

MEDIA RELEASE



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Aurizon's proposed acquisition of Flinders Logistics raises concerns

The ACCC has identified preliminary competition concerns with Aurizon's (ASX:AZJ) proposed acquisition of Flinders Logistics Pty Ltd in a Statement of Issues published today.

Flinders Logistics operates a stevedoring and logistics business for bulk and limited break-bulk cargo at Port Adelaide and at Port Pirie, South Australia.

Aurizon is a national freight company which provides rail haulage to and from Port Adelaide.

"We are concerned that the proposed acquisition may substantially lessen competition in the supply of rail haulage services for the import and export of containerised bulk minerals in South Australia," ACCC Commissioner Liza Carver said.

Berth 29 is a critical berth at Port Adelaide for the import and export of certain mining products and minerals sands, and is the only berth in South Australia capable of handling these products, according to feedback received by the ACCC.

"The proposed acquisition would bring together Australia's largest rail freight operator with a key provider of stevedoring and port logistics services at Berth 29," Ms Carver said.

Following the proposed acquisition, Aurizon would be responsible for the loading and unloading of all trains at Berth 29. The ACCC is concerned that this may provide Aurizon with the ability and incentive to limit the access of competing rail haulage providers to Berth 29.

The ACCC is also concerned that the proposed acquisition may substantially lessen competition in the supply of stevedoring services for bulk commodities at Berth 29.

"Although Aurizon would not be responsible for granting stevedoring licenses, market participants have raised concerns that this acquisition may give Aurizon the ability and incentive to prevent rival stevedores from competing at Berth 29 by restricting access to critical areas, such as hardstand and storage areas," Ms Carver said.

The potential lessening of competition in the supply of rail haulage, stevedoring or port logistics services for bulk commodities at Berth 29 is also a concern to the ACCC as it could result in higher prices or lower quality services for bulk cargo customers.

"Overall, we think this proposed acquisition could mean higher prices for bulk cargo customers in industries critical to the Australian economy," Ms Carver said.

The ACCC invites submissions in response to the Statement of Issues by 25 July 2024.

More information and the Statement of Issues is available on the ACCC's public register here: [Aurizon Holdings Limited – Flinders Logistics Pty Ltd](#)

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Background

Aurizon is an ASX listed freight company that primarily supplies rail freight services to customers throughout Australia, excluding Tasmania.

Aurizon supplies 'above rail' services, including locomotives and wagons to transport freight for coal, mining, industrial and agricultural industries.

In addition to its above rail business, Aurizon supplies 'below rail' services, which involves providing access to and managing rail infrastructure safety, signalling and communication systems, train control, rail construction, and maintenance.

Aurizon operates the Central Queensland Rail Network and the Tarcoola to Darwin railway, as well as other spurs, yards, and sidings throughout Australia.

Flinders Logistics is a wholly owned subsidiary of Flinders Port Holdings Pty Ltd (Flinders Port Holdings). Flinders Ports owns and operates seven ports in South Australia, including Port Adelaide and Port Pirie.

Port Adelaide is the most significant port in South Australia and facilitates the import and export of a variety of goods, such as minerals, grain, motor vehicles, petroleum, and containerised general cargo. Port Pirie is significantly smaller than Port Adelaide, and primarily handles bulk minerals, coal, and grain.

Flinders Logistics supplies stevedoring, logistics and warehousing services to importers and exporters of bulk commodities at Berths 18-20 and Berth 29 at Port Adelaide and at Port Pirie. Flinders Logistics supplies cargo handling services at Port Pirie through its subsidiary, Pirie Bulk Pty Ltd.

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