Barro – BQC Quarries and Burdekin Concrete

MN-60011

Phase 1 Determination

Acquisition may be put into effect

3 June 2026

1. Determination

Notified acquisition	Barro Group Pty Ltd (**Barro**) via a subsidiary proposes to acquire, by asset purchase, the quarry and concrete business and specified assets (the **Target Assets**) operated collectively by Colevale Estates Pty Ltd, M&T Populin Pty Ltd and Twin Rock Pty Ltd as the BQC Quarries partnership, and BQC Registrations Pty Ltd, BQC Sands Pty Ltd and Burdekin Concrete Pty Ltd (the **Sellers**) (the **Acquisition**).
Determination	The Australian Competition and Consumer Commission has determined under section 51ABZE(1) of the *Competition and Consumer Act 2010* (Cth) that the Acquisition may be put into effect.
Parties to the Acquisition	Barro is a seller and distributor of pre-mixed concrete, quarry products and various associated products across Australia. In Northern Queensland, Barro owns and operates Townsville Concrete, a ready-mix concrete (**RMX)** plant which is supplied with hard rock aggregates by its quarry on the Black River and coarse sand from its sand quarry on the Haughton River. The Target Assets are the Sellers' hard rock and sand quarrying operations in Burdekin and Bowen in Northern Queensland, as well as Burdekin Concrete which manufactures RMX in Burdekin.
Reasons for determination	The reasons for the ACCC's determination are set out in section 2.

2. Statement of reasons

2.1. When making a determination in Phase 1, the Australian Competition and Consumer Commission (**ACCC**) undertakes a competition assessment and considers whether it is appropriate for an acquisition to be approved or subject to further assessment in Phase 2 in accordance with section 51ABZJ of the *Competition and Consumer Act 2010* (Cth) (the **Act**). In doing so, the ACCC must have regard to the object of the Act and all relevant matters, including the interests of consumers.

2.2. For more information about the ACCC's approach to considering notified acquisitions, see the ACCC's merger assessment guidelines and interim merger process guidelines.

2.3. For the reasons given below, the ACCC has determined that the Acquisition may be put into effect.

Overlap between the parties

2.4. Both Barro and the Sellers (the **Parties**) operate RMX plants, hard rock quarries and coarse sand quarries in Northern Queensland.

2.5. In Northern Queensland, Barro owns and operates Townsville Concrete, a RMX plant located in Bohle (northern Townsville). Barro's RMX plant is supplied with hard rock products by its quarry on the Black River (north of Townsville) and coarse sand products from its sand quarry on the Haughton River (south of Townsville, in the Burdekin region of Queensland).

2.6. The Target Assets include:

- a RMX plant in Ayr, in the Burdekin region
- two hard rock quarries at Airville, in the Burdekin region, and West Euri, in the Bowen region
- two sand quarries in Ayr and Mount Kelly in the Burdekin region.

Competition assessment

2.7. The ACCC has considered the effects of the Acquisition by comparing the likely future state of competition if the Acquisition proceeds against the continuation of the current state of competition (being the likely future state of competition if the Acquisition does not proceed).

Relevant areas of competition

2.8. The ACCC has considered whether the Acquisition is likely to substantially lessen competition in the supply of RMX, hard rock products and coarse sand products.

2.9. The ACCC considers that while Barro and the Sellers both have a presence in Northern Queensland, the Parties operate in different geographic areas.

Competition effects in the supply of RMX

2.10. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in relation to the supply of RMX.

2.11. Based on information supplied by the Parties and third-party submissions, the ACCC finds that the Target Assets' RMX plant (Burdekin Concrete) and Barro's RMX plant (Townsville Concrete) operate in different geographic areas and therefore do not compete for the same customers.

Competition effects in the supply of hard rock products

2.12. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in relation to the supply of hard rock products.

2.13. The ACCC has taken into account the Parties' own evidence on cartage costs, natural geographic boundaries, distance-based pricing effects, and third-party submissions. Based on these materials, the ACCC finds that Barro's and the Target Assets' hard rock quarries operate in different geographic areas and therefore do not compete to supply the same customers.

Competition effects in coarse sand products

2.14. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in relation to the supply of coarse sand products. The ACCC finds that there is limited horizontal overlap between Barro and BQC, and the Parties are not close competitors.

2.15. The ACCC's view, based on information and documents provided by the Parties including evidence on cartage costs, natural geographic boundaries, distance-based pricing effects, as well as third party submissions, is that:

- Delivery distance is a key constraint on substitutability of coarse sand suppliers as transport costs form a significant proportion of the delivered price of coarse sand.
- Due to the distance between Barro's Haughton River quarry and the Target Assets' Home Hill and Mount Kelly quarries, Barro and the Sellers do not compete closely to supply coarse sand products to the same customers.
- As the vast majority of coarse sand produced by its Haughton River quarry is used by Barro's own concrete manufacturing operations, Barro and the Sellers do not compete closely to supply coarse sand products to the same customers.
- Although the ACCC received mixed views from some third parties regarding the alternative sand quarries in the Burdekin region, the ACCC found that there are competitors that hold sand leases located in closer proximity to the Target Assets' Home Hill and Mount Kelly quarries.
- Barro does not have the ability to foreclose rival RMX suppliers' access to coarse sand products as rival RMX suppliers also hold sand leases in the Burdekin region.

3. Applications for review

3.1. A notifying party, or other person who has been allowed to do so by the Australian Competition Tribunal, may apply for review if they are dissatisfied with the determination. Pursuant to section 100C of the Act, applications for review of the determination are to be made to the Australian Competition Tribunal before the end of 14 calendar days after this statement of reasons was included on the ACCC's Acquisitions Register. To confirm whether there has been any application for review, please contact the Australian Competition Tribunal.

Determination made by Commissioner Williams pursuant to a delegation under section 25(1) of the Act