



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC WILL NOT OPPOSE QUBE ACQUISITION OF AAT

The Australian Competition and Consumer Commission has accepted court-enforceable undertakings that will allow the proposed acquisition by Qube Holdings Limited (Qube) (ASX: QUB) of the remaining 50 per cent of Australian Amalgamated Terminals Pty Ltd (AAT).

Qube already owns 50 per cent of AAT and is acquiring the further stake from Brookfield Infrastructure Partners LP (Brookfield) and a group of global investment funds.

AAT's terminals are critical in the supply of vehicle and other non-containerised stevedoring and vehicle inspection services. The ACCC was concerned that Qube, as the sole owner of AAT, could discriminate against other existing and potential downstream operators, and favour its own interests in stevedoring and vehicle inspection services.

"The court-enforceable undertakings we have from Qube address the ACCC's concerns about competition in the supply of vehicle stevedoring, vehicle inspection services, and general cargo stevedoring services at the Ports of Brisbane, Kembla, Melbourne, and Adelaide," ACCC Chairman Rod Sims said.

Although the undertaking relates to all four ports, AAT's operations in Melbourne and Adelaide are expected to cease in 2017.

The ACCC sought feedback from market participants, including current and potential users of AAT's terminals. Most market participants considered that an undertaking would resolve their concerns with the acquisition, and provided suggested changes to improve the draft undertaking.

"The consultation with users of AAT terminals has led to important changes to the undertaking and has resulted in AAT being subject to a stronger set of obligations," Mr Sims said.

The undertaking prevents AAT from discriminating against current and potential competitors to Qube for the supply of stevedoring and vehicle inspection services. The undertaking will also compel Qube and AAT to comply with access and berthing allocation rules, and ring-fence confidential information supplied to AAT by Qube's competitors, shipping lines, and car manufacturers.

"The undertaking also contains rigorous price and non-price dispute resolution mechanisms. We expect that users of AAT's terminals will be active in pursuing dispute resolution options and raising potential discrimination issues," Mr Sims said.

An independent auditor, who will report to the ACCC, will also assist in ensuring that Qube and AAT are meeting their obligations outlined in the undertaking.

Please see the ACCC's public register for more information:

Background

AAT currently operates terminals at the Ports of Brisbane, Kembla, Melbourne, and Adelaide. However, AAT's lease over its terminal in Melbourne ends on 31 December 2017. Also, AAT's terminal at Port Adelaide is due to close in 2017 once General Motors Holden ceases exporting cars from the terminal. As a result, AAT will soon no longer operate at either of the Melbourne or Adelaide ports.

AAT's terminals are generally only used for vehicle and general cargo stevedoring, not container stevedoring.

Qube supplies automotive and general stevedoring services through a wholly owned subsidiary and has a 25 per interest in PrixCar, which operates vehicle inspection services.

On 21 July 2016, the ACCC announced that it would [not oppose the proposed acquisition of Asciano](#). While the Brookfield-led consortium is now selling AAT to Qube, it is retaining the LINX operations, which supply vehicle and general stevedoring services, and pre-delivery vehicle inspection services.

Media enquiries

ACCC Media 1300 138 917

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