AUSTRALIAN COMPETITION & CONSUMER COMMISSION

Trescal – TR Calibration

MN-90009

Decision

Acquisition is to be subject to Phase 2 review

30 June 2026

1. Decision

1.1. On 14 April 2026, Trescal (Australia) Pty Ltd lodged a notification with the Australian Competition and Consumer Commission (**ACCC**) in respect of the proposed acquisition by Trescal Holding Pty Ltd (**Trescal**), through its wholly-owned subsidiary Trescal (Australia) Pty Ltd, of TR Pty Ltd's (**TR**) calibration and sales business, trading as TechRentals Calibration & Sales (**TR Calibration**) pursuant to a business sale agreement (the **Acquisition**).

1.2. The ACCC has decided under section 51ABZJ(1) of the *Competition and Consumer Act 2010* (Cth) that the Acquisition is to be subject to Phase 2 review (**Phase 2 Notice**).

1.3. The ACCC is satisfied that the Acquisition, if put into effect, could, in all the circumstances, have the effect, or be likely to have the effect, of substantially lessening competition in a market.

1.4. If the notifying party continues with the Phase 2 review, it must pay the applicable Phase 2 fee by 9 July 2026. If the fee is not paid by the due date, the ACCC is taken to have decided to cease considering the notification.

2. Parties to the Acquisition

The acquirer – Trescal

2.1. Trescal supplies calibration services, equipment procurement and distribution, instrument verification, equipment maintenance, system validation, electrical safety equipment testing services and asset management services.

2.2. Trescal operates nationwide with fixed laboratories in Adelaide, Brisbane, Melbourne, Perth and Sydney, as well as operating from mobile laboratories.

2.3. Trescal is a subsidiary of privately-owned French company, Trescal International SAS, a worldwide provider of calibration and asset management services.

The target – TR Calibration

2.4. TR Calibration is the nationwide calibration services and equipment sales business of TR, a nationwide provider of technology equipment (including testing, inspection, calibration and telecommunications equipment) for rent. TR is a subsidiary of Vp plc, a company listed on the London Stock Exchange.

2.5. TR Calibration supplies calibration services and measurement equipment to customers across Australia including from fixed laboratories in Sydney and Brisbane, as well as from mobile laboratories.

Overlap between the parties

2.6. Trescal and TR Calibration (together, the **Parties**) overlap in the supply of calibration services in certain testing domains and the supply of calibration equipment in Australia. Calibration services involve comparing the performance of testing and measurement equipment against a measurement standard to ensure accurate performance and compliance with relevant standards, and related equipment repairs (for example, if equipment fails a calibration test).

2.7. Given that the Parties supply calibration services across a range of testing domains, they also overlap in the supply of calibration services to customers that require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier.

2.8. The Parties also overlap in the supply of calibration services for reference equipment to rival calibration service suppliers in Australia. Suppliers of calibration services are periodically required to have their reference equipment tested to ensure that the equipment they use to supply calibration services to customers is accurate. Calibration of reference equipment requires a higher level of accuracy (known as lower levels of measurement uncertainties) than the equipment being calibrated. This means that only a subset of calibration providers are able to undertake this work. The Parties both have significant capabilities in calibration services in the electrical testing domain, and are capable of supplying calibration services for reference equipment in the electrical testing domain.

2.9. The Parties also have distribution and supply relationships with certain original equipment manufacturers of process instrumentation equipment or calibration and measurement equipment in Australia.

Industry background

2.10. Many instruments that provide verifiable measurements require calibration services to ensure the device is accurate. The supply of calibration services involves comparing the output of a customer's measurement equipment against reference measurement equipment known to be accurate. Calibration services can be provided on site or at a laboratory.

2.11. Calibration services are supplied across a number of testing domains, including electrical and magnetic, dimensional and mechanical, force, flow, high voltage, humidity, mass, temperature, torque, optical, pressure and vacuum, radiofrequency and microwave, and time and frequency domains. Calibration service providers may provide calibration services for one testing domain, or across multiple testing domains.

2.12. The National Association of Testing Authorities (**NATA**) is Australia's national accreditation body, which accredits calibration providers as being in line with relevant international standards (typically being ISO/IEC-17025 for calibration services). Calibration service suppliers will compete to some degree based on their scope of NATA-accreditation for calibration services, including the level of accuracy (that is, level of measurement uncertainties) in different testing domains (such as electrical or torque). Each of the Parties has a relatively broad scope of NATA-accreditation across multiple testing domains.

2.13. Some customers may require NATA-accredited calibration services at high levels of accuracy (or low levels of measurement uncertainty), for example where accuracy of equipment is of critical importance for product safety or performance such as in the defence, aerospace or pharmaceutical industries. By contrast, other customers may only require calibration services at a lower-level of accuracy, and they may not require NATA-accredited calibration services, which can typically be provided at a lower cost.

3. Basis for Phase 2 Notice

3.1. During Phase 1, the ACCC may decide that a notification of an acquisition is to be subject to Phase 2 review if it is satisfied that the acquisition, if put into effect, could, in all the circumstances, have the effect, or be likely to have the effect, of substantially lessening competition in any market.

