



Our ref: AA1000517
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18/06/2020

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Louise Klamka
Special Counsel, Gilbert & Tobin
By email: LKlamka@gtlaw.com.au

Dear Ms Klamka

Boral Cement Limited application for authorisation AA1000517—interested party consultation & request for further information

I refer to the above mentioned application for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 3 June 2020.

Please find enclosed, for your information, a copy of the letter the ACCC sent to potentially interested parties as part of its public consultation process. All publicly available submissions will be posted on the ACCC internet site in the [Authorisations Register](#).

As part of progressing our analysis for this matter, we are seeking further information from you relating to the application for authorisation. Please see the request for information outlined at **Attachment A** to this letter.

We request that Boral Cement provide the information by **7 July 2020**.

A copy of this letter and your response (subject to any request for exclusion) will be placed on the ACCC's public register.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Luke Griffin on 02 6243 1114, Miriam Kolacz 03 9658 6476.

Yours sincerely

Danielle Staltari
Director
Adjudication

Attachment A - Request for further information

1. Please provide Boral Cement's business case supporting the proposed investment and arrangements more broadly with Stanwell. Please provide:
 - a) Details of the financial assessment used to support Boral Cement's business case.
 - b) Why is the new facility required, noting that fly ash has previously been collected from Tarong PS?
 - c) An explanation of why Boral is planning to invest capital into a new facility where it observes there is already an over-supply of fly ash. For example, is Tarong PS fly ash more desirable than other sources of fly ash? If so, why? Has Boral encountered difficulties in sourcing fly ash for its own use?
 - d) Details of the geographical locations to which Boral Cement proposes supplying Tarong PS fly ash, and any associated transport options Boral Cement has considered to supply customers in those locations.
 - e) Details of the customers that Boral intends to target for the supply of fly ash. For each of these prospective customers identify if they currently use fly ash or not.
 - f) Details of the quantities of fly ash that Boral intends to sell to third parties in each year of the Operation and Maintenance Agreement (**OOMA**), including any extensions to the OOMA.

Please provide source documents to support the response to these questions.

2. Please outline the projected fly ash production at Tarong PS and the capacity of the fly ash facility to be constructed under the Design and Construct Contract (**DCC**), including:
 - a) What kind, standard or quality of fly ash would be available for offtake from Tarong PS upon the construction of the DCC, and in what volumes?
 - b) What kind, standard or quality of fly ash does Boral plan to take from Tarong PS, and in what volumes?
 - c) Why is the new facility only planned to access Zones 1-3 as described in section 3.3 of Boral's submission and why is the existing wet ashing system planned to continue for Zones 4 – 6 as well as to remove fly ash from zones where a high level of fly ash has been detected.
3. What is Boral Cement's and its related bodies corporate expected usage of fly ash, including the relevant kind, standard or quality of fly ash (if relevant), during each year of the term of the OOMA (including any extensions)? At which of its locations is it anticipated that this usage will occur? Please provide documents to support the response to this question.
4. Please explain whether it is likely that the introduction of fly ash from Tarong PS will increase the usage of fly ash in downstream markets, and if so, why?
5. How much does Boral Cement currently pay for fly ash from other sources including its joint ventures? Please provide the average price per tonne for the last financial year from each source and include an explanation of the kind, standard or quality of the fly ash along with information about transport costs that may be relevant.
6. Please provide details of the amount and location of any concrete or cement production by Boral Cement or related parties in Queensland and other east coast locations.