

MEDIA RELEASE



Australian
Competition &
Consumer
Commission

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ACCC RELEASES STATEMENT OF ISSUES ON CALTEX'S PROPOSED ACQUISITION OF MILEMAKER

The Australian Competition and Consumer Commission has released a Statement of Issues expressing initial concerns about the proposed acquisition by Caltex Australia Petroleum (ASX:CTX) of a chain of 46 service stations in Victoria from Milemaker Petroleum.

The ACCC's preliminary view is that the acquisition may substantially lessen competition for the retail supply of petrol in Melbourne.

"Milemaker is a significant independent chain in Victoria, with a distinct strategy to price lower than the major operators. The ACCC's past studies of retail petrol markets have shown that competitive outcomes are better when there are more of these vigorous competitors in the market," ACCC Chairman Rod Sims said.

"Milemaker generally has average prices which are lower than Caltex, is quick to discount and often slow to respond to the large price increases that characterise the retail petrol price cycle".

Most consumers may be unaware of Milemaker, because its sites are branded Caltex and are difficult to distinguish from Caltex's company-operated sites. However, the Milemaker sites set retail prices independently of Caltex (aside from diesel at certain sites).

"The ACCC's initial observations suggest that the proposed acquisition may remove a vigorous and effective competitor in retail fuel in Melbourne," Mr Sims said.

"Our concern, therefore, is that the acquisition may lead to Melbourne motorists paying more for petrol."

The ACCC invites further submissions from interested parties in response to the Statement of Issues by 30 March 2017. The ACCC's final decision is currently set to be announced on 20 April 2017.

The Statement of issues is available on the public register: [Caltex Australia Petroleum Pty Ltd - proposed acquisition of Milemaker Petroleum](#).

Background

Milemaker operates as a Caltex independent franchisee. It owns service stations which operate under the Caltex brand but it sets its own retail prices. Caltex is proposing to acquire 46 of its sites of which around 30 are in metropolitan Melbourne.

Caltex or its agents set the price at around 59 sites in Melbourne, and around a further 51 sites in other parts of Victoria. There are approximately 155 other Caltex branded sites in Victoria which Caltex and its agents do not operate and where Caltex does not generally set the price.

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