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ACCC consults on Viva Energy's divestiture proposal for OTR acquisition

Viva Energy (ASX: VEA) has offered a court-enforceable divestiture proposal to the ACCC in relation to its proposed acquisition of the OTR Group.

Viva Energy and its related companies operate a nationwide fuel supply chain with retail sites in each Australian state and territory, including Coles Express convenience sites.

OTR is a fuel and convenience retailer operating predominantly in South Australia with some locations in other states and territories, including the Northern Territory under the Puma brand.

“We are assessing whether the divestiture proposal will effectively address our competition concerns regarding the supply of retail fuel in South Australia and replace the competition that would be lost with the proposed acquisition,” ACCC Commissioner Stephen Ridgeway said.

The divestiture proposal would require Viva Energy to divest 24 Coles Express sites in Adelaide and one additional site in Ceduna, on the Eyre Peninsula to an ACCC-approved purchaser.

Viva Energy has proposed Chevron as the purchaser of the divestiture sites. Chevron currently has one retail site in South Australia, in Port Augusta.

“We are seeking feedback from market participants on whether Viva’s divestiture to Chevron will result in the creation of an effective, independent and long-term competitor to a combined Viva and OTR,” Mr Ridgeway said.

“While the ACCC has decided to publicly consult on the divestiture proposal, this should not be interpreted to mean that this or any other form of remedy will ultimately be accepted.”

“It is also not an indication that Chevron is considered by the ACCC as an appropriate buyer of the divestiture assets at this stage,” Mr Ridgeway said.

The ACCC invites submissions on the divestiture proposal by 27 November 2023.

Viva Energy initially proposed to divest 23 of its 32 retail sites in Adelaide. However, the number of sites to be divested increased to 24 in Adelaide and one site on the Eyre Peninsula in response to concerns raised by the ACCC.

More information, including on the divestiture proposal is available on the ACCC’s public register at: [Viva Energy - OTR Group](#)

Background

Viva Energy (with its related entities) is a fuel refiner, importer, wholesaler, distributor and retailer, operating a nationwide fuel supply chain with retail sites in each Australian state and territory, including Coles Express convenience sites. Viva Energy is the exclusive supplier of Shell-branded fuels and lubricants in Australia.

The OTR Group is a fuel and convenience retailer operating predominantly in South Australia with some locations in other states and territories across Australia, including the Northern Territory under the Puma brand. The OTR Group also supplies wholesale fuels and distribution services to small commercial customers and independent retail fuel sites through the Reliable Petroleum, Mogas Regional and Ausfuel businesses.

The proposed acquisition will combine the entities' retail fuel, wholesale fuel and retail convenience and grocery offerings.

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