

COMMERCE ACT 1986: BUSINESS ACQUISITION

SECTION 66: NOTICE SEEKING CLEARANCE

Date: 27 November 2018

The Registrar
Competition Branch
Commerce Commission
PO Box 2351
Wellington

Pursuant to section 66(1) of the Commerce Act 1986 notice is hereby given seeking clearance of a proposed business acquisition.

Part A: Summary of Application

1. Executive Summary

- 1.1 Fletcher Building Limited (including its interconnected bodies corporate, and specifically Fletcher Concrete and Infrastructure Limited (**FCIL**)) (**Fletcher Building**) is seeking clearance to acquire the business of Waikato Aggregates Limited (**WAL**), (**Proposed Transaction**).
- 1.2 WAL extracts and processes sand for use in concrete products such as ready-mix concrete, blocks and pipes, and other applications such as golf courses, at its quarry located in Tamahere, just south of Hamilton. The Proposed Transaction will result in Fletcher Building acquiring the business of WAL i.e. all of its assets, including the rights to extract and process sand via a profit-a-prendre. WAL will retain ownership of the land underlying the quarry.
- 1.3 Post-merger, the WAL business will be managed by Winstone Aggregates. Under the terms of the profit-a-prendre, Fletcher Building will have only 15 years within which to extract sand from, and rehabilitate, the Tamahere quarry.
- 1.4 [REDACTED] Fletcher Building does not own a sand quarry that competes to supply sand in the Waikato/Bay of Plenty region, and so there is no effective horizontal overlap.
- 1.5 The Proposed Transaction does not remove any constraint on WAL's pricing behaviour. In both the factual and counterfactual, WAL's pricing will be constrained by rival quarries and the threat of new entry and further expansion by existing operators.¹ As such, any competition effects from the Proposed Transaction can only be vertical in nature. Such concerns could arise if the Proposed Transaction results in the merged entity having the ability and incentive to foreclose the supply of sand to downstream rivals.
- 1.6 However, this is not the case.
- (a) WAL does not control a 'key' or 'essential' input into a downstream market. Unlike, say, access to port facilities, sand is available for customers in the region from multiple sources. Indeed:
- (i) Fletcher Building's downstream ready-mix and blocks rivals already acquire more than half of their sand in the region from WAL's competitors;²
- (ii) WAL accounts for less than a third of estimated production capacity in the region.
- (b) In addition to sand available from alternate sources, a foreclosure strategy would almost certainly encourage further expansion from existing quarries, and make supply from quarries further afield more viable. It would also most likely encourage further vertical integration such as e.g. Bowers Brothers' recent acquisition of the Tirau Sands quarry.
- (c) Further, under the terms of the profit-a-prendre, the Applicant will have only 15 years total to both extract sand from, and rehabilitate, the Tamahere quarry. Reducing output and thus extending the time taken to extract the sand not only increases the fixed costs incurred in extracting the resource (e.g. because costs are incurred over, say, 14 years rather than 10) but also raises a real prospect that the full resource cannot be extracted before the need to rehabilitate arises, both of which make a foreclosure strategy even riskier and hence more unlikely.
- (d) Finally, and putting to one side the absence of any market power, the cost of sand makes up a small percentage of the sale price of concrete products e.g. only around

¹ As noted below, the Applicant does not consider its Pukekawa quarry is a constraint on Tamahere.

² An estimated [REDACTED] tonnes out of a total estimated demand of [REDACTED] tonnes per annum.

[REDACTED]% of the cost of blocks and [REDACTED]% of the cost of delivered ready-mix, making a foreclosure strategy even less likely to succeed.

- 1.7 In light of the above, it is unsurprising that an input foreclosure strategy is also inconsistent with Fletcher Building's [REDACTED].
- 1.8 For completeness, the Proposed Transaction will not give rise to customer foreclosure concerns. Rival quarries will continue to have the ability to sell to large sand customers downstream, such as Bridgeman, Allied, Bowers Brothers and Bowers & Son.
- 1.9 Accordingly, there is no prospect that the Proposed Transaction could substantially lessen competition in the sand market or any downstream market.

Part B: The Parties

2. The acquiring party

2.1 The party seeking clearance is FCIL – a subsidiary of Fletcher Building – or an interconnected body corporate.

2.2 Contact details for Fletcher Building:

Address 810 Great South Road
Penrose, Auckland 1061
New Zealand

Contact person [REDACTED]

Email Address [REDACTED]

Telephone [REDACTED]

Website www.fbu.com

2.3 Please direct all correspondence and notices for Fletcher Building to:

Address Bell Gully
Barristers and Solicitors
PO Box 4199
Auckland 1140

Attention Torrin Crowther / Michael Tilley

Email Address torrin.crowther@bellgully.com
michael.tilley@bellgully.com

Telephone +64 9 916 8726
+64 9 916 8827

2.4 The Applicant is Fletcher Building Limited, a publically-listed company on the NZX and ASX. Fletcher Building is well known to the Commission. Its operations can be split into building products (manufacturing and distributing fibreglass insulation, laminates and panels, plasterboard, aluminium window and door frames, plastic pipes etc.), steel (distribution of steel products including roofing and fencing), concrete (cement, ready-mix concrete, concrete products, aggregates), residential and development (building housing developments) and construction (commercial buildings and infrastructure).

2.5 The Fletcher Building companies relevant to the assessment of the Proposed Transaction are Winstone Aggregates (upstream aggregates production), Firth (downstream ready-mix concrete and concrete blocks), Humes (downstream concrete pipes) and Interpipe³ (downstream pipes). Further information about these businesses can be found at **Annexes 4** and **5**.

2.6 Further information about Fletcher Building can be found at www.fbu.com. Fletcher Building's 2018 annual report is attached at **Annex 1**.

³ Interpipe is a 50:50 JV between Firth and Hynds.

3. **The transferring party**

3.1 The transferring party is Waikato Aggregates Limited

3.2 Contact details for WAL are:

<i>Address</i>	PO Box 24079 Abels Hamilton 3253
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<i>Contact person</i>	[REDACTED]
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<i>Email Address</i>	[REDACTED]
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<i>Telephone</i>	[REDACTED]
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<i>Website</i>	[REDACTED]
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3.3 Please direct all correspondence and notices for Waikato Aggregates to:

<i>Address</i>	[REDACTED]
<i>Attention</i>	[REDACTED]
<i>Email Address</i>	[REDACTED]
<i>Telephone</i>	[REDACTED]

3.4 Waikato Aggregates (**WAL**) owns and operates a sand quarry at Tamahere, just south of Hamilton. The Tamahere quarry produces and processes sand, along with a small amount of other aggregates e.g. pebbles and stones. Further information about Waikato Aggregates can be found at www.waltd.co.nz.

