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13 April 2006

Mr. Peter Hallahan,
Committee Secretary, Senate Economics Committee
Department of the Senate
PO Box 6100, Parliament House
CANBERRA ACT 2600

Dear Mr Hallahan

Shell's submission to the Senate Economics Legislation Committee Inquiry into the Provisions of the Petroleum Retail Legislation Repeal Bill 2006.

Shell welcomes the repeal of the Sites and Franchise acts and is fully supportive of the market reform package including the Oilcode regulation.

Whilst Shell's arrangement with Coles Express falls outside the proposed Oilcode, Shell believes that the repeal of the Sites and Franchise acts and the implementation of the Oilcode will facilitate an improved competitive environment in the Australian Downstream petroleum market and remove some excessive administrative burdens on industry players.

Shell believes that consumers will benefit from market reform as the Oilcode will remove barriers to more effective competition so that all major market participants are able to compete on an equal basis. For example, the improved service (products and convenience) and the range of offers currently in the market will be marketing options available to all market participants. Continuing high levels of competition will further foster innovation for a better range and quality of service, special offers and prices and this competition will help to ensure that Australia's petrol price remains comparatively low by international standards in developed countries. Shell is confident that our alliance with Coles Express will continue to be competitive.

Shell does not believe that the proposed legislation will encourage greater levels of price control by the oil majors. On the contrary, we expect that the transparency mechanisms in the Oilcode will further aid in competition assessment at each level of the supply chain.

We are fully supportive of the submission being made by the Australian Institute of Petroleum to the Inquiry.

We would be happy to discuss this topic further. Should the Committee be interested in doing so, please contact Catherine Poole on 03 8823 4155 or Catherine.poole@shell.com.

Yours sincerely

Russell R Caplan
Chairman