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Our ref: IM-72099  
Contact officer: Caylie McDonald / Eado Varon  
Contact phone: 03 9290 1470 / 03 9910 9415

14 February 2023

Dear Interested Party

**Request for submissions: Qube's proposed acquisition of Newcastle Stevedores**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on Qube Ports Pty Ltd's (**Qube Ports**) proposed acquisition of Newcastle Stevedores Pty Ltd (**Newcastle Stevedores**) (the **proposed acquisition**).

Qube Ports and Newcastle Stevedores both supply general and bulk stevedoring services at the Port of Newcastle. Qube Holdings Ltd (**Qube**) owns Qube Ports and is a public company listed on the ASX (ASX: QUB). Further information on the merger parties is set out in **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- the likely impact of the proposed acquisition on prices and/or service quality,
- whether customers would have access to alternative suppliers of general and bulk stevedoring services at the Port of Newcastle after the proposed acquisition
- whether new stevedoring service providers are likely to begin operating at the Port of Newcastle, and
- whether the proposed acquisition is likely to give Qube the ability and/or incentive to limit rival stevedores from attracting customers at the Port of Newcastle.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by **Tuesday 7 March 2023** via email with the title:

*Submission re: Qube/Newcastle Stevedores – attention Caylie McDonald/Eado Varon. If you require more time to respond, please let us know.*

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Caylie McDonald on 03 9290 1470 or Eado Varon on 03 9910 9415.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

***Confidentiality of submissions***

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential.

Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson  
General Manager  
Merger Investigations

## **Attachment A**

### **Qube**

Qube is an integrated provider of import and export logistics services across Australia, New Zealand and South East Asia. Qube comprises of two business units: (i) Qube Ports and Bulk, and (ii) Qube Logistics and Infrastructure.

#### *Qube Ports and Bulk*

Qube Ports is an integrated port services provider, providing bulk and general handling facilities. Relevant to the proposed acquisition, Qube Ports supplies general and bulk stevedoring services at the Port of Newcastle.

Qube Bulk provides bulk material handling services, including road and rail transport, stockpile management and bulk ship loading. It specialises in large-scale bulk export facilities and bulk material supply chains.

#### *Qube Logistics and Infrastructure*

Qube Logistics operates logistics services throughout Australia covering road and rail containerised transport and associated services relating to the management of import and export containers, including container parks, customs and quarantine services, warehousing and distribution, intermodal terminal services, international freight forwarding and bulk rail haulage for rural commodities.

Qube Infrastructure owns and operates terminals, including automotive terminals, grain terminals (including the Quattro Kembla terminal and Newcastle Agri Terminal) and rail terminals.

### **Newcastle Stevedores**

Newcastle Stevedores is a family-owned business supplying bulk and general stevedoring services at the Port of Newcastle. It has the capacity to operate across all wharves at the Port of Newcastle, and in Port Jackson in Sydney.

### **The proposed acquisition**

Qube Ports is proposing to acquire 100% of the shares in Newcastle Stevedores.

## **Attachment B**

1. Please provide a brief description of your business or organisation, including any commercial relationship(s) with Qube and/or Newcastle Stevedores.

### **Questions for all interested parties**

2. Discuss how closely Qube competes with Newcastle Stevedores in the supply of general and bulk stevedoring services at the Port of Newcastle. In your response, please consider factors such as price, quality, type of cargo or commodity, berths/wharves, participation in tenders, and/or winning or losing customers. Please provide specific examples where possible.
3. Identify and describe how closely Qube and Newcastle Stevedores compete with alternative general and bulk stevedoring suppliers at the Port of Newcastle. Please consider the factors outlined in question 2.
4. Describe the likelihood of a new firm entering, or an existing operator expanding into the supply of general and bulk stevedoring services at the Port of Newcastle. Please provide details about the likely costs, lead times, regulatory requirements, and any other requirements to entry or expansion. Please provide examples where possible.
5. Discuss whether Qube, post-acquisition, would be likely to have the ability and/or incentive to limit rival stevedores from attracting customers at the Port of Newcastle (for example, road and rail haulage operators or any other relevant operator).

### **Questions for customers**

6. Describe how customers procure general and bulk stevedoring services at the Port of Newcastle (for example, through formal tender or other methods), including whether stevedoring services are bundled with any other services.
7. Describe how easy or difficult it is for customers to switch between suppliers of general and bulk stevedoring services at the Port of Newcastle.
8. Discuss whether customers would have the ability to bypass the supply of general and bulk stevedoring services, by either self-supplying or sponsoring entry. Please provide examples where possible.
9. Explain whether it is important or advantageous for stevedores to also offer logistic services (for example, road and rail haulage), or any other services at the Port of Newcastle.

### **Other information or competition issues**

10. Outline any concerns about the impact of the proposed acquisition.
11. Provide any additional information or comments, or identify other competition issues, that you consider relevant to the ACCC's consideration of the proposed acquisition.