3.5 WAL's most recent annual report is attached at **Annex 2**.

Part C: The Transaction

4. The Transaction

- 4.1 The Proposed Transaction involves the acquisition by Fletcher Building of the WAL business, which produces and processes sand, along with a small amount of other aggregates e.g. pebbles and stones, at its resource in Tamahere (just south of Hamilton). Fletcher Building will acquire all assets and employees of the business, including the right to extract sand under a profit-a-prendre, while ownership of the underlying land will remain with WAL. Post-merger, the WAL business will be managed by Winstone Aggregates, a Fletcher Building subsidiary. Under the terms of the profit-a-prendre, Fletcher Building will have 15 years to extract sand from, and rehabilitate, the Tamahere quarry. WAL will retain ownership of the underlying land.

5. Rationale

- 5.1 [REDACTED]

6. Transaction document

- 6.1 A copy of the SPA and ancillary agreements is attached at **Annex 3**.

7. Clearance sought

- 7.1 The Applicant seeks clearance to acquire the business of WAL.

8. Global filings

- 8.1 Not applicable.

Part D: Industry Background

9. Overview of the relevant products and market participants

- 9.1 The Proposed Transaction is appropriately considered in the context of the markets for:
- (a) the upstream extraction of sand for wholesale supply in the Waikato/BOP;
 - (b) the downstream supply of ready-mix concrete in the Waikato/BOP;
 - (c) the downstream supply of concrete blocks in the Waikato/BOP/Auckland region; and
 - (d) the downstream supply of pipes and pipe systems in New Zealand.

10. Sand

- 10.1 Sand is an input product primarily used in the production of ready-mix concrete, concrete blocks, concrete pipes and certain specialty applications such as golf courses, sports fields and equestrian arenas. 'Pit sand' (which is less processed) is used in various applications in buildings sites (typically foundations), road stabilising material and as fill.
- 10.2 Sand can be extracted as a raw product from the seabed, riverbed or land-based quarries, and can also be a manufactured by-product of the aggregate extraction process.
- 10.3 Land-based sand operations (such as WAL) typically dig sand out of the ground using a digger, and then either:
- (a) process it on site through a washing plant to remove impurities and separate lightweight and coarse material, before screening the sand to ensure it is of a consistent grade; or
 - (b) sell it in its natural state.
- 10.4 Sand used in the manufacture of concrete products is known as 'concrete sand'.
- 10.5 The NZCC has asked about the production of sand at the Applicant's Pukekawa quarry. This quarry does not currently supply concrete sand to third parties in the Waikato/BOP.
- 10.6 The production process at Pukekawa is as follows: sand is first dredged from the Waikato River and transported to shore by tug and barge. An excavator unloads the barge, sand is screened to remove any large material, and is then pumped through a pipeline to the sand plant. Further screening is done to separate material based on particle size. The finest (sand grade) material is processed through gravity spirals to separate the actual sand from small particle size lightweight/waste material and the sand is then pumped through overhead pipes to a stockpile. Drying takes place on the stockpile.

11. Ready-mix concrete

- 11.1 Ready-mix concrete (or 'ready-mix') is a building product used for both commercial and residential purposes. Ready-mix is made from mixing cement, water, sand and coarse aggregates (gravel or crushed stone).
- 11.2 The typical fixed plant required to manufacture ready-mix comprises overhead raw material bins (sand and aggregate), cement silos, conveyors, pumps, weighing cells and batching system. The raw materials are weighed out by the automated batching system (according to the specific mix design), and conveyed directly into the truck bowl where additional water is added as required. The materials are then mixed in the truck bowl prior to and during delivery.

- 11.3 Some large plants have a central mixer which undertakes primary mixing before transferring concrete to the truck, while very small plants operate a manual loading system whereby a loader operator loads the sand and aggregate into a hopper before the materials are then conveyed to the truck bowl.
- 11.4 The only mobile plant required is a loader and ready-mix trucks.
- 11.5 The delivered cost of sand comprises a small proportion of the sale price of ready-mix (approximately [REDACTED]).
- 11.6 In the Waikato/BOP there are numerous ready-mix manufacturers, as set out in Table 1, below (see **Annex 5** for further details).

Table 1: Ready-mix manufacturers – Waikato/BOP

Supplier	Location of batching plants
Allied Concrete	Hamilton, Cambridge, Morrinsville, Matamata, Otorohanga, Rotorua, and Tauranga
Bowers and Son	Otorohanga and Te Awamutu
Bowers Brothers Concrete	Hamilton, Matamata, Morrinsville, Paeroa and Putaruru
Bridgeman	Hamilton, Tauranga and Rotorua
Firth Industries	Hamilton, Katikati, Mount Maunganui, Rotorua, Te Awamutu, and Tokoroa
OnSite RMC	Cambridge
Supacrete Concrete	Tauranga
Waikato RMC	Hamilton

12. Concrete blocks and pavers (masonry)

12.1 Concrete blocks and pavers are used in structural and architectural applications in both commercial and residential projects, and are made from cement, water, sand, concrete aggregates and colouring / other agents for cosmetic effect for certain applications.

12.2 The typical masonry manufacturing plant comprises raw material bins, cement silos, a mixer, block moulds and mould machine, drying kilns, a cuber (palletiser) and a batching system. Raw materials are weighed out and conveyed to a mixer, and then to the block mould machine. From there the fresh blocks are conveyed to a kiln for 2-3 days curing, then to a 'cuber' to be put on pallets to transfer to the yard for further curing (to gain strength).

12.3 The mobile plant comprises a loader and forklifts.

13. Concrete pipes

13.1 Concrete pipes are used in gravity fed or low pressure applications such as storm water or reticulation.

Part E: Relevant Markets

14. Upstream extraction and wholesale supply of sand

Product dimension

- 14.1 The Commission considered the extraction and wholesale supply of sand market in *Decision 696*⁴. In that decision the Commission concluded that sand is a relatively homogenous product, and while some suppliers try to differentiate on non-price factors (such as colour and grade), the differentiation is limited such that it concluded that all sand, including washed, windblown, land and sea sand are within the same product market. The Applicant submits that the Commission's conclusion in this decision remains relevant.
- (a) On the demand side, provided that it meets the minimum requirements for use in the manufacture of concrete products (in particular, particle size grading, and removal of silts/contaminants), sand from most sources of varying quality and grades can be used to manufacture ready-mix, pipes and blocks. While higher grade (finer) sand is preferred for use in ready-mix products, Firth can (and does) use lower grade sand in combination with higher grade sand to achieve an overall acceptable grade.
- (b) There is also supply side substitution. For example, while pit sand cannot be used to manufacture concrete products 'as is', it can be processed to remove impurities e.g. lightweight material, silts, stones etc. to produce concrete grade sand. Weddings, which produces pit sand, has the necessary processing equipment to produce concrete sand.
- 14.2 The NZCC has asked for information about manufactured sand. This is a different product to natural sand and not substitutable. Both natural and manufactured sand is required to make ready-mix concrete. Manufactured sand, more commonly referred to as 'PAP', is an 'all in' 7mm and below product produced from the crushing of hard rock or alluvial stones. Larger material is screened out to meet certain aggregate specifications (e.g. ready-mix concrete typically uses 19mm, 13mm and 10mm intervals) and everything below 7mm is classified as PAP. Fletcher Building manufactures PAP in the Waikato/BOP region at its Pukekawa, Whitehall and Meremere quarries.

