

MEDIA RELEASE



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ANZ Terminals, GrainCorp deal not opposed with divestments

The ACCC has decided that it will not oppose ANZ Terminals Pty Ltd's proposed acquisition of GrainCorp Bulk Liquid Terminals (ASX:GNC).

The ACCC's review focused on competition for the supply of port-side bulk liquid storage services in South Australia, Victoria and New South Wales, where ANZ Terminals and GrainCorp both provide storage of base oils, chemicals and edible oils/fats.

The decision not to oppose the acquisition follows ANZ Terminals providing a court-enforceable undertaking to divest its Osborne facility in South Australia to a purchaser to be approved by the ACCC. In addition, GrainCorp's bulk liquid facility at Port Kembla has been excluded from the transaction and will remain part of GrainCorp.

"The divestment of the Osborne facility and exclusion of the Port Kembla facility alleviate our competition concerns in New South Wales and South Australia, as the competitive structure in these markets will be maintained," ACCC Commissioner Stephen Ridgeway said.

The transaction had initially raised significant competition concerns, particularly in NSW and South Australia, which are highly concentrated markets. The ACCC had [published a statement of issues seeking further submissions](#) from interested parties in July.

ANZ Terminals and GrainCorp also operate in Melbourne, where they are the two largest providers of non-fuel bulk liquid storage in the Port of Melbourne.

"Customer switching between ANZ Terminals and GrainCorp in Melbourne is quite limited because of the lack of available storage capacity for third parties. GrainCorp in particular reserves a significant portion of its capacity for its oils business. We found that a critical driver of competition was not incumbency, but the ability to expand and win contracts based on new tanks being built," Mr Ridgeway said.

The ACCC found that ANZ Terminals had no ability to expand easily on Coode Island at the Port of Melbourne while others had more options to expand.

The ACCC consequently accepted an obligation in the undertaking from ANZ Terminals that it will not lease any more of the limited land remaining at the Port of Melbourne's Coode Island without receiving ACCC clearance to do so.

"This obligation will allow the ACCC to assess any future land acquisitions by ANZ Terminals on Coode Island. It will assist in ensuring that competitive tension from the threat of new tanks being built by competitors is likely to continue into the future" Mr Ridgeway said.

"After a detailed examination and taking into consideration of the Melbourne remedy, we determined that, with the Melbourne remedy, a substantial lessening of competition is unlikely in Melbourne."

Further information is available on the ACCC website.

Background

Port side bulk liquid storage is used to house large volumes of liquids that are imported to and/or exported from Australia, including fuels, base oils (used for manufacturing lubricants), chemicals (such as various solvents, acids and resins) and edible oils and fats.

Different liquids require different sized tanks and infrastructure, so that products are not necessarily interchangeable between tanks.

Containerised storage includes ISO-tanks, flexi-bags and drums. ISO-tanks, also known as ISO-tainers, are large stainless steel pressure vessels held within rectangle frames and used for the transportation of liquids. Flexi-bags are liquid bladders inserted into standard sized shipping containers and have a similar storage capacity to ISO-tanks.

GLT is a wholly owned subsidiary of GrainCorp Limited (GNC), an international food ingredients and agribusiness company, which deals in edible oils and fats. GLT currently operates as part of GNC's integrated edible oils and fats supply chain. GLT stores and handles bulk liquids, including fats and edible oils, chemicals and petroleum.

After the proposed transaction is completed, GLT's Port Kembla facility will be operated by GNC.

ANZ Terminals is a wholly owned subsidiary of Helios Investments Australia Pty Limited, which is a wholly owned subsidiary of Hyperion Investments Australia Pty Ltd.

ANZ Terminals offers storage and handling services in Australia for a range of liquid products, including industrial chemicals, petroleum fuels, bitumen, marine fuels, aviation fuels, base oils and edible oils and fats.

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