

MEDIA RELEASE



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ACCC investigates Qube's completed acquisition of Newcastle Agri Terminal

The ACCC will conduct an investigation into potential competition issues arising from Qube's (ASX: QUB) completed acquisition of the Newcastle Agri Terminal. As the investigation relates to a completed acquisition it will be conducted on an enforcement basis.

Qube notified the ACCC on 8 September 2021 and then completed the transaction on 30 September, despite requests from the ACCC to delay completion of the transaction after competition concerns were raised by market participants.

The ACCC was not provided with sufficient time or information to assess the competitive impact of the transaction. The potential competition concerns which have been raised relate to the vertically integrated position that Qube will now hold in the supply chain for delivery of bulk grain to the Port of Newcastle, and the potential for Qube to engage in anti-competitive bundling of storage, handling and transport with terminal services.

"Our investigation will focus on the impact of the acquisition on the supply chain for bulk grain export through the Port of Newcastle, and the ability and incentive for Qube to discriminate against rivals," ACCC Chair Rod Sims said.

"It is worrying when a major vertically integrated player pays \$90 million for key infrastructure used for the export of agricultural products without first obtaining the ACCC's view on whether the proposed acquisition is likely to have the effect of substantially lessening competition."

"By choosing to proceed before the ACCC had a chance to conduct its review, Qube and the former owners of the Newcastle Agri Terminal are exposed to potential legal action by the ACCC," Mr Sims said.

The ACCC now invites submissions from market participants who may have concerns about the acquisition or wish to share information about the market. For more information on providing information to the ACCC, see [here](#).

The ACCC encourages merger parties to approach the ACCC as early as possible when a merger or acquisition is contemplated which may raise competition issues, well before a merger is due to be completed, to ensure the ACCC has sufficient time to consider the matter.

Background

Qube Logistics (SB) Pty Ltd owns and operates up-country grain storage sites at Narromine and Coonamble, and supplies rail haulage in NSW. It also owns and operates the Quattro bulk grain terminal in Port Kembla, NSW.

Newcastle Agri Terminal is a bulk grain terminal at the Port of Newcastle. The terminal is one of two bulk grain terminals located at the Port of Newcastle servicing export grain from farms and storage in northern NSW.

Potential remedies in any legal action for a breach of section 50 of the Competition and Consumer Act 2010 by the ACCC include an order for the shares or assets acquired to be

divested or for the transaction to be declared void and unwound. The ACCC can also seek penalties in respect of a breach of section 50.

Notes to editors:

As this matter is now a merger law enforcement investigation of a completed acquisition, the ACCC will not publish an indicative timeline for the investigation on the ACCC's public mergers register.

In considering the proposed acquisition, the ACCC applies the legal test set out in section 50 of the Competition and Consumer Act. In general terms, section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

Media enquiries: 1300 138 917

Email: media@accc.gov.au
accc.gov.au/media