Geographic dimension

- 14.3 The Commission has previously identified regional markets for the extraction and wholesale supply of sand.⁵ As sand is not perishable, the geographic scope of the market depends on the ability to transport it economically.
- 14.4 Transport of sand can either be provided by third party contractors or by a sand supplier with its own vehicle fleet. Sand is often priced on a delivered basis. As a broad generalisation, based on Fletcher Building's own sand purchasing practices in the Waikato/BOP, sand is typically delivered from within around [REDACTED] from a ready-mix plant. However, it is viable to source sand from further afield.
- 14.5 For example, as can be seen in Table 2, below, McCallums supplies sand into the Waikato/BOP from Pakiri (north of Auckland). Sand from this resource is transported initially by barge to Auckland, and then by truck. Due to the smaller average particle size of the sand from this resource, it can be blended with cheaper, coarser material to make ready-mix concrete. This offsets the higher transport costs, making it a viable alternative for ready-mix customers in the Waikato/BOP at current prices.
- 14.6 Accordingly, the Applicant submits that the appropriate geographic market comprises *at least* all quarries that currently supply the Waikato/BOP region. As evidence of the scope of the

⁴ *Tomarata Sand Limited and Coastal Resources Limited*, 25 June 2010.

⁵ *Tomarata Sand Limited and Coastal Resources Limited*, 25 June 2010 at [105].

geographic market, set out below are examples of customers acquiring sand from throughout this region.

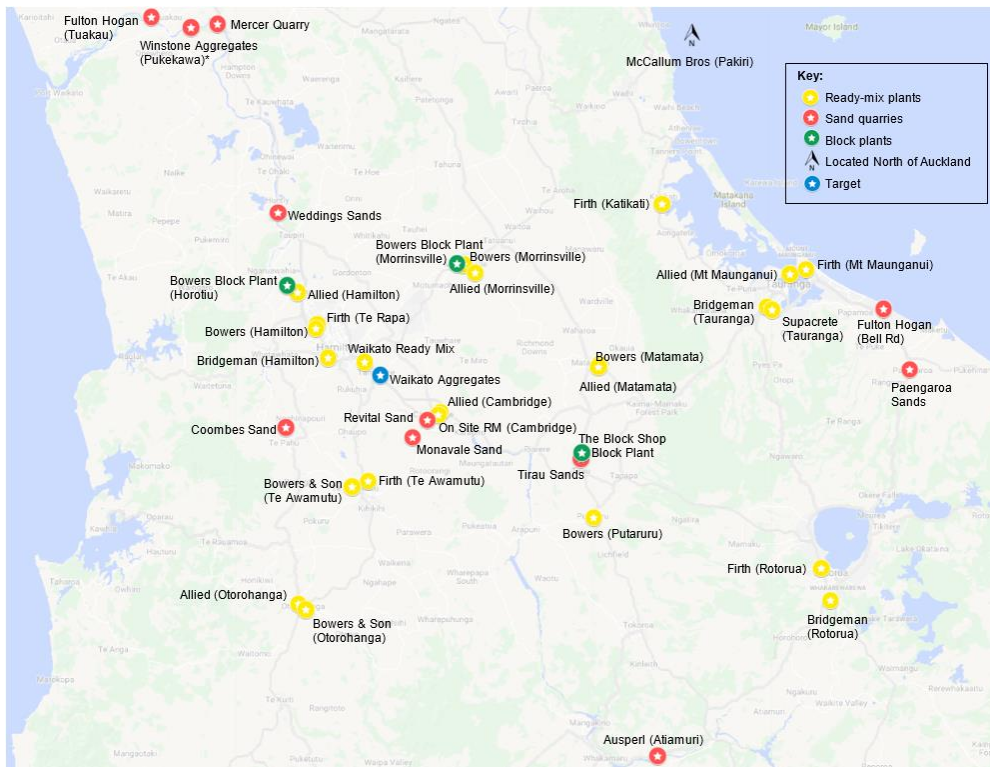
Table 2: Supply of sand in Waikato/BOP by distance

Concrete manufacturer	Sand supplier	Distance from supplier
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Source: Fletcher Building, WAL, Google Maps data

14.7 A map of the sand quarries and ready-mix operators in the Waikato/BOP is below.

Figure 1: Operating sand quarries and ready-mix/blocks customers (Waikato/BOP)



Source: Compiled using publicly available information (16/10/18).

†[REDACTED].

15. Downstream wholesale / retail supply of ready-mix concrete

Product dimension

- 15.1 The Commission has considered the ready-mix concrete market numerous times, most recently in *Decision 558*.⁶ The Applicant is content to adopt the approach taken in these cases (i.e. that there is a market for the manufacture and supply of ready-mix) for the purposes of this Application.

Geographic dimension

- 15.2 The Commission has previously identified regional markets for the supply of ready-mix.⁷ As ready-mix concrete is a perishable product, the geographic scope of the market depends on the ability to transport product within sufficient time to prevent the ready-mix concrete setting while in transit.
- 15.3 In the Waikato/BOP region, given the limited levels of traffic, ready-mix concrete is regularly delivered to customers up to 80km away (and can actually be transported in excess of 100km without setting). For example, [REDACTED]
- 15.4 Accordingly, the Applicant submits the geographic scope of the relevant market is at least 80km from the relevant batching plant, although it is not necessary to come to a concluded view on this point for the purposes of assessing the competition effects of the Proposed Transaction.

Key competitors and market shares

- 15.5 There are numerous ready-mix concrete competitors in the Waikato/BOP region. Table 3, below, sets out the shares of supply for ready-mix players in the Waikato/BOP. Further information about these competitors is set out at **Annex 5**.

Table 3: Ready-mix market shares – Waikato/BOP

Name	Share %
Fletcher Building (Firth)	[REDACTED]
Allied	[REDACTED]
Bowers Brothers	[REDACTED]
Bridgeman	[REDACTED]
Others	[REDACTED]

Source: Fletcher Building estimates, based on estimated annual demand for sand

16. Downstream concrete masonry products market (blocks and pavers)

Product dimension

- 16.1 In *Decision 558*, the Commission found that, due to high-supply side substitutability, concrete blocks and pavers fell within the same, discrete, product market. The Commission adopted the same market definition in *Decision 663*. The Applicant submits that the precise definition of the market can be left open in this case, given that competition concerns are unlikely to arise on any plausible definition of the market.