3.2. The basis for the ACCC's Phase 2 Notice is explained below, including the nature of the theories of harm that form the basis for the ACCC's satisfaction and the matters the ACCC intends to investigate before making a determination. The three theories of harm the ACCC is considering are set out below.

3.3. The ACCC has taken into account the material received or available to it during its Phase 1 assessment. Material received includes information, data and documents provided by the Parties in the notification and in response to information requests, as well as submissions and responses to enquiries from third parties including customers, alternative calibration service providers and industry bodies. The ACCC also considered publicly available information.

3.4. The ACCC invites submissions from interested parties on the matters that the ACCC intends to investigate further as outlined in the boxes below and any other relevant matters. Submissions should be provided by 14 July 2026 via email to mergers@accc.gov.au with the title *Submission re: Trescal – TR Calibration*.

Relevant areas of competition

3.5. The ACCC considers the relevant areas of competitive overlap for the purposes of its assessment are the national supply of:

a) calibration services in certain testing domains;

b) calibration services to customers that require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier; and

c) calibration services for reference equipment in the electrical testing domain.

3.6. Each of the Parties has distribution and supply relationships with certain original equipment manufacturers of process instrumentation equipment or calibration and measurement equipment in Australia. Given the availability of alternative suppliers of such equipment in Australia, the ACCC does not consider there is likely to be a substantial lessening of competition in relation to the supply of such equipment if the Acquisition were put into effect.

3.7. The ACCC's primary focus has been on those calibration testing domains where the information currently before the ACCC indicates that the Parties compete closely and

there may be limited competitive constraints from alternative suppliers. The ACCC understands that:

a) regarding the product dimension of competition, calibration services for one testing domain are not a close substitute to calibration services in other testing domains. For example, a customer who requires the calibration of electrical equipment cannot have this equipment calibrated by a supplier of calibration services for torque equipment; and

b) regarding the geographic dimension of competition, while the supply of calibration services in certain testing domains is likely to be Australia-wide, the supply of calibration services for certain types of equipment may need to be provided either in a narrower geographic area or even at a customer's site, for example where equipment may be too bulky or sensitive to be transported significant distances.

3.8. The ACCC is continuing to consider the appropriate product and geographic boundaries of the relevant markets for the purposes of its assessment.

Matters the ACCC intends to investigate in Phase 2

- The extent to which there are discrete product markets for calibration services within certain testing domains.
- The extent to which there are narrower geographic markets within Australia for calibration services in certain testing domains, for example where equipment cannot be transported across significant distances.
- Whether certain types of calibration tests need to be performed at a customer's site, for example because the bulk or sensitivity of the equipment being calibrated means it cannot be transported to the calibration service provider's laboratory for testing.

Competition effects in the supply of calibration services in certain testing domains

3.9. The ACCC is satisfied that the Acquisition could have the effect, or likely effect, of substantially lessening competition in the supply of calibration services in certain testing domains in Australia, including the electrical, radiofrequency, torque and force testing domains.

3.10. The ACCC's preliminary view is that the Acquisition would remove a direct and significant competitor to Trescal in the supply of calibration services in the electrical, radiofrequency, torque and force testing domains, at certain levels of accuracy or to certain customer segments, thereby removing the competitive constraint that the Parties currently exert on each other, giving rise to horizontal unilateral effects. As a result, post-Acquisition, the merged entity could have the ability to profitably increase prices and/or reduce service quality in the supply of calibration services in Australia, in relation to certain testing domains, levels of accuracy or customer segments.

3.11. Information currently before the ACCC indicates that:

- the Parties are both significant suppliers of calibration services in Australia and appear to be among each other's closest competitors, particularly in the electrical, radiofrequency, torque and force testing domains;

- the merged entity would likely face limited competitive constraints from alternative suppliers, either because there are few alternative suppliers in a particular testing domain and/or because alternative suppliers may not be viable substitutes for certain customers. Alternative suppliers may not be viable substitutes to Trescal or TR Calibration for certain customers, given factors such as:
    - the price and/or turnaround time;
    - the scope and level of accuracy (that is, level of measurement uncertainties) of relevant accreditations; and/or
    - the breadth of services provided (for example, where the supplier only provides calibration services to a narrower customer segment or in relation to specific brands of equipment);
- there appears to be a low likelihood of timely new entry or expansion at sufficient scale to replace the loss of constraint due to the Acquisition.

3.12. Several market participants also expressed concerns about increased prices and/or reduced quality (including through increased lead times or turnaround times) resulting from the Acquisition.

3.13. Based on the information currently before it, the ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of calibration services in the following testing domains: dimensional and mechanical, flow, humidity, mass, temperature, optical, pressure and vacuum, time and frequency, and gas. The materials currently before the ACCC indicate that the Parties do not compete closely in the supply of calibration services in these testing domains, and/or there are multiple alternative suppliers of calibration services in these testing domains.

