolitan market. These changes could have a number of implications for consumers.

77. First, it would make it more difficult for consumers to locate and purchase low-priced petrol in the Melbourne metropolitan area. This may be particularly costly to consumers during the price increase phase of petrol price cycles. Motorists have increasing access to fuel price data through websites and apps introduced or modified in 2016. Usage of these tools has increased significantly over the last year. This transparency potentially makes lower prices more visible to consumers.
78. Second, it would remove the competitive pressure on Caltex sites that are in close proximity to Milemaker sites. Nine Caltex sites have at least one Milemaker site located within 3km. By eliminating the competitive tension between these sites, the proposed acquisition may provide Caltex with the ability and incentive to unilaterally raise prices at these sites.
79. Third, the proposed acquisition may also reduce the competitive constraint imposed by Milemaker on other retailers. This may occur in local areas where Caltex is currently present, and in areas where Caltex is currently not present. It appears that Milemaker may be an influential competitor across many of its sites in Melbourne. If Caltex replaces Milemaker's current pricing strategy with a less vigorous pricing strategy, the proposed acquisition is likely to reduce the competitive constraint faced by retailers in close proximity to the Milemaker sites.
80. To shed light on these issues, the ACCC is currently analysing pricing data for regular unleaded petrol sold in the Melbourne metropolitan area, among a range of other information. The analysis is still in progress, but so far suggests that:
  - a) Milemaker generally has among the lowest average prices in Melbourne over the cycle
  - b) Caltex generally has average prices in Melbourne that are significantly higher than Milemaker over the cycle
  - c) Milemaker tends to lag during the price increase phase of the price cycles. That is, when a competitor (such as Caltex) seeks to increase prices across Melbourne, Milemaker is among those retailers that tend to be relatively slow to respond
  - d) on occasions, Milemaker increases its prices in Melbourne to a cyclical peak level below the level set by other retailers – this appears to contribute to a reduction in prices across Melbourne
  - e) Milemaker tends to be one of the retailers leading or quickly following discounting, while Caltex is generally slower to reduce its prices in the discounting phase.
81. The ACCC's preliminary view is that, if the proposed acquisition proceeds, Caltex would be likely to implement its own pricing strategies at the sites it had acquired from Milemaker. There does not appear to be any particular characteristics inherent to Milemaker's sites that lead them to be priced lower,

such that Caltex could be expected to carry on Milemaker's current pricing strategy at those sites. Therefore, it is likely that the proposed acquisition would lead to higher prices at the target sites.

82. These higher prices could be expected to be manifest in both phases of the retail price cycle following the proposed acquisition. The Milemaker sites would be more likely to lead price increases, or follow them quickly. They would also be less likely to be proactive in the discounting phase. Given the high barriers to entry into fuel retailing (especially the barriers to establishing a chain of retail sites as discussed below), the ACCC's preliminary view is that the proposed acquisition may lead to a substantial lessening of competition in local markets and in the Melbourne metropolitan market.

### **Barriers to entry/expansion**

83. The ACCC considers that due to the difficulties in obtaining suitable sites for use as service stations, there is a low likelihood of a new independent chain of service stations entering the Melbourne metropolitan area in the foreseeable future.
84. For example, to establish new service station sites, potential entrants may need to obtain regulatory approvals which could take a long time. The cost of building a service station, including complying with environmental regulations, can also be high. As a result potential entrants may be largely restricted to purchasing existing sites which are being sold. This may prevent the timely establishment of an independent chain of sufficient scale to act as an effective constraint in the Melbourne metropolitan area.

The ACCC invites comments from market participants on the above issues. In particular market participants may wish to comment on the following:

- a) Do the ACCC's preliminary findings appear consistent with your understanding of the relative pricing position of each of the retailers identified and how these pricing differences manifest over the pricing cycle?
- b) Are there other factors that could explain the result?
- c) To what extent do Milemaker's competitive strategies influence the prices and non-price offers of other retailers? If Caltex raised the retail prices at Milemaker's sites, would you expect to see other retailers' prices rise (or not fall as quickly)?

The ACCC also seeks the views of market participants with regard to any local areas within Melbourne or in Geelong or regional Victoria where the proposed acquisition may be likely to raise particular competition concerns.

### **ACCC's future steps**

85. As noted above, 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. Submissions are to be received by the ACCC no later than **30 March 2017** and should be emailed to [mergers@acc.gov.au](mailto:mergers@acc.gov.au).

86. The ACCC will finalise its view on this matter after it considers submissions invited by this Statement of Issues.
87. The ACCC intends to publicly announce its final view by **20 April 2017**. However the anticipated timeline may change in line with the *Informal 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 to explain its final view.