⁶ *Fletcher Concrete and Infrastructure Limited and W Stevenson and Sons Limited*, 15 September 2005. See also *Decision 513*.

⁷ See, for example, *Decisions 558 and 513*.

Geographic dimension

- 16.2 In *Decision 558*, the Commission considered the manufacture and supply of masonry products in Northland, Auckland and Christchurch regions. While the Commission found that there was some overlap between these regions, it considered the most appropriate markets in that case were, separately, Northland, Auckland and Christchurch. In *Decision 663*, the Commission again found discrete markets in Northland and Auckland.
- 16.3 The Applicant considers that, in this case, the appropriate geographic scope of the market is Auckland, Waikato and BOP. The relevant Fletcher Building entity, Firth, supplies the top half of the North Island (up to Whangarei) from its plant in South Auckland (Hunua).⁸ It faces competition in (at least) Auckland, Waikato and BOP from Waikato/BOP-based Bowers and the Block Shop.
- (a) The Block Shop has locations in Drury and Tirau, and states that it's "network covers most of the North Island".⁹
- (b) Bowers Brothers has manufacturing facilities in Morrinsville and Horotiu, with a masonry yard in Auckland.¹⁰

Key competitors and market shares

- 16.4 The key blocks competitors in the Auckland/Waikato/BOP area are shown below in Table 4. Further information about these competitors, many of which also have ready-mix operations, is set out at **Annex 5**.

Table 4: Blocks market shares – Auckland/Waikato/BOP

Name	Share %
Fletcher Building (Firth)	[REDACTED]
Bowers	[REDACTED]
The Block Shop	[REDACTED]
Premier Paving and Others	[REDACTED]

Source: Fletcher Building estimates

17. Downstream pipes and pipe systems*Product dimension*

- 17.1 The Commission most recently considered pipe and pipe system markets in *Decision 719*¹¹ and *Decision 720*¹². The Commission considered that because of the high degree of substitutability between plastic, concrete and other pipe materials, plastic and concrete pipes should form part of the same market. It also identified separate markets for the manufacture of small¹³, medium¹⁴

⁸ Firth's Mount Maunganui location also supplied these areas but this block plant has now closed.

⁹ <http://www.blockshop.co.nz/distribution> (last accessed 26 November 2018).

¹⁰ <http://www.bowersbrothers.co.nz/about-us/locations> (last accessed 26 November 2018).

¹¹ *Fletcher Building Australia (Pty) Limited / Crane Group Limited* (2011), 24 February 2011.

¹² *Interpipe Holdings Limited / Fletcher Concrete and Infrastructure Limited*, 3 March 2011.

¹³ Pipe diameter under 250mm.

¹⁴ Pipe diameter between 250mm and 450mm.

and large pipes,¹⁵ as well as a separate market for the wholesale/distribution of pipes. The applicant is content to adopt this definition for the purposes of this application.

Geographic dimension

- 17.2 Consistent with the Commission's conclusions in *Decision 719* and *Decision 720* – that competitors distribute pipes nationally and move them around the country to meet the needs of large tenders¹⁶ – the Applicant is content to adopt manufacturing national market for pipe and pipe systems with a diameter greater than 250mm.

No competition issues in relation to pipes and pipe systems

- 17.3 The Proposed Transaction does not result in any market share aggregation in this market, and so no horizontal effects can arise. Nor does it give rise to vertical concerns in this market – [REDACTED]
- 17.4 In addition to the presence of other sand suppliers in the region, a further reason why there is no vertical issue is the fact that, as previously found by the Commission, Humes/Interpipe compete on a *national* basis with suppliers of both concrete *and* plastic pipes.
- (a) **Hynds** is a historically strong competitor, with its range of concrete and polyethylene (**PE**) pipes. It has won significant amounts of business at the expense of Fletcher Building, particularly in Auckland. Fletcher Building understands that its new Pokeno manufacturing plant will significantly increase capacity.
 - (b) **Asmuss**, part of the Asmuss group of companies, is a growing low cost competitor, with its PE pipe manufacturing capacity located close to key growth area in Auckland, the Waikato and BOP. [REDACTED]
 - (c) **Frank PKS**, part of the Frank world-wide family of companies, manufactures and supplies PE pipes and actively targets concrete pipe substitution into large infrastructure and residential projects. It is a particularly strong competitor in earthquake prone regions.
- 17.5 As such, the merged entity would have no incentive to cease supplying Hynds in the Waikato/BOP, as this is highly unlikely to have any material impact on the national market.

¹⁵ Pipe diameter over 450mm.

¹⁶ Decision 719 at [71].

Part F: Competitive Assessment

18. The counterfactual

18.1 [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

18.2 [REDACTED]

18.3 [REDACTED]the Applicant therefore submits that the counterfactual is the status quo, where WAL continues to be owned and run by an independent entity with no downstream interests, [REDACTED]

19. No unilateral effects in any relevant market

19.1 The Proposed Transaction will not give rise to unilateral effects. As noted above, Fletcher Building does not compete with WAL to supply sand in any relevant market, and there will be no removal of any pricing constraints, nor any increased market concentration, as a result of the Proposed Transaction.

Pukekawa does not supply concrete sand to third parties in the Waikato/BOP region

19.2 The only resource in the Waikato/BOP region from which Fletcher Building can viably produce concrete sand is Pukekawa, in the North-West Waikato.¹⁷ Fletcher Building does not supply concrete-grade sand to third party concrete manufacturers from Pukekawa. All of its output is supplied to [REDACTED]

19.3 While the capacity of Pukekawa is currently being expanded, these works are not scheduled for completion until [REDACTED] and are being undertaken [REDACTED]

19.4 The sand from Pukekawa is coarser than other sources in the region, and also has a higher ratio of residual lightweight material. Sand from this plant is processed to the point where it is suitable for masonry blocks, however it would require further processing (to further reduce the lightweight material ratio) before being suitable for ready-mix concrete or pipes. The lightweight material reduces mass of the masonry blocks, so is advantageous for use in blocks. [REDACTED]

The potential for bundling cement, concrete aggregate and sand post-merger

19.5 The NZCC has requested information about the extent to which Fletcher Building could bundle (including offering linked discounts) cement, concrete aggregate and sand in Waikato/BOP following the Proposed Transaction.

