



Our ref: IM-72432

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18 April 2024

Dear Interested Party

Re: Request for submissions: Aurizon Holdings Limited's proposed acquisition of Flinders Logistics Pty Ltd

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Flinders Logistics Pty Ltd (**Flinders Logistics**), and its wholly owned subsidiary Pirie Bulk Pty Ltd (**Pirie Bulk**), by Aurizon Holdings Limited (**Aurizon**) (the **proposed acquisition**).

Flinders Logistics provides bulk and some break bulk stevedoring services at Port Adelaide and Port Pirie, South Australia. Aurizon (ASX:AZJ) provides rail haulage services in Queensland, New South Wales, Victoria, South Australia, Western Australia and the Northern Territory and operates below rail networks, including the Tarcoola to Darwin railway network. Further details are provided at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- whether customers would have access to alternative suppliers of haulage, stevedoring and/or bulk handling services at Port Adelaide and Port Pirie
- whether new haulage, stevedoring and/or bulk handling services are likely to face increased barriers to entry as a result of the proposed acquisition
- whether the proposed acquisition is likely to give Aurizon the ability and or incentive to foreclose or limit rival stevedores' ability to attract or retain customers at Port Adelaide.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by 5pm on **3 May 2024** via email to mergers@acc.gov.au with the title: *Submission re: Aurizon – Flinders Logistics*. If you require more time to respond, please let us know.

If you would like to discuss the matter with ACCC officers, or have any questions about this letter, please contact mergers@acc.gov.au.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Bruce Mikkelsen
General Manager (A/g)
Merger Investigations

Attachment A

Flinders Logistics

Flinders Logistics operates a stevedoring and logistics business for bulk and limited break bulk at Berths 18-20 and 29 at Port Adelaide and at Port Pirie. Its wholly owned subsidiary, Pirie Bulk, provides cargo handling services at Port Pirie.

Aurizon

Aurizon is an ASX listed (ASX: AZJ) national freight company which, among other things, provides rail haulage services to the mineral, industrial and agricultural industries. Aurizon currently provides rail haulage to and from Port Adelaide. Aurizon does not currently provide any haulage services to or from Port Pirie. Aurizon also operates below rail networks, including the Tarcoola to Darwin railway network.

The proposed acquisition

Aurizon, through its wholly owned subsidiary, Aurizon Operations Limited, proposes to acquire Flinders Logistics under a share sale agreement. As part of the acquisition, Aurizon will acquire the assets associated with Flinders Logistics' stevedoring operations and Flinders Logistics will enter into underleases for certain land currently used by Flinders Logistics or its wholly owned subsidiary, Pirie Bulk. Existing common areas (including those required for berth access) will remain common user.

Attachment B

1. Please describe your business or organisation and explain your interest in the proposed acquisition, including any commercial relationship(s) with Aurizon or Flinders Logistics, and the types of products/volumes that you are transporting.

Questions for customers

2. Please describe how you procure haulage, stevedoring and/or bulk handling services for your product at Port Adelaide or Port Pirie—for example, through formal tender or other methods—including typical contract duration.
3. For each stevedoring, haulage or bulk handling service you procure at Port Adelaide or Port Pirie, please identify and describe the alternative suppliers capable of servicing your needs. In your response, please identify any suppliers you consider particularly effective competitors (for example, through their prices, innovation, offering or service).
4. Describe your ability to switch between suppliers for stevedoring, haulage and/or bulk handling services at Port Adelaide or Port Pirie. Consider factors such as time, costs, or any exclusive or long-term contractual arrangements. Provide examples of alternative suppliers where possible.
5. Outline whether you would procure haulage, stevedoring and/or bulk handling services from a new entrant supplier. Describe the factors you would consider, such as pricing, quality, service levels, and the importance of reputation or a proven track record. Provide examples of recent entry where possible.
6. Please describe how you expect your procurement of stevedoring, haulage or bulk handling services to be affected by the proposed acquisition. Describe how you would respond if the combined Aurizon-Flinders Logistics increased prices by 5 to 10% or decreased quality or service levels post-acquisition.

Questions for competitors

7. Please identify the stevedoring, haulage or bulk handling services you supply in South Australia.
8. Please identify your competitors for the supply of each service you supply, and the ports at which you compete. Please estimate market shares where possible.
9. Please discuss the likelihood of new entry into these markets if prices were to increase. In your response, please consider the likely timeframe for market entry and provide details about barriers to entry (i.e. the costs of establishing a competing business and any incumbency advantages to be overcome), including regulatory barriers and any challenges to access to key inputs. Please provide examples of recent entry where possible.
10. Please explain whether, and why / why not, the increased vertical integration of Aurizon will impact competition at any level of the supply chain.
11. Please explain whether or not the proposed acquisition will give Aurizon the incentive or ability to restrict or foreclose access to infrastructure which is critical to you competing. Please provide details including any critical infrastructure which Aurizon currently holds,

or will hold post-acquisition, and how the acquisition alters Aurizon's current ability and incentive to frustrate or foreclose competitors.

Other

12. Please provide any additional information or comments that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the Act.