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A.C.C.C. NOT TO OPPOSE PROPOSED ACQUISITION OF SYDNEY ROADS GROUP LIMITED BY TRANSURBAN GROUP LIMITED

The Australian Competition and Consumer Commission will not intervene in the proposed acquisition of Sydney Roads Group Ltd by Transurban Group Ltd, ACCC Chairman, Mr Graeme Samuel, said today.

After conducting a comprehensive review of the proposed acquisition, including extensive market inquiries with interested parties, the ACCC has concluded that the proposed acquisition is unlikely to substantially lessen competition under section 50 of the *Trade Practices Act 1974*.

As a result of Transurban and Interlink's tag issuing interests and associated charging of roaming fees to tollroad owners, the ACCC's market inquiries focused on how the proposed acquisition might affect competition in the tender process for future tollroads, particularly in NSW.

"The ACCC received a number of divergent submissions from interested parties on the materiality of roaming fees to consortia bidding on new tollroad projects," Mr Samuel said. "However, Transurban's increased control over roaming fees will be in NSW where the materiality of roaming fees is mitigated by the presence of competing tag issuers with a significant tag issuing base and the fact that new tollroad owners have some potential to establish their own tag issuing business.

"In addition, the RTA's role in administering tollroad projects is likely to impose a constraint on the ability of the merged entity to influence bidding for new tollroads in NSW. As a result, the ACCC concluded that roaming fees are unlikely to be increased to the substantial detriment of competition between bidders on new NSW tollroad projects," Mr Samuel said.

In relation to administration fees charged to motorists for electronic tag accounts, the ACCC concluded that Transurban would be constrained from increasing administration fees by the presence of competing tag issuers, particularly the RTA. Furthermore, the presence of fee-free electronic tag accounts as a requirement of some NSW tollroad project deeds provides a constraint on tag issuers.

"Motorists have the ability to switch tag providers if Transurban were to increase administration fees," Mr Samuel said.

The basis upon which the ACCC has reached its decision will be outlined in a *Public Competition Assessment* which will be issued in due course.

Media inquiries

Mr Graeme Samuel, Chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Dr Stephen King, Commissioner, (03) 9290 1863 or 0439 988 901

Ms Lin Enright, Director, Media Unit, (02) 6243 1108 or 0414 613 520

General inquiries

Infocentre: 1300 302 502

NR 64/07

8 March 2007

BACKGROUND

Transurban is a tollroad owner and operator with interests in the M2 Motorway, M7 Motorway and the Melbourne Citylink. Transurban also issues electronic tags to motorists for use on tollroads.

SRG has interests in the M1 Eastern Distributor Motorway, M4 Motorway and M5 Motorway. Through its interest in the M5, SRG also has an interest in Interlink Roads Pty Ltd's tag issuing business.

Transurban charges a "roaming fee" for remitting tolls to other tollroad owners when Transurban-owned electronic tags travel on their roads. Roaming fees form part of the costs of a tollroad operator.

Transurban is involved in bidding on new tollroads. Road authorities such as the RTA administer the tender process for new tollroads, including the awarding of new tollroad projects.