19.6 [REDACTED]

¹⁷ For completeness, Fletcher Building owns a disused resource in Te Puke, the Camerons quarry. This is primarily a pumice quarry, although it is technically possible to produce concrete grade sand. The resource was mothballed in 2011, and last produced concrete sand in 2010 (approximately 5,600 tonnes). [REDACTED] The price of both sand and pumice would need to increase by orders of magnitude over current prices for Fletcher Building to even start to consider this as a source of concrete sand, and it is therefore not relevant to the assessment of the Proposed Transaction.

19.7 Fletcher Building is unaware of any quarries offering bundles or linked discounts in the Waikato/BOP region.

20. **No vertical effects in any downstream market**

20.1 As a result of the Proposed Transaction, Fletcher Building’s downstream concrete businesses will become vertically integrated with WAL’s sand quarry operations.

20.2 Because there is no meaningful horizontal aggregation, the Proposed Transaction does not remove any constraint on WAL’s pricing power. [REDACTED] WAL’s ability to set prices will not change, meaning that the Proposed Transaction does not provide scope for Winstone Aggregates to increase price as part of a foreclosure strategy without triggering this competing supply.

WAL sand is not an ‘essential input’ – downstream rivals in the region have alternative sources of supply

20.3 Although sand itself is an important input into the manufacture of concrete products, WAL sand is not i.e. WAL is not an unavoidable trading partner. Thus, it is different from inputs such as premium live sports content or a ferry terminal, for which the Commission has previously found there are no economic substitutes.

20.4 There are multiple suppliers of concrete sand into the Waikato/BOP. Indeed, Fletcher Building’s downstream competitors already acquire more than half of their sand needs in the region from other quarries, and as set out in Table 5, below, the Applicant understands that a number of quarries are currently operating at less than their estimated capacity. Further details about each quarry are at **Annex 4**.

Table 5: Sand quarries currently supplying concrete sand to downstream Waikato/BOP ready-mix and blocks manufacturers

Name	Estimated current sand production (t/pa)	Estimated resource (t/pa)	Estimated reserve life (Years)	Major customers (estimated kt/a)
WAL (Tamahere)	[REDACTED] ¹⁸	[REDACTED]	11	[REDACTED]
Revital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fulton Hogan (Bell Road)	[REDACTED]	[REDACTED]	[REDACTED]*	[REDACTED]
Monavale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ausperl (Atiamuri)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bowers Bros (Tirau Sands)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
McCallums (Pakiri)	[REDACTED]	[REDACTED]	[REDACTED]**	[REDACTED]
Paengaora Sands	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]		

Source: WAL; Fletcher Building estimates

*Assumes lease is renewed.

**Based on annual coastal extraction limit. Assumes consent is renewed for a further 20 years.

20.5 As can be seen, concrete products manufacturers buy sand from multiple sources. Notably, Firth’s main competitor in the downstream ready-mix market, Allied, sources over half of its sand

¹⁸ Total supply to ready-mix and blocks customers in Waikato/BOP i.e. excludes supply to pipes manufacturers and ‘others’ e.g. golf courses, and supply outside this region.

from other quarries. Downstream rivals could therefore increase purchases from existing suppliers, and/or switch to quarries with whom they do not have an existing relationship, given the absence of any real switching costs. In this regard, [REDACTED]

20.6 In addition, a number of quarries in the Waikato/BOP have the ability to increase production and, indeed, there is evidence that some competitors are currently expanding, demonstrating that investment in expansion is viable at prevailing prices. There are also quarries (such as Coombes) not currently producing concrete sand which could do so in response to an opportunity.

20.7 For example, the Applicant understands that:

- (a) **Monavale** has recently increased the output at its site from [REDACTED]tonnes per annum to [REDACTED]tonnes per annum. The Applicant understands that its site is consented to, and with some investment could, increase output to up to [REDACTED]tonnes per annum. Fletcher Building understands that the operator of the site has a licence to extract resource for a finite period of time, and is likely to be incentivised to maximise annual production from the site to minimise running costs.¹⁹
- (b) **McCallums** is currently looking to expand its ability to supply ex-Pakiri, by upgrading its barging and storage capacity. Given the investment involved, a significant increase in capacity can be expected.
- (c) **Tirau Sands** (owned by ready-mix and blocks operator Bowers Brothers) is currently producing approximately [REDACTED]tonnes of sand per annum, which the Applicant understands Bowers uses for its ready-mix operations. The Applicant understands that the site has resource of [REDACTED]tonnes per annum, and Bowers would be heavily incentivised to expand output in the event that the merged entity refused to supply it.
- (d) **Paengaroa Sands** up until very recently was supplying processed sand to Supacrete and Bridgeman Tauranga. The owner has switched customers and now supplies to [REDACTED]
- (e) **Coombes** is a supplier of pit sand, with two sites in Ngahinapuri [REDACTED]tonnes per annum total) and an additional site in Te Awamutu [REDACTED]tonnes per annum).²⁰ With investment in processing equipment, the Applicant considers that Coombes could start producing concrete sand.
- (f) **Aspin Road**, like Coombes, is a supplier of pit sand that, with some investment, could supply sand suitable for use in ready-mix, pipes and blocks. It has a 20 year consent to extract up to ~40,000 tonnes of sand per annum. The site is currently on the market as part of the sale of a larger property (property ID 87041).²¹
- (g) **Daltons** is a landscape business with a resource that it uses for its business. It has previously supplied sand to concrete products manufacturers e.g. Firth Mount Maunganui. The Applicant understands that it currently produces approximately [REDACTED]tonnes per annum using machinery that is nearly identical to WAL's so-called 'number 2' plant.
- (h) **Weddings** has a sand processing plant located on a ~40ha site at Te Kowhai. It is currently mothballed, but could readily re-enter the market should prices increase. It has resource consents running through to 2037 so would be a viable, ongoing alternative source of supply.
- (i) **Envirosand Mercer Limited (Mercer)** is an independently owned quarry, situated by the Waikato River. The Applicant estimates Mercer currently produces [REDACTED] tonnes of

¹⁹ Just as the Applicant has the incentive to maximise output at Tamahere. See paragraph 20.15 et seq, below.

²⁰ It also has a site in Whatawhata, which the Applicant understands is expected to close in February 2019.

²¹ See <https://www.bayleys.co.nz/87041> (last accessed 26 November 2018).

sand per annum, with a substantial amount of land not yet utilised, all which has consent for extraction. The Mercer quarry supplies sand to Stevensons and the general turf and fill markets. The Applicant understands the Mercer quarry does not currently supply to manufacturers of concrete products, but has the capability to produce all the sands WAL does (Fletcher Building has sourced sand from Mercer in the past). Situated approximately 68km from central Hamilton, the Mercer quarry could readily supply sand across the Waikato region.

- (j) **The Fulton Hogan Tuakau quarry** is located just out of Tuakau, off Friedlander Road. The Applicant estimates that it currently produces approximately [REDACTED]tonnes of sand per annum, and has a 30 year resource consent.

