

INFRASTRUCTURE EXPERTS ADVISE SUCCESSFUL CONSORTIUM ON PORT OF MELBOURNE LEASE

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News

Herbert Smith Freehills has advised the successful Lonsdale Consortium comprising the Future Fund, QIC, Global Infrastructure Partners (GIP) and OMERS on the acquisition of a 50-year lease of the Port of Melbourne from the Victorian Government.

The acquisition is one of the most significant transactions in the Australian market this year.

Handling around 2.64 million TEU (twenty-foot equivalent) per year, the port is the largest general cargo and container port in Australia and was the only remaining east coast port to be leased to the private sector. The acquisition comes as the trade hub is set to expand following the development of a new container handling terminal and automotive facility.

Herbert Smith Freehills advised the consortium on all aspects of the transaction, including the negotiation and documentation of equity arrangements, debt facilities, and transaction documents with the State of Victoria.

The Herbert Smith Freehills' team was led by partners Peter Butler and Robert Nicholson, supported by specialist corporate, finance, regulatory, disputes, employment, environment and real estate partners and their teams from across the firm.

Peter Butler said the firm had helped achieve an excellent outcome for the consortium in what was a competitive process. "We are delighted to be involved in the lease of such a key infrastructure asset and to have helped ensure the consortium's bid was a success," Peter said.

“Our large team on the project comprised partners and lawyers drawn from all of our practice groups and multiple offices, working together to meet some challenging timeframes. The deal involved navigating the complexities of the regulatory regime applying to the asset. Our team also provided expert advice on the large number of tenancies existing at the port, some with major projects in the development phase.

“Our clients’ global expertise in managing similar assets, combined with their long term development plan for the Port will help support future growth and further improve the productivity of this important asset,” Peter said.

The deal is another example of the firm’s market-leading infrastructure expertise, with the practice working on the world’s most complex, large-scale, and market-defining projects and transactions. This has recently included advising on the Moorebank Intermodal Terminal Development, a A\$2 billion freight hub at Moorebank in south-western Sydney and advising the Canberra Metro consortium on its successful bid for the Australian Capital Territory’s Capital Metro light rail project.

Credit Suisse and Gresham acted as financial advisers to the Consortium.

About Herbert Smith Freehills

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