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HD Asciano digs in over Qube vote

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LP Asciano will press ahead with a shareholder vote on the [Qube Holdings-led \\$9 billion takeover bid](#) next week despite the competition watchdog raising “amber-light” concerns on behalf of affected parties.

Asciano digs in over Qube vote

TD In the latest of a series of disruptions to the long-running takeover bid, the [Australian Competition & Consumer Commission](#) released a statement of issues saying the bid could **lead** to “significantly greater degree of integration” of port and landside container handling.

The takeover would combine the country’s biggest container terminal operator, Asciano’s Patrick Stevedores, with the two biggest landside container logistics operators in Patrick’s 50 per cent-owned Australian Container Freight Services and Qube Logistics.

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

Pending further submissions the ACCC said it would make a final decision by July 21, nearly seven weeks after the Asciano shareholder vote due to be held next Friday.

It is the latest in a series of hiccups to hit the deal, with the federal election on July 3 putting the government in caretaker mode and forcing the [Foreign Investment Review Board](#) to delay a recommendation on the bid. Asciano had already pushed back a court date to approve the takeover until July 9 and said it would approach the court for a date after the ACCC ruling deadline.

Asciano’s partners in the ACFS joint venture, Arthur and Terry Tzaneros, have already launched legal action in the NSW Supreme Court to delay the takeover.

The family, which formed the joint venture with Asciano, said they had concerns about potential breaches of a shareholder contract resulting from the deal.

The family-owned business is believed to be concerned about having to compete for access to the Patrick terminals in the container logistics business after the takeover.

The family is believed to be open to taking a greater **stake** in the business but not full control, which would deny it the benefits of working with Patrick.

But sources indicated the ACCC announcement should not upset the meeting date because the cash bid was always subject to regulatory approvals.

If shareholders approved the bid and it was not rejected or blocked by either the ACCC or FIRB the only delay would be in them receiving their consideration.

Asciano said the meeting remained scheduled for June 3.

“Asciano will consider the impact of the ACCC’s processes on the transaction timetable and will provide a further update to the market as soon as possible.”

Brookfield said it would work with the ACCC to resolve the issues.

“Brookfield remains of the view that none of the issues raised by the ACCC will result in a lessening of competition,” it said yesterday.

The watchdog said it was inviting further submissions to the review by June 10.

After months of bids, counter bids, market raids and negotiations, rivals including Brookfield Asset Management, Global Infrastructure Partners, Singapore sovereign wealth fund GIC, China's CIC Capital Corporation, the Canada Pension Plan Investment Board, Qatar Investment Authority and British Columbia Investment Management Corporation joined forces in March to carve up the Asciano port and rail businesses.

But as flagged in The Australian on Tuesday, the consumer watchdog, which began reviewing the proposal in March, has raised concerns about the vertical integration of the ports business.

Mr Sims said yesterday that the concerns were “amber light”.

Asciano shares were 1c lower yesterday at \$8.85. Qube shares were steady at \$2.35, below their recent high of \$2.57.

CO kfmilf : Qube Holdings Limited | lclaus : Patrick Corp | ascian : Asciano Ltd. | brknfr : Brookfield Infrastructure Partners L.P.

IN i763 : Port/Harbor Operations | iship : Water Transport/Shipping | itsp : Transportation/Logistics | icargo : Freight Transport/Logistics

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IPD container terminals | landside container logistics | container logistics business | container logistics operators | container terminal operator | landside container handling | vertical integration | counter bids | federal election | long-running takeover bid | rail businesses | Queensland | Australia | Port Botany | New South Wales | cent-owned Australian | launched legal action | Rod Sims | container logistics | landside container | joint venture | takeover bid | shareholder vote | ANDREW WHITE | landside logistics operations | competition watchdog raising | shareholder contract | raised concerns | preferential access | final decision | sovereign wealth fund | Brookfield Asset Management | Australian Competition & Consumer Commission | Canada Pension Plan Investment Board | CIC Capital Corporation | Dalrymple Bay Coal Terminal

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