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PRESS RELEASE

“GOVERNMENT NEEDS TO END OIL COMPANY VERTICAL INTEGRATION TOO”

The Service Station Association today called on the Government to end vertical integration in the oil industry.

“The government has said that Telstra’s vertical integration stranglehold over telecommunications in Australia is anti-competitive and has to end,” said SSA CEO Ron Bowden. “On that basis, the multinational oil company vertical integration stranglehold over petrol in Australia must also be anti-competitive and likewise needs to come to an end.”

The Service Station Association claims that there are many parallels between Telstra and the four oil refiner/marketers in Australia in the way that these large corporations control their markets to the detriment of consumers. “Oil company control of the majority of retail outlets in this country is stifling competition and has resulted in consumers paying more for their petrol than they need to,” said Bowden, adding that “the single site family operated independent service stations are still the most efficient model available.”

The SSA says that the consolidation of oil company control of service stations that has occurred in recent years is a backward step and needs to be reversed. “Dismantling oil company vertical integration has been enacted in several States in the USA with significant flow on benefits to consumers,” Ron Bowden said. “The same thing needs to happen here.”

“Following its lead over the Telstra issue, the Government should move quickly to force oil companies to relinquish control of their service stations and allow independent operators to bring increased competition for the benefit of all,” concluded Ron Bowden.

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