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# NEWS RELEASE

## ACCC RELEASES STATEMENT OF ISSUES ON THE PROPOSED ACQUISITION OF ASCIANO BY QUBE, BROOKFIELD AND OTHERS

**26 May 2016**

The Australian Competition and Consumer Commission has released a Statement of Issues on the proposed acquisition of Asciano Limited (ASX: AIO) (Asciano) by a consortium comprising Qube Holdings Ltd (ASX: QUB) (Qube), Brookfield Infrastructure Partners LP (Brookfield) and a group of global private equity and pension funds.

The ACCC commenced its review of the proposed acquisition on 30 March 2016.

“The ACCC has received a very large number of submissions from industry stakeholders expressing a broad range of concerns about the proposed acquisition,” ACCC Chairman Rod Sims said.

“Market participants have expressed concerns about the vertical integration of Patrick container terminals with the two largest landside import-export container logistics providers in Australia, Qube and ACFS. The ACCC considers this to be a significantly greater degree of vertical integration than the current situation where Patrick is vertically integrated with only ACFS.”

“The ACCC is concerned that Patrick container terminals may provide preferential access to Qube and ACFS vehicles, and Qube regional export trains running into Port Botany, and raise rivals’ costs. Qube and Brookfield will each own 50 per cent of Patrick container terminals, and may have parallel incentives to favour their landside logistics operations,” Mr Sims said.

“There are also concerns regarding foreclosure of rival stevedores. Market participants have suggested that if Patrick gives favourable treatment to the container logistics operations of both Qube and ACFS, then Qube and ACFS may provide a superior service offering to importers and exporters on condition that they use shipping lines calling at Patrick container terminals. This may lessen competition in stevedoring.”

In addition, the ACCC is considering whether stevedoring and empty container park services will be bundled together, in a way that forecloses rival stevedores.

The ACCC has consulted extensively with industry participants including importer/exporters, shipping lines, stevedores, road and rail logistics providers, governments, freight forwarders, port authorities, empty container park operators and industry bodies. Stakeholders throughout the import/export container supply chain have expressed concerns about the proposed acquisition.

“The ACCC is now seeking additional feedback from interested parties on the likelihood of competition being lessened in container landside logistics at each port, the provision of regional rail container export services into Port Botany, and stevedoring,” Mr Sims said.

The ACCC invites further submissions from industry participants in response to the Statement of Issues by Friday 10 June 2016. The ACCC expects to announce its final decision on Thursday 21 July 2016.

## **Background**

A consortium comprising Brookfield, Qube, Global Infrastructure Management, LLC (on behalf of itself and its managed funds and clients), Canada Pension Plan Investment Board, CIC Capital Corporation, British Columbia Investment Management Corporation, GIC Private Limited and Qatar Investment Authority is seeking to acquire the shares and assets of Asciano.

Specific details regarding Asciano, each of the consortium parties and the structure of the proposed acquisition, is available on the [public register](#).

The ACCC commenced its review of the proposed acquisition on 30 March 2016. The ACCC had earlier considered two separate proposals, one by a consortium led by Qube and another by a consortium led by Brookfield. The ACCC's consideration of those two earlier proposals ceased when the new joint proposal to acquire Asciano was announced.