

Ms Julie Owens MP
Committee Chair
House Economics Committee
Parliament House
CANBERRA ACT 2600

Economics.reps@aph.gov.au

Dear Ms Owens

Inquiry into Australia's oil refinery industry

Thank you for the opportunity to provide a submission to the House Economics Committee's inquiry into Australia's oil refinery industry. Woolworths is a proud Australian company and is committed to supporting local workers and suppliers. We directly employ over 170,000 Australians and indirectly support over 686,000 local jobs.

Woolworths entered the petrol retailing industry in 1996 when it opened its first outlet in Dubbo, New South Wales. Since then we have invested strongly and now employ more than 3,000 people in our petrol business. We currently sell petrol, diesel and liquefied petroleum gas from 604 outlets across Australia – 473 outlets owned and operated directly by Woolworths and a further 131 that are owned and operated by Caltex under an alliance agreement. This arrangement also involves Caltex exclusively supplying all grades of petrol and diesel to Woolworths for retail sale.

Woolworths is not involved in the refining industry and does not own or operate any refining capacity nor does it have any plans to enter the refining business. Accordingly, while Woolworths is an important fuel retailer, it is not able to provide the Committee with useful information or insights about refinery issues. Companies that operate in the refining sector will be best placed to assist the Committee in this regard.

The petrol and other products we sell as a retailer are purchased from Caltex and Woolworths is aware of Caltex's plans to convert its refinery at Kurnell to an import terminal. Woolworths has no control over where Caltex sources fuel to supply our contract and has no contractual or other right to require Caltex to maintain refining or other operations at particular locations or loss making facilities.

Members of your Committee may be aware of a campaign by the Australian Workers Union (AWU) that suggests Woolworths has influence over where Caltex sources the fuel they sell to us. The AWU is fully aware that the sourcing decisions of Caltex are outside of Woolworths' control and it is disappointing that they have decided to prosecute such a malicious and misdirected campaign. It is also inappropriate for the AWU to suggest that we should place pressure on our suppliers in relation to their own commercial and investment decisions.

Woolworths has written to the AWU asking that it cease its misleading public campaign and it is disappointing that the AWU has decided to maintain its campaign website and other activity.

Yours sincerely

Andrew Hall
Director of Corporate and Public Affairs

12 November 2012