

MEDIA RELEASE



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ACCC opposes Transurban's EastLink acquisition proposal

The ACCC has decided to oppose the proposed acquisition of a majority interest in Horizon Roads by Transurban Group (ASX: TCL) after concluding that the transaction would be likely to substantially lessen competition for future toll road concessions in Victoria.

Transurban is Australia's largest toll road operator. In Melbourne, Transurban operates the CityLink toll road and is constructing and will operate the West Gate Tunnel toll road.

Horizon Roads operates the EastLink toll road in Melbourne and is the only other private toll road operator in Australia. Another toll road, the North East Link, which is set to be operational by 2028, is being built and will be operated by the Victorian Government.

"The proposed acquisition would result in Transurban entrenching its position in Victoria, and prevent the entry of a rival operator which could compete closely for future toll road concessions in Victoria. Transurban would operate every single private-sector controlled toll road in Australia," ACCC Chair Gina Cass-Gottlieb said.

"The ACCC received submissions expressing strong concerns from stakeholders. We also received a submission from the Victorian Government outlining its concerns. The ACCC placed some significance on the concerns expressed by the Victorian Government."

"We have concluded that if Transurban doesn't acquire Horizon Roads, it would likely be acquired by a potential long-term rival and could be used as a platform to develop the capabilities needed to compete more strongly for other toll road concessions," Ms Cass-Gottlieb said.

"We therefore found that Transurban acquiring Horizon Roads would likely deter the emergence of a key rival for future toll road concessions."

Transurban's scale and in-house modelling provide it with a material advantage over rival bidders for toll roads, and the proposed acquisition will further entrench this advantage.

While there is a pool of traffic modelling experts in Australia and globally, Transurban has developed recognised expertise in preparing high quality traffic models in Australia that utilise detailed datasets, and can model options more quickly and cost-effectively than its rivals.

The ACCC's investigation also considered the extent to which the Victorian Government has the ability to constrain Transurban and would be able to level the playing field for future sales of toll road concessions in Victoria.

"We acknowledge that the Victorian Government can run open tender processes, but where one party has material incumbency advantages compared to other firms who may be

considering bidding there is less likely to be effective competition for future sale processes,” Ms Cass-Gottlieb said.

More information can be found on the ACCC’s public register: [Transurban Group proposed acquisition of Horizon Roads Pty Ltd.](#)

Background

A ‘toll road concession’ refers to a government grant of an exclusive right to operate a road and collect tolls for travel on that road. This is done through a long-term concession deed.

EastLink is a 39-kilometre freeway in south-east Melbourne that runs from Mitcham to Frankston. It connects to the Monash, Eastern, Frankston and Peninsula Link freeways.

Transurban is seeking to acquire a majority interest in Horizon Roads through a competitive sale process. Horizon Roads, through ConnectEast, holds a concession from the State of Victoria to operate the EastLink toll road until November 2043.

Transurban is listed on the Australian Securities Exchange and is Australia’s largest toll road operator. Transurban’s operations include the development, ownership, management and operation of toll roads in Australia and North America. In Victoria, Transurban has interests in CityLink and West Gate Tunnel (under construction).

In addition to its toll road assets, Transurban provides electronic tolling and tag issuing services under the Linkt brand.

Horizon Roads is a private Australian resident company. In addition to being the ultimate concession holder of the EastLink toll road, Horizon Roads also provides electronic tolling and tag issuing services under the EastLink brand.

Media enquiries: 1300 138 917

Email: media@acc.gov.au

acc.gov.au/media