



## **Impact of Petrol Pricing Select Committee**

### **Chair**

Mr Andrew Fraser MP  
*Member for Mount Coot-tha*  
Office Tel: 07 3368 3208  
Mobile Tel: 0437 116 466

### **Members**

Mr Michael Caltabiano MP  
*Member for Chatsworth*  
Mrs Liz Cunningham MP  
*Member for Gladstone*  
Mr Simon Finn MP  
*Member for Yeerongpilly*  
Mr Michael Horan MP  
*Member for Toowoomba South*  
Ms Rachel Nolan MP  
*Member for Ipswich*  
Mr Craig Wallace MP  
*Member for Thuringowa*

### **Inquiries to the Committee Secretariat:**

Impact of Petrol Pricing  
Select Committee  
level 6  
Parliamentary Annexe  
George Street  
BRISBANE QLD 4000

Tel: **1800 504 022**  
Fax: (07) 3406 7070  
Email:  
[petrol@parliament.qld.gov.au](mailto:petrol@parliament.qld.gov.au)

Internet:  
<http://www.parliament.qld.gov.au/petrol>

*The Impact of Petrol Pricing Select Committee was appointed by the Queensland Parliament on 25 August 2005 to examine a range of issues regarding petrol pricing in Queensland.*

# **Media Release**

## **Competition in the Fuel Industry**

The Impact of Petrol Pricing Select Committee report tabled in the Queensland Parliament today finds that true, effective and sustainable competition is vital in keeping petrol prices as low as possible.

The committee found that a lack of competition in some markets was a major concern. In other markets allegations of predatory pricing tactics by companies to destroy the competition were of equal concern.

The committee's efforts were not assisted by a refusal by the Australian Competition and Consumer Commission (ACCC) to meet with the committee during its Inquiry, despite numerous approaches. The ACCC did provide written information, upon request.

The report concludes the entry of Coles and Woolworths into petrol retailing may have long term negative effects on competition in the retail petrol market.

The vital role independents play in stimulating competition was highlighted in the report. Independents are at risk from the continued expansion of Coles and Woolworths' market share.

The report suggests the ACCC's approach to assessing competition could be improved, noting that current legislation is under review by the Commonwealth. The committee considers predatory pricing provisions should be strengthened.

Retail competition in rural and regional Queensland is diminished by a lack of competition in the wholesale market. Independents and individual franchisees are locked into supply arrangements with the oil majors. Security of supply issues result in a lack of true competition. The committee recommends the establishment of cooperatives in some areas as a possible means to increase market power of consumers.

The committee concludes that the federal government's proposed code of conduct for the petroleum industry or 'Oilcode' needs to provide adequate protection for independents to ensure their ability to trade fairly and compete against the oil majors and supermarket fuel retailers.

*For further information see Chapter 6 of the report of the Impact of Petrol Pricing Select Committee. The report is available at [www.parliament.qld.gov.au/petrol](http://www.parliament.qld.gov.au/petrol)*

### **For interviews:**

**Call Andrew Fraser MP on (0437) 116 466.**