Matters the ACCC intends to investigate in Phase 2

- The extent to which alternative suppliers would meaningfully constrain the merged entity post-Acquisition in the supply of calibration services in certain testing domains, taking into account factors such as their scope of accreditation, breadth of service offering, price and turnaround times, particularly in relation to the following testing domains: electrical, radiofrequency, torque and force.
- The extent to which there are specific types of calibration services within relevant testing domains (such as electrical calibration services), in relation to which the Parties may not compete closely and/or there may be effective alternative suppliers.
- The likelihood of timely new entry and expansion to constrain the merged entity in the electrical, radiofrequency, torque and force testing domains.

Competition effects in the supply of calibration services to customers that require multiple calibration services across a range of testing domains

3.14. The ACCC is satisfied that the Acquisition could have the effect, or likely effect, of substantially lessening competition in the supply of calibration services to customers

that require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier.

3.15. The ACCC's preliminary view is that the Acquisition would remove a direct and significant competitor to Trescal in the supply of calibration services to customers that require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier, thereby removing the competitive constraint that the Parties currently exert on each other, giving rise to horizontal unilateral effects. As a result, post-Acquisition, the merged entity could have the ability to profitably increase prices and/or reduce service quality in the supply of calibration services in Australia to customers that require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier.

3.16. Information currently before the ACCC indicates that:

- the Parties are both significant suppliers of calibration services in Australia with broad capabilities and scopes of NATA-accreditation across multiple testing domains, and appear to be among each other's closest competitors;
- the merged entity would likely face limited competitive constraints from alternative suppliers, as there are few alternative suppliers that have comparable breadth of calibration service capabilities across multiple testing domains that are viable alternatives for customers who require multiple calibration services across a range of testing domains and seek to procure these services from a single supplier, taking into account factors such as:
    - the price and/or turnaround time;
    - the scope and level of accuracy (that is, level of measurement uncertainties) of relevant accreditations; and/or
    - the breadth of services provided (for example, where the supplier does not have calibration service capabilities across the range of testing domains required by the customer);
- there appears to be a low likelihood of timely new entry or expansion at sufficient scale to replace the loss of constraint due to the Acquisition.

3.17. Several market participants also expressed concerns about increased prices and/or reduced quality (including through increased lead times or turnaround times) resulting from the Acquisition.

Matters the ACCC intends to investigate in Phase 2

- The extent to which alternative suppliers would meaningfully constrain the merged entity post-Acquisition in the supply of calibration services across a range of testing domains, taking into account factors such as their scope of accreditation, breadth of service offering, price and turnaround times.
- The extent to which customers rely on a calibration service supplier to supply a broad range of calibration services across multiple testing domains, and the extent to which customers can multi-source from various suppliers.

- The extent to which multiple suppliers could enter into arrangements that enable a single supplier from the group to offer all of their calibration services, across the range of their testing domains, to customers.
- The likelihood of timely new entry and expansion to constrain the merged entity.

Competitive effects in the supply of calibration services for reference equipment in the electrical testing domain

3.18. The ACCC is satisfied that the Acquisition could have the effect, or likely effect, of substantially lessening competition in the supply of calibration services for reference equipment in the electrical testing domain in Australia.

3.19. The ACCC's preliminary view is that the Acquisition would remove a direct and significant competitor to Trescal in the supply of calibration services for reference equipment in the electrical testing domain, thereby removing the competitive constraint that the Parties currently exert on each other, giving rise to horizontal unilateral effects. As a result, post-Acquisition, the merged entity could have the ability to profitably increase prices and/or reduce service quality in the supply of calibration services for reference equipment in the electrical testing domain in Australia.

3.20. Information currently before the ACCC indicates that:

- the Parties have among the highest level of capabilities in Australia for certain electrical calibration testing types (based on NATA-accreditation);
- the Parties are both significant suppliers of calibration services in the electrical testing domain in Australia, and appear to be among each other's closest competitors;
- the merged entity would likely face limited competitive constraints from alternative suppliers, noting that suppliers are required to have accreditation at a relatively high level of accuracy (that is, a low level of measurement uncertainty) in order to provide calibration services for reference equipment, and only a subset of calibration service suppliers in the electrical testing domain have the requisite accreditation to supply these services;
- there appears to be a low likelihood of timely new entry or expansion to replace the loss of constraint due to the Acquisition.

3.21. Based on the information currently before it, the ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of calibration services for reference equipment in testing domains other than the electrical testing domain. The materials currently before the ACCC indicate that, other than in the electrical testing domain, the Parties do not compete closely in the supply of calibration services for reference equipment and/or that there are multiple alternative suppliers of calibration services for reference equipment in these other testing domains.

Matters the ACCC intends to investigate in Phase 2

- The extent to which alternative suppliers would meaningfully constrain the merged entity post-Acquisition in the supply of calibration services for reference equipment in the electrical testing domain, taking into account factors such as their scope of accreditation, breath of service offering, price and turnaround times.
- The likelihood of timely new entry and expansion to constrain the merged entity.

Decision made by a division of the Commission constituted by a direction issued pursuant to section 19 of the *Competition and Consumer Act 2010* (Cth)