



MEDIA RELEASE

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ACCC will not oppose waste industry acquisition

The ACCC has announced that it will not oppose the proposed acquisition of Tox Free Solutions Ltd (Tox Free) (ASX: TOX) by Cleanaway Waste Management Limited (Cleanaway) (ASX: CWY).

Cleanaway and Tox Free both supply waste management services, including the collection, treatment and disposal of municipal, commercial and industrial, liquid, hazardous and medical waste. They also provide various types of industrial services.

“This was a complex matter for the ACCC. We consulted extensively with over 70 interested parties including customers, competitors, regulators and industry bodies. There was a mix of views on the competitive impacts, with some expecting little change, and others highlighting concerns,” ACCC Commissioner Roger Featherston said.

The ACCC’s investigation focused on waste streams and regions where the parties’ operations overlap, and the competitive implications of Cleanaway’s overall growth and increased vertical integration. Some of the key areas of focus were:

- Hazardous waste processing, particularly in NSW, Victoria, Queensland, SA and WA, and hazardous waste collection (including household hazardous waste collection)
- Non-hazardous liquid waste processing, particularly in NSW/ACT and Queensland
- Medical waste collection, particularly in Victoria, and medical waste processing, particularly in NSW, and
- Used lubricating oil collection, particularly in WA.

“Although there may be a lessening of competition in some waste streams, such as hazardous waste collection and processing, and used lubricating oil collection, we considered that, in this case, the proposed acquisition is unlikely to meet the threshold of a substantial lessening of competition,” Mr Featherston said.

“We concluded that the threat of customers switching to competitors would constrain Cleanaway from increasing prices or decreasing service levels to a significant extent in any waste stream or geographic area.”

“Competitors include major global waste companies such as Veolia, Suez and Remondis, as well as smaller local and regional operators,” Mr Featherston said.

The ACCC has noted the growing consolidation in the waste industry and any future merger or acquisition involving any large suppliers of waste management services will be closely investigated.

“Increased vertical integration, particularly between waste collection and waste processing, was also an issue raised by industry participants. We considered, however, that the

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increased vertical integration arising from this transaction would be unlikely to substantially lessen competition because of competitive constraints imposed by alternative suppliers.”

Further information is available at www.accc.gov.au

Background

Cleanaway is a vertically integrated Australian waste management company. It operates collection, processing, treatment and landfill assets for most types of waste across Australia. This includes municipal, commercial and industrial, liquid, medical and hazardous waste, and used lubricating oil. Cleanaway also provides various types of industrial services.

Tox Free is an Australian waste management company operating across a number of different waste streams, with a particular focus on liquid, medical and specialist hazardous waste streams. Tox Free also provides various types of industrial services.

Industrial services is an umbrella term used in the waste management industry to describe a broad range of services. These services include industrial cleaning, high pressure water services, non-destructive digging, and other services such as emergency spill response, site remediation, facility management and CCTV surveying.

Media enquiries: 1300 138 917

**Email: media@acc.gov.au
acc.gov.au/media**