



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC TO OPPOSE SONIC'S ACQUISITION OF HEALTHSCOPE'S PATHOLOGY BUSINESS IN QUEENSLAND

The Australian Competition and Consumer Commission (ACCC) today announced it will oppose the proposed acquisition by Sonic Healthcare Limited (Sonic) of Healthscope Limited's (Healthscope) pathology business in Queensland.

The ACCC concluded that this proposed acquisition is likely to have the effect of substantially lessening competition in the market for the supply of community pathology services in Queensland.

"The proposed acquisition in Queensland would result in the removal of a substantial competitive constraint on the two major pathology providers in that state. Whilst Sonic and Primary are the clear market leaders in Queensland, Healthscope is an important competitor in that market," ACCC Chairman Rod Sims said.

"This is due to a range of factors, including the reputation, professional relationships, network of collection centres and testing capability it has established in Queensland, supported by its strong position in other pathology markets in Australia."

"If Healthscope were removed as a competitive constraint, it is not likely to be replaced in a timely and sufficient way by the new entry or expansion of other pathology providers in Queensland."

The ACCC will not oppose the proposed acquisition by Sonic of Healthscope's pathology business in Western Australia. The ACCC concluded that this proposed acquisition is not likely to have the effect of substantially lessening competition in the market for the supply of community pathology services in Western Australia.

"In Western Australia, the ACCC recognised that a number of significant pathology providers will remain following the proposed acquisition, such that the removal of Healthscope is not likely to result in a substantial lessening of competition in that market," Mr Sims said.

On 17 September 2012, Sonic terminated its proposal to acquire Healthscope's pathology business in NSW/ACT, so the ACCC did not make a decision on that proposed acquisition.

A Public Competition Assessment outlining the ACCC's reasons for its decision will be available on the ACCC's website, www.accc.gov.au, in due course.

Media inquiries

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NR 216/12

11 October 2012