For both the Mercer and Tuakau quarries, the Applicant estimates delivery of sand into Hamilton would cost [REDACTED]per tonne (with the possibility of being as low as \$[REDACTED] depending on the trip circumstances: there is ready availability of backhaul capacity from trucks supplying from the Waikato into Auckland (and further north)). WAL currently delivers sand into Hamilton at approximately [REDACTED] per tonne.

- 20.8 In addition to expansion, de novo entry is also possible. The Waikato/BOP region has significant sand reserves that would support new entry from a new player. As noted above, WAL itself is only a comparatively new entrant, having started operations in 2012.

Expanding capacity is viable

- 20.9 Expanding the output of a quarry is contingent on obtaining (or already having) the appropriate resource consents, and investing in the necessary equipment.
- 20.10 In the Applicant's experience, it typically takes around 12 months to obtain resource consent to expand the production capacity of a site (assuming no significant objections).
- 20.11 Equipment required to extract and process sand is also relatively low cost, and much of it can be hired. The required machinery and equipment constitutes a feed hopper, conveyors, wash barrels (known as spirals), and screens, together with earth moving equipment. The Applicant estimates that the cost of acquiring and setting up the necessary fixed plant (e.g. processing machinery) to process 100,000 tonnes per annum would be in the region of \$1 million, and would take around six months to procure.
- 20.12 Mobile plant (e.g. diggers) can either be leased, or acquired for around \$600,000 second hand (assuming a relatively small operation). The exact cost of equipment will vary depending on whether new or second had machinery is used, and the size and scale required achieving the desired production capacity expansion.
- 20.13 For an existing quarry, production capacity can be added incrementally as additional volumes are secured from customers. As noted, equipment can be leased, which lowers both the risk and the amount of capital outlay needed to expand production capacity to take on new volumes. Production capacity can also be added by purchasing off-the-shelf parts for relatively low cost e.g. additional spirals can be added to increase a plant's sand processing capacity.
- 20.14 In light of the above, it is clear that downstream customers have multiple alternative sources of sand, and that entry and expansion by new and existing rivals is possible. Were the merged entity to refuse to supply downstream competitors, or seek to impose supra-competitive price increases, downstream rivals would therefore have the ability to switch sand suppliers, and suppliers would be heavily incentivised to increase output to meet demand.

The merged entity would incur significant costs if it attempted to foreclose rivals

- 20.15 A foreclosure strategy resulting in the quarry running at a lower capacity also means that it will take longer for the merged entity to extract sand. Tamahere (like all quarries) is a finite resource, and the merged entity has the incentive to extract sand as quickly as possible to minimise the

fixed costs of that extraction. Fletcher Building currently projects to have extracted all sand in just over [REDACTED] years.

20.16 Under a foreclosure scenario where, [REDACTED] Fletcher Building ceased supply to downstream competitors, it would take Fletcher Building approximately [REDACTED] years to extract all the sand. However, as noted above, Fletcher Building must complete extraction *and* rehabilitation in this time, meaning that the losses incurred from any strategic foreclosure strategy must be recouped in less than 15 years. Fletcher Building estimates that rehabilitating the site will take at least a year.

20.17 In this scenario, Fletcher Building would therefore also incur the following costs:

- (a) carrying fixed costs of approximately [REDACTED] per annum for an additional just under [REDACTED] years – almost [REDACTED] of additional costs.²²
- (b) leaving at least [REDACTED] of sand un-mined, resulting in a minimum of [REDACTED] (at today's prices) of sand sales foregone.

20.18 If the quarry suffered an unexpected outage or the market experienced a downturn, for example, the merged entity's losses would be compounded.

20.19 Moreover, irrespective of precisely how much longer it took to extract sand under a foreclosure strategy, for every month the quarry operates fixed costs are incurred, further incentivising Fletcher Building to maximise throughput.

20.20 The above losses would need to be recouped by Fletcher Building gaining increased sales in the downstream concrete markets. However, even putting aside the absence of market power, this would require significant increases in the cost of sand for competitors, because sand makes up a small proportion of downstream sale prices. The cost of sand makes up:

- (a) [REDACTED] of the sale price of ready-mix; and
- (b) [REDACTED] of the per tonne sale price of blocks.

20.21 An increase of 10% in the cost of sand therefore equates to an increase of [REDACTED] in the sale price of ready-mix, and approximately [REDACTED] in the sale price of blocks.

20.22 Given the presence of alternate sources of supply, and the small proportion of price that the cost of sand makes up, it is highly unlikely that Fletcher Building would gain sufficient increased downstream sales at the expense of competitors to off-set the above losses – competitors are unlikely to lose significant sales over such a small increase in overall cost.

20.23 Thus, the significant losses that would be suffered by Fletcher Building in implementing a foreclosure strategy, combined with the uncertainty and risks associated with recouping those losses within the length of the profit-a-prendre, makes any foreclosure strategy very risky and would run contrary to how Fletcher Building manages quarries elsewhere, [REDACTED] These points are discussed in detail in the next two sections.

Foreclosure would be inconsistent with how Fletcher Building operates quarries elsewhere

20.24 A strategy of foreclosing downstream rivals would be inconsistent with the Applicant's conduct in other geographic areas where it is vertically integrated. Winstone Aggregates operates quarries in multiple areas where it supplies both Firth and its competitors. This is because, as above, it is incentivised to maximise throughput through these resources. For example, in [REDACTED] the Applicant supplies [REDACTED] over [REDACTED] tonnes of sand per annum, which is

²² [REDACTED]

[REDACTED] of the concrete sand Winstone Aggregates supplies internally to Firth [REDACTED].²³

20.25 More generally Fletcher Building companies supply downstream competitors in a large number of markets, including cement, ready-mix (to competing construction companies), building materials (to competing merchants), etc.

[REDACTED]

20.26 [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

(d) [REDACTED]

(e) [REDACTED]

[REDACTED]

No prospect of customer foreclosure

20.27 The Proposed Transaction will not result in quarries being denied access to a key customer post-merger. Significant remaining customers include Allied, Bowers Brothers and Bridgeman, and these customers' volumes will continue to be available to these quarries.

21. **No co-ordinated effects**

21.1 The Proposed Transaction will not enhance the ability of the merged entity to coordinate its activity with its competitors. In particular:

- (a) the relevant markets are characterised by competitors of different sizes;
- (b) the Proposed Transaction will not result in the reduction of competitors in any relevant market i.e. it will not remove a source of constraint; and
- (c) the Proposed Transaction will not result in more symmetrical cost bases, indeed it will *increase asymmetry*.

²³ This is true across Fletcher Building e.g. it supplies GIB plasterboard and Pink Batts to rival builders' merchants.

