

THE AUSTRALIAN

SE TheNation

HD Locals gazumped on \$250m dairy deal

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WC 493 words

PD 21 November 2015

SN The Australian

SC AUSTLN

ED Australian

PG 4

LA English

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LP Australia's oldest and largest dairy has been sold to a foreign-backed consortium, dramatically "gazumping" a local group that had signed a \$250 million sale agreement.

Van Diemen's Land Company late yesterday announced the shock sale to unnamed foreign interests, prompting the local bidder, TasFoods, to claim it had been used as a "stalking horse".

TD The sale, which will require approval from the Foreign Investment Review Board, came a day after Treasurer Scott Morrison rejected the purchase by foreign buyers of Australia's largest pastoral holding, S. Kidman & Co.

TasFoods, a consortium involving wealthy Australians and superannuation funds using a listed company previously known as [OnCard International](#), announced on November 6 that it had signed a sale agreement with VDL, in Tasmania's far northwest.

TasFoods chairman Rob Woolley last night said his group had been used as a "stalking horse" and was shocked and disappointed to have been "gazumped".

"We are very disappointed — we had what we considered a clean contract with them; we were paying the price they asked," Mr Woolley said.

"They've managed to use a technicality to essentially get around, and negotiate outside of, our arrangements without telling us." While TasFoods had raised the necessary capital, it was still in the process of obtaining shareholder approval, and Mr Woolley said this "technicality" had been used by the New Zealand owners of VDL to take a higher bid.

"There's going to be a lot of disappointed in Tasmania about this, particularly within the farming communities, that we can be gazumped like this," he said.

Hugh Robertson, the Melbourne broker and OnCard director who helped formulate the TasFoods deal, last night said it would reserve its right to take legal action, or to reignite its offer should the successful bidder fail to secure review board approval.

"The long and short of it is that the New Zealanders have decided to sell it to another foreigner at a higher price and to use our bid as a stalking horse," Mr Robertson said.

Taranaki Investment Management, the investment arm of VDL owner New Plymouth District Council, would not reveal the identity of the successful bidder, but confirmed it would require review board approval.

Both Chinese and Thai consortia had bid for the company, but it is not clear which had succeeded, or whether other parties had become involved.

The vast dairy, with 17,980 cows over 7062ha, produces 7.66 million kilograms of milk solids a year, with \$52m in sales revenue.

Despite its status, it has never been in Australian hands throughout its 190-year history.

VDL chief executive David Beca said the sale, announced late yesterday, was a “positive outcome for the company”. “The new buyer has confirmed it will make offers of employment to all existing employees of the business on terms no less beneficial to them than their existing terms,” Mr Beca said.

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020151120ebbl00053

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