**Appendix: list of target sites**

<b>No.</b>	<b>Site Name</b>	<b>Address</b>	<b>Town</b>	<b>Post code</b>
1.	Caltex Footscray	62 - 82 Gordon St (cnr Mephan St)	Footscray	3011
2.	Caltex Maidstone	57 Ballarat Rd	Maidstone	3012
3.	Caltex St Albans	151 - 157 Kings Rd	St Albans	3021
4.	Caltex Kealba	Cnr Sunshine Ave & Main Rd East	Kealba	3021
5.	Caltex Werribee	Cnr Princess Hwy & Maltby Bypass	Werribee	3030
6.	Caltex Glenroy	847 Pascoe Vale Rd	Glenroy	3046
7.	Caltex Broadmeadows	412 Barry Rd	Broadmeadows	3047
8.	Caltex Broadmeadows	1063 - 1067 Pascoe Vale Rd	Broadmeadows	3047
9.	Caltex Broadmeadows	204 Widford St & Jacana Ave	Broadmeadows	3047
10.	Caltex Coburg North	46 Newlands Rd	Coburg North	3058
11.	Caltex Coburg	114 - 116 Sydney Rd	Coburg	3058
12.	Caltex Greenvale	Cnr Mickleham Rd & Greenval Dve	Greenvale	3059
13.	Caltex Fawkner	1243 Sydney Rd & Boxforest Rd	Fawkner	3060
14.	Caltex Campbellfield	2 - 4 Somerton Rd	Campbellfield	3061
15.	Caltex Roxburgh Park	124 - 130 Somerton Rd	Roxburgh Park	3064
16.	Caltex Reservoir	137 - 141 Mahoneys Rd	Reservoir	3073

Caltex – proposed acquisition of Milemaker

17.	Caltex Thomastown	Cnr Dalton Rd & Wood St	Thomastown	3074
18.	Caltex Bulleen	39 Bridge St & Manningham Rd	Bulleen	3105
19.	Caltex Doncaster East	1100 Doncaster Rd	Doncaster East	3109
20.	Caltex Ringwood East	18 Mt Dandenong Rd	Ringwood East	3135
21.	Caltex Lilydale	346 Main St	Lilydale	3140
22.	Caltex Glen Waverley	252 Springvale Rd	Glen Waverly	3150
23.	Caltex Wantirna South	1321 High Street Rd	Wantirna South	3152
24.	Caltex Dandenong South	275 - 295 Sth Gippsland Hwy	Dandenong South	3175
25.	Caltex Carrum Downs	467 Frankston-Dandenong Rd	Carrum Downs	3197
26.	Caltex Seaford	170 Frankston-Dandenong Rd	Seaford	3198
27.	Caltex Frankston	84 - 88 Cranbourne Rd	Frankston	3199
28.	Caltex Newcomb	187 - 189 Bellarine Hwy	Newcomb	3221
29.	Caltex Melton	Melton Hwy & Melton Gisborne Hwy	Melton	3337
30.	Caltex Ararat	8475 Western Highway	Ararat	3377
31.	Caltex Sunbury	81 - 87 Horne St	Sunbury	3429
32.	Caltex Romsey	31 Main St	Romsey	3434
33.	Caltex Heathcote	245 High St	Heathcote	3523

## Caltex – proposed acquisition of Milemaker

34.	Caltex Wahring	Cnr Moss Rd & Goulburn Hwy	Wahring	3608
35.	Caltex Tallarook North	Lot 10 Hume Hwy Northbound	Tallarook North	3659
36.	Caltex Tallarook South	Hume Highway Northbound	Tallarook South	3659
37.	Caltex Avenel	54 Jones St (cnr Ash St)	Avenel	3664
38.	Caltex Wandong	3272 Epping-Kilmore Road	Wandong	3758
39.	Caltex Yarra Glen	66 Bell Street	Yarra Glen	3775
40.	Caltex Mornington	854 Moorooduc Highway	Mornington	3931
41.	Caltex Dromana	107 Point Nepean Road	Dromana	3936
42.	Caltex Bass	Cnr Soldiers Rd & Bass Highway	Bass	3991
43.	Caltex Ravenswood	4633-4673 Calder Highway	Ravenswood	3453
44.	Caltex Bannockburn	1669 Midland Highway	Bannockburn	3331
45.	Caltex Drysdale	331 Jetty Rd	Drysdale	3222
46.	Caltex Truganina	297 Palmers Rd	Truganina	3029