

# MEDIA RELEASE



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## ACCC concerned about Transurban's interest in WestConnex

The ACCC has today raised preliminary competition concerns about Sydney Transport Partners' proposed acquisition of a majority interest in the WestConnex project. Sydney Transport Partners is a consortium led by Transurban (ASX: TCL).

The ACCC has today published a statement of issues, outlining preliminary views on the likely impact of the proposed acquisition.

Transurban controls 15 of 19 road toll concessions in Australia, and 7 of the 9 existing concessions in New South Wales.

"WestConnex is a very significant toll road asset, and as such represents an opportunity to establish a strong rival toll road operator," ACCC Chairman Rod Sims said.

"We consider that Transurban already has significant incumbency advantages when competing for future toll road projects. It has access to highly detailed traffic data when bidding for new roads and is able to leverage its existing toll roads to offer unique unsolicited proposals to state governments," Mr Sims said.

"Transurban has been awarded five toll road concessions or upgrades following unsolicited proposals to state governments, in exchange for increases or extensions of existing tolls. It is the only operator in the past 30 years who has been granted a toll road concession in Australia following an unsolicited proposal to a state government."

"We are concerned that the proposed acquisition may cement Transurban's advantages when competing for future toll roads," Mr Sims said.

The ACCC is assessing Sydney Transport Partners' proposal against the likely alternative scenario if it did not proceed.

"If WestConnex is acquired by an alternative bidder, there would be two major toll road operators in Sydney. Those two players would likely compete strongly for future toll road projects and vie for government approval for unsolicited road proposals."

The ACCC is also concerned about the effects of the proposed acquisition on competition between toll roads.

"We are examining whether motorists in Sydney could switch between existing Transurban toll roads and WestConnex roads for certain trips," Mr Sims said.

"If there is potential competition between WestConnex and Transurban's existing toll roads, motorists might lose the benefits from that competition if the acquisition goes ahead. For example, an alternative owner of WestConnex might lower tolls for certain trips, or make changes to its roads or services to ease traffic congestion in attempts to attract more vehicles away from Transurban roads."

The ACCC invites submissions from interested parties in response to the statement of issues by 31 May 2018. The ACCC's final decision is scheduled for 19 July 2018.

The statement of issues is available on [the public register](#).

**Background:**

Transurban is Australia's largest toll road operator. Transurban (or a Transurban-controlled entity) currently holds seven of the nine toll road concessions in NSW, including the M1, M2, M5 and M7 motorways.

WestConnex is a partially completed motorway development in Sydney. It comprises 33kms of interconnected motorways and road upgrades, which will extend the M4 motorway from Parramatta to Sydney Airport and duplicate the M5 East corridor.

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