Part G: Confidentiality

22. Reasons for seeking confidentiality

- 22.1 Confidentiality is sought in respect of the information in this application that is highlighted, in bold and contained within square brackets (the **Confidential Information**). Confidentiality is sought for the Confidential Information for the purposes of section 9(2)(b) of the Official Information Act 1982 on the following grounds.
- (a) The Confidential Information is commercially sensitive and valuable information which is confidential to either, or both, the Parties.
 - (b) Disclosure of the Confidential Information would be likely to unreasonably prejudice the commercial position of the Parties.
- 22.2 The Parties request that they are notified if the Commission receives any request under the Official Information Act 1982 for the release of any part of the Confidential Information. They also request that the Commission seek and consider their views as to whether the Confidential Information remains confidential and commercially sensitive before it responds to such requests.

Part H: Declaration

I, _____, have prepared, or supervised the preparation, of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all information specified by the Commission has been supplied;
- if information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to me that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in the circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of the company and am duly authorised to submit this notice.

Name and title of person authorised to sign:

Sign: _____

Date: _____

Part I: Annexures

Contents

Annex 1	Fletcher Building 2018 Annual Report
Annex 2	WAL 2018 Annual Report (confidential)
Annex 3	Transaction documents (confidential)
Annex 4	Suppliers of sand into the Waikato/BOP
Annex 5	Concrete competitors in the Waikato/BOP (ready-mix) and Waikato/BOP/Auckland (blocks)
Annex 6	Fletcher Building ready-mix customer contact details (confidential)
Annex 7	Fletcher Building masonry customer contact details (confidential)
Annex 8	Fletcher Building pipes and pipeline systems competitor and customer contact details (confidential)
Annex 9	Waikato/BOP council officials responsible for sand quarry resource consents
Annex 10	Fletcher Building Board presentation (confidential)

Annex 1: Fletcher Building 2018 Annual Report

Annex 2: WAL 2018 Annual Report (confidential)

Annex 3: Transaction documents (confidential)

Annex 4: Further information about suppliers of sand into the Waikato/BOP

Supplier name	Description	Contact details
WAL	<p>Waikato Aggregates (WAL) is a quarry operator that owns and operates a sand quarry at Tamahere, just south of Hamilton. The Tamahere quarry produces and processes sand, along with a small amount of other aggregates e.g. pebbles and stones.</p>	<p>Contact: PO Box 24079, Abels, Hamilton 3253 Email: [REDACTED] Phone: [REDACTED]</p>
Ausperl	<p>Ausperl was formed in 1996 to operate perlite, sand and pumice quarries. Ausperl now operates an integrated platform offering these products in numerous advanced applications. In New Zealand, Ausperl mines sand and pumice. It supplies various grades of Washed Concrete Sand (for concrete applications), filtration sand (for use as filtration media), and Plaster & Mortar Sand (for use in the construction industry).</p> <p>The Applicant estimates that this quarry has the resource to supply [REDACTED] tonnes of sand per annum.</p> <p>Further information can be found at Ausperl's website: https://www.ausperl.com/sand/.</p>	<p>Contact: 70 Waitakere Road, Waitakere Email: info@perlite.co.nz Phone: 09 810 9627</p>
Revital Group	<p>Revital operates several businesses associated with composting and recycling, landscaping, rural fertiliser supply and quarrying. It extracts sand from its quarries in Cambridge and Uruiti (near New Plymouth). Revital delivers aggregates, pebbles, soil and sand to a diverse number of clients in the North Island, including a number of landscape and gardening stores such as Mitre 10.</p> <p>Revital's Cambridge site supplies an estimated [REDACTED] tonnes of sand per annum. The Applicant estimates that this quarry has the resource to supply [REDACTED] tonnes of sand per annum.</p> <p>Further information can be found at Revital's website: http://revital.co.nz/aggregates/sand/.</p>	<p>Contact: Bell Block New Plymouth Email: info@revitalfert.co.nz Phone: 0800 367 967</p>
Fulton Hogan	<p>Fulton Hogan is a construction-focused company with extensive experience building roads, ports, airports, infrastructure and property. It extracts and processes raw materials, including sand, at over 45 different sites across New Zealand and Australia. Its central North Island site that provides sand to the Waikato / BOP region is located at Papamoa.</p> <p>Fulton Hogan's Papamoa (Bell Road) site supplies an estimated [REDACTED] tonnes of sand per annum. The Applicant understands it is operating at capacity.</p>	<p>Contact: Corporate office, Christchurch Email: info@fultonhogan.com Phone: +64 3 357 1400</p>

	Further information can be found at Fulton Hogan's website: http://www.fultonhogan.com/what-we-do/quarries/ .	
Bowers Brothers	Bowers' Tirau Sands resource currently supplies an estimated [REDACTED] tonnes of sand per annum. The Applicant estimates that this quarry has the resource to supply [REDACTED] tonnes of sand per annum.	Contact: Head Office (Batcher) Phone: 021 246 2599
Monavale	<p>The Monavale quarry in Cambridge supplies an estimated [REDACTED] tonnes of sand per annum.</p> <p>Monavale has in the past 12 months changed ownership and its new owner has been pursuing a strategy of growth and has increased sales from [REDACTED] tonnes per annum to approximately [REDACTED] tonnes per annum.</p> <p>The Applicant estimates that, with some investment, this quarry has the resource to supply approximately [REDACTED] tonnes of sand per annum.</p> <p>Fletcher Building understands that the operator of the site has a licence to extract resource for a finite period of time, and is likely to be incentivised to maximise annual production from the site to minimise running costs</p>	Contact: Head Office, Cambridge Email: admin@monavalesand.nz Phone: 07 823 3329
Paengaroa Sands	Paengaroa Sands currently supplies Firth Certified Mount Maunganui with approximately [REDACTED] tonnes per year of sand. The Applicant estimates that this quarry has the resource to supply [REDACTED] tonnes of sand per annum.	Contact: Main office Phone: 07 533 1076
McCallum Bros Ltd	<p>McCallum Bros is a family owned company based in Auckland, and supplies sand suitable to a number of industries, including the building and construction industry.</p> <p>The company uses offshore coastal extraction methods to source its sand. Extraction is largely carried out in the Auckland region, with distribution routes throughout the North Island (Northland to Wellington).</p> <p>Its Pakiri site currently supplies approximately [REDACTED] tonnes into the Waikato/BOP annually.</p> <p>McCallums is currently upgrading its fleet, which is expected to allow it to significantly increase production.</p> <p>Further information can be found at McCallum Bros' website: http://www.mccallumbros.co.nz/about.html</p>	Contact: Main office, Avondale Email: sales@mccallumbros.co.nz Phone: 09 828 5202

Annex 5: Further information about ready-mix and blocks competitors in the Waikato/BOP (ready-mix) and Waikato/BOP/Auckland (blocks)

