



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC CALLS FOR COMMENT ON AQUIS' PROPOSED ACQUISITION OF THE REEF HOTEL CASINO

The Australian Competition and Consumer Commission has released a Statement of Issues outlining potential competition concerns with the proposed acquisition by Aquis Reef Holdings (Aus) Pty Ltd (together with its related bodies corporate, **Aquis**) of the Reef Hotel Casino (Reef Casino) in Cairns.

Aquis is a privately held company ultimately wholly owned by Mr Tony Fung, a Hong Kong resident private investor.

Aquis currently has no existing casino interests in Australia, but proposes to develop a large resort, including a casino, at Yorkey's Knob, 15km north of Cairns (the Aquis Resort). If it is developed, the Aquis Resort will be the second casino in Cairns. In a related transaction, Aquis is also proposing to acquire the Casino Canberra from one of the main unitholders in the Reef Casino Trust.

The proposed acquisition is of all the units in the ASX-listed Reef Casino Trust (RCT) and all of the issued shares in Reef Corporate Services Limited and Casinos Austria International (Cairns) Pty Ltd (the responsible entity of the Reef Casino Trust and manager of the casino respectively).

"The proposed acquisition has the potential to reduce the number of casino owners in Cairns from two to one, removing potential competition between the Reef Casino and the Aquis Resort." ACCC Chairman Rod Sims said.

"The ACCC is concerned that the proposed acquisition has the potential to deprive customers of the benefits of competition between these casinos; such as promotions, rebates, or reductions in the price or improvements in the quality of other goods or services provided in conjunction with casino table games."

The Statement of Issues seeks further information on the competition issues which have arisen from the ACCC's review to date and is available on the public register.

"The ACCC will continue to investigate the extent of expected competition between the Reef Casino and the Aquis Resort in the absence of the proposed acquisition. We will also look at competition between these casinos and other local venues with gaming machines."

The ACCC invites further submissions from interested parties in response to the Statement of Issues by 17 July 2014. The ACCC's proposed final decision date is 21 August 2014.

The Aquis Resort is currently one of two proposals shortlisted by the Queensland Government for the award of up to two casino licences as part of regional integrated resort developments. As part of this process, the Aquis Resort has sought approval for approximately 750 gaming tables and 1500 gaming machines. If it proceeds, the resort will also include nine hotels, high-end retail shopping, an aquarium, two theatres and convention and exhibition facilities.

The Queensland Government expects to make a final decision on whether the Aquis Resort will receive a casino licence in 2015.

The Reef Casino is a combination hotel and casino complex in Cairns, Queensland. It has 128 hotel rooms, 38 gaming tables and over 500 gaming machines.

Media inquiries

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MR 171/14

3 July 2014