



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC COURT ACTION ALLEGES SYDNEY FORKLIFT GAS SUPPLY CARTEL

The Australian Competition and Consumer Commission has instituted proceedings in the Federal Court in Sydney against Renegade Gas Pty Ltd (trading as Supagas NSW, a privately owned company) and Speed-E-Gas (NSW) Pty Ltd (a wholly owned subsidiary of Origin Energy Limited).

The ACCC alleges that these companies, through their senior executives and sales staff, gave effect to an anti-competitive cartel arrangement which included not supplying liquid petroleum gas (LPG) cylinders for forklifts to each others' customers. These customers were both small and large scale businesses. LPG cylinders are used to power forklifts in a wide range of logistical operations across industries to lift and transport goods.

The ACCC alleges that in the Sydney basin between 2006 and 2011, in contravention of the *Competition and Consumer Act* (and formerly the *Trade Practices Act*), Renegade Gas and Speed-E-Gas gave effect to an anti-competitive cartel arrangement by, among other ways:

- not approaching customers of the other competitor
- not offering to supply forklift gas to customers of the other competitor, and
- offering to supply forklift gas to customers of the other competitor at a price that they knew was not likely to induce the customer to change suppliers.

This alleged conduct may have resulted in forklift gas customers of Renegade Gas and Speed-E-Gas not being able to obtain a more competitive price from the other supplier, and therefore paying a higher price than they may otherwise had to pay. Such higher cost to these businesses may have been passed on to consumers through higher prices that consumers pay for goods supplied by these businesses.

The ACCC is seeking declarations, injunctions, pecuniary penalties and costs against Renegade Gas and Speed-E-Gas. In addition to these remedies, the ACCC is also seeking the implementation of a trade practices compliance program by Renegade Gas.

The ACCC is also alleging that current and former senior executives of both Renegade Gas and Speed-E-Gas implemented the alleged cartel arrangement between Renegade Gas and Speed-E-Gas. The ACCC is seeking declarations, injunctions, banning orders, pecuniary penalties and costs against these senior executives.

A directions hearing is listed for the Federal Court in Sydney on 20 September 2012.

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