



Oil companies authorised to cooperate to secure fuel supplies during COVID-19

10 September 2020

The Australian Institute of Petroleum (AIP) and major oil refiners have been granted authorisation by the ACC to continue cooperating on measures to improve the security of fuel supplies during the COVID-19 pandemic.

The pandemic continues to impact on Australia's fuel supply chain, causing unpredictable changes in demand for fuel and creating a potential for major disruptions to the domestic and international fuel supply chains.

The ACCC's authorisation allows AIP and major oil refiners to coordinate arrangements to address fuel supply issues in Australia arising as a result of the pandemic, and facilitate the efficient use of refining and fuel storage capacity during the pandemic.

"We believe that allowing fuel companies to coordinate fuel delivery, processing and storage if there is a critical supply disruption as a result of the pandemic, will support the fuel sector to ensure the supply of fuel products in Australia is secure and reliable, and reduce the risk of shortages," ACCC Commissioner Stephen Ridgeway said.

"While we acknowledge there are some risks the conduct may reduce competition, the limited scope and duration of the authorisation, and the reporting conditions mean the risk is low."

"Overall, the benefits of allowing parties to work together to secure the supply of fuel products to Australian businesses and consumers outweigh any potential detriments," Mr Ridgeway said.

This final authorisation, which was granted after seeking feedback from interested parties, continues an interim authorisation first granted on [3 April 2020](#). It is subject to conditions and expires on 31 March 2021.

The ACCC has authorised the conduct for six months, rather than the twelve months sought by the applicants. The ACCC is not convinced that the longer period is required for the authorisation.

"We think that the effects of COVID-19 on the fuel sector may sufficiently dissipate in six months. We believe a shorter period of authorisation is appropriate to deal with the impacts of the pandemic and will minimise the longer-term impact on the fuel markets," Mr Ridgeway said.

The authorisation applies to AIP (the industry's peak body), its members (BP Australia, Caltex Australia, Mobil Australia and Viva Energy Australia) and any future parties wishing to participate in the conduct, which must first be approved by the ACCC.

Under the conditions of authorisation, AIP must provide minutes of any relevant meetings and seek approval from the ACCC to add future parties to the authorisation.

The authorisation does not allow the parties to make any price agreements or to exchange any commercially sensitive information relating to marketing or sales activities.

The authorisation will come into force on 2 October 2020, if no application for review of the determination is made to the Australian Competition Tribunal.

More information, including the ACCC's statement of reasons, is available at [Australian Institute of Petroleum](#).

Background:

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010. Broadly, the ACCC may grant a final authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

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