



Australian
Competition &
Consumer
Commission

NewsRelease

A.C.C.C. GRANTS INTERIM AUTHORISATION TO AWB/GRAINCORP JOINT VENTURE

The Australian Competition and Consumer Commission has decided to grant interim authorisation* to a joint venture company between GrainCorp and the Australian Wheat Board (AWB) to provide transport and logistics services to each of those companies in Queensland, New South Wales and Victoria for export bound grain.

GrainCorp and the AWB state the purpose of forming the joint venture company is to improve efficiencies and to achieve logistics cost savings for grain exports through improved co-ordination of export grain storage and transport activities and increased information to facilitate the export grain task.

The ACCC decided to grant interim authorisation given the size and proximity of the upcoming harvest and the need for improved co-ordination between the applicants and the rail transport providers in managing the harvest and export task.

If interim authorisation were not granted, the applicants and grain growers would be likely to face higher costs in transporting export grain from silos to ports for the upcoming harvest season.

The granting of interim authorisation in no way binds the ACCC in its consideration of the substantive application for authorisation. In making this decision the ACCC was mindful that the small size, lack of assets and simple structure of the joint venture suggests it can be dismantled fairly quickly and effectively should the ACCC decide not to grant authorisation following the full authorisation process.

The ACCC will continue to consult with interested parties to inform its consideration of the substantive application for authorisation and will take account of the practical impacts of the joint venture arrangements over the coming harvest season.

More information regarding the application and granting of interim authorisation, including the terms, is available by following the *Authorising anti-competitive conduct* and *Authorisations* links on the ACCC's website: <http://www.accc.gov.au>

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* The ACCC has the function, through the authorisation process, of adjudicating on certain anti-competitive practices that would otherwise breach the *Trade Practices*

Act 1974. Authorisation provides immunity from court action, and is granted where the ACCC is satisfied that the practice delivers a net public benefit. Interim authorisation allows the parties to engage in the conduct prior to the ACCC considering the substantive merits of the application. The ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted by the ACCC.