Ready-mix and blocks competitors in the Waikato/BOP (ready-mix) and Waikato/BOP/Auckland (blocks)		
Supplier name	Description	Contact details
Fletcher Building (Firth)	<p>Firth is a manufacturer of ready-mix concrete, concrete products, systems and solutions in New Zealand. This includes a range of residential and commercial masonry blocks. It services the construction, roading and infrastructure industries as well as residential builds and industrial and commercial projects.</p> <p>For more information on Firth see http://www.firth.co.nz/.</p>	[REDACTED]
Allied Concrete	<p>Allied is one of New Zealand's largest concrete suppliers with approximately 400 trucks and 50 plants. It offers a range of structural concrete products (including blocks), concrete flooring and foundations, decorative concrete and eco solutions. It has batching plants in Hamilton, Cambridge, Morrinsville, Matamata, Otorohanga, Rotorua, and Tauranga. Allied services all sectors of the construction industry including residential, large scale commercial and infrastructure. Allied Concrete's recent projects include the City Rail Link Stage 1, New Brighton Pier Earthquake repairs and the Kawarau Falls Bridge.</p> <p>For further information on Allied Concrete see www.alliedconcrete.co.nz.</p>	<p>Contact: Head office Phone: 03 217 1600</p>
Bowers Brothers Concrete Limited (Bowers Brothers)	<p>Bowers Brothers' product range covers residential, commercial, agricultural and ready-mix concrete and other concrete products. This includes both standard and architectural concrete masonry products. Bowers Brothers has branches throughout the Waikato, with batching plants in Morrinsville, Hamilton, Matamata, Putaruru and Paeroa where it manufactures and delivers ready-mix concrete, as well as a block plant in Morrinsville.</p> <p>For further information on Bowers Brothers Concrete see www.bowersbrothers.co.nz.</p>	<p>Contact: Hamilton office, Foreman Road Phone: 07 846 0555</p>
Bridgeman Concrete	<p>Bridgeman supplies concrete to commercial, civil and residential markets. It has ready-mix concrete plants and trucks in eight locations across the North Island of New Zealand, with</p>	<p>Contact: Head office Email: info@bridgeman.co.nz Phone: 06 879 7256</p>

	<p>batching plants in Hamilton, Tauranga and Rotorua.</p> <p>For further information on Bridgeman Concrete see http://www.bridgeman.co.nz/</p>	
Bowers & Son Limited	<p>Bowers manufactures precast concrete products and provides ready mix concrete across the central North Island (Auckland, Waikato, Coromandel, Bay of Plenty, Gisborne and Taranaki). It supplies ready-mix concrete in plain, coloured and exposed aggregate mixes for domestic, commercial and rural use, and has batching plants in Otorohanga and Te Awamutu. It also supplies concrete masonry blocks for use in construction.</p> <p>For further information on Bowers see https://www.bowersconcrete.co.nz/</p>	<p>Contact: Hamilton office Phone: 07 847 5209</p>
On-Site Ready Mix Concrete Limited	<p>On-Site is based in Cambridge and covers the Waikato region. It provides concrete services for rural, residential and commercial jobs, with applications including cowsheds, house floors, driveways, precast interlocking retaining blocks, swimming pool surrounds and BBQ areas.</p> <p>For further information on On-Site Ready Mix Concrete see https://www.concretewaikato.co.nz/</p>	<p>Contact: Head office, Cambridge Email: office@onsiteconcrete.co.nz Phone: 07 827 4902</p>
Supacrete Concrete Limited	<p>Supacrete is a Tauranga based company that provides ready-mix concrete services to domestic, civil, commercial, and industrial sectors. Recent projects include THE LAKES Tauranga and the Te Maunga Expressway.</p> <p>For further information on Supacrete see www.supacrete.co.nz.</p>	<p>Contact: Don Mahoy (Managing director) Email: don@supacrete.co.nz Phone: 07 541 2803</p>
Waikato Ready Mixed Concrete (WRMC)	<p>WRMC is based in Hamilton and services the Waikato area. It provides a range of premix concrete products suitable for driveways and pathways, through to large constructions projects and civil works. WRMC also provides a range of decorative concrete mixes which are popular among domestic clients and developers.</p> <p>For further information on WRMC see www.waikatoready-mixedconcrete.co.nz.</p>	<p>Contact: Head office, Hamilton Email: info@wrmc.co.nz Phone: 07 858 4944</p>
The Block Shop	<p>The Block Shop is an independently owned manufacturer of a range of masonry retaining wall concrete blocks. It supplies to distributors, builders, and block layers on a direct basis. Its supply network covers most of the North Island.</p> <p>For further information on The Block Shop see http://www.blockshop.co.nz/</p>	<p>Contact: Head office, Tirau Email: info@blockshop.co.nz Phone: 0800 825 625</p>

Premier Paving	<p>Premier offers a range of concrete products including bricks, paving, and retaining walls for residential building purposes. It has dispatch yards in both the North and South Islands and supplies nationwide direct to customers or through Mitre 10.</p> <p>For further information on Premier see https://www.premierpavers.co.nz</p>	<p>Contact: Head Office Email: info@premier-group.co.nz Phone: +64 7 850 8417</p>
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Annex 6: Ready-mix customer contact details (confidential)

Customer name	Location	Contact Name	Contact phone
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Annex 7: Masonry customer contact details (confidential)

Customer – Masonry	Location	Contact Name	Contact phone
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Annex 8: Pipe and pipe system competitors and customer contact details

Fletcher Building's three largest pipe and pipe system competitors	
Supplier name	Contact details
Hynds	Contact: Mark Wansborough Phone: 09 274 0316
Asmuss	Contact: Head Office Email: info@asmussgroup.co.nz Phone: 09 573 0002
Frank PKS	Contact: Head Office Email: enquiries@frankpksnz.com Phone: 03 384 6294

Fletcher Building's five largest pipe and pipe system customers	
Supplier name	Contact details
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Annex 9: Waikato/BOP council officials responsible for sand quarry resource consents

Council	Officer	Position	Contact Details
Waikato District Council	Margaret Glassey	Environmental Monitoring Officer	Margaret.Glassey@waidc.govt.nz / 07 824 8633 (Front desk)
Waikato Regional Council	Jorge Rodriguez	Team Leader – Land Development Team	Jorge.Rodriguez@waikatoregion.govt.nz / 07 859 0903 or 07 859 0999
	Emma Cowan	Resource Officer - Land Development Team	Emma.Cowan@waikatoregion.govt.nz / 021 798 277
Bay of Plenty Regional Council	Steve Pickles	Regulatory Compliance Team Leader	Steve.Pickles@boprc.govt.nz / 0800 884 881 x9402

Annex 10: Fletcher Building Board presentation (confidential)