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Our ref: IM-71211

Contact officer: Sam Campbell / Andrew Eliades

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16 June 2021

Dear Interested Party

Request for submissions: Cleanaway's proposed acquisition of certain Suez post-collection waste assets in Sydney

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of certain Suez Recycling & Recovery Pty Ltd (**Suez**) post-collection assets in Sydney by Cleanaway Waste Management Ltd (**Cleanaway**) (the **proposed acquisition**).

Cleanaway and Suez both supply waste processing and disposal services in Australia. Further details regarding the acquisition can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition, particularly in Sydney. In particular, we are seeking your views on:

- how closely Cleanaway and Suez compete with each other in supplying various waste processing and disposal services
- whether the price of waste processing and disposal services would be likely to increase, or service levels decrease, as a result of the proposed acquisition, and
- whether Cleanaway and Suez's customers will have alternative suppliers (actual and/or potential) of waste processing and disposal services after the proposed acquisition.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is set out in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on Friday 2 July 2021** via email to mergers@acc.gov.au with the title: *Submission re: Cleanaway proposed acquisition of Suez's post-collection waste assets in Sydney - attention Sam Campbell/Andrew Eliades*. If you would like to arrange a time to discuss the matter with ACCC staff, or have any

questions, please contact Sam on 03 9290 1870 or Andrew on 03 9290 1444.

Updates regarding the ACCC's investigation will be available on the ACCC's [mergers register](#).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. It will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. The ACCC's [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Sharon Deano
A/g General Manager
Merger Investigations

Attachment A

Cleanaway

Cleanaway (ASX: CWY) is a publicly listed company and is headquartered in Melbourne, Victoria. Cleanaway supplies recycling, waste management and industrial services.

Suez

In Australia, Suez operates a waste management business that supplies waste collection services and owns and operates transfer stations, landfills and alternative waste treatment (**AWT**) facilities.

Suez is a part of the SUEZ Group (S.A.S), a listed holding company headquartered in France with global operations.

The proposed acquisition

Cleanaway proposes to acquire multiple waste processing and disposal facilities in Sydney from Suez, including contracts and other assets related to the facilities.

Cleanaway and Suez both currently supply, or in the near future may supply, the following waste disposal services listed in the table below. Cleanaway seeks to acquire all of the Suez assets listed below.

Table 1: Cleanaway and Suez's waste disposal and processing services in Sydney

	Cleanaway	Suez Post-Collection Assets
Non-Putrescible waste landfill	<ul style="list-style-type: none"> Erskine Park 	<ul style="list-style-type: none"> Kemps Creek
Putrescible waste landfill	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Lucas Heights
Organics processing facilities	<ul style="list-style-type: none"> 50% interest in the EarthPower joint venture with Veolia 	<ul style="list-style-type: none"> Lucas Heights
AWT facilities	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Kemps Creek Land at Eastern Creek (currently leased to Global Renewables Limited (GRL) who owns and operates an AWT facility)
Transfer stations	<ul style="list-style-type: none"> Erskine Park 	<ul style="list-style-type: none"> Belrose Rockdale Artarmon Auburn Ryde
Energy from waste (EfW) facilities	<ul style="list-style-type: none"> No current facilities but may enter in future 	

Suez also owns transfer stations at Seven Hills, Wetherill Park and Spring Farm, organics processing facilities at Eastern Creek and Spring Farm, and a site at Chullora which is currently closed for redevelopment. These assets will not be acquired by Cleanaway.

Attachment B

1. Please provide a brief description of your business or organisation.
2. Please outline the reasons for your interest in the proposed acquisition, including any commercial relationship/s with either of Cleanaway or Suez.

Waste processing and disposal services

Questions for customers

3. Please identify and describe the location and types of waste processing and disposal services (for example putrescible or non-putrescible waste) you procure in the Sydney region, and identify your current provider/s.
4. For each of the waste processing and disposal services that you procure, please list who you consider to be the key suppliers capable of servicing your organisation's needs, including any differences with regard to pricing, service, quality, and geographical location. Please explain your answer.
5. Please explain whether you procure different waste processing and disposal services (such as different types of waste) separately or together, and/or in multiple regions of Australia. Please explain whether you would be prepared to disaggregate contracts and why.
6. Please describe your organisation's key considerations in awarding contracts for different types of waste processing and disposal services.
7. Do you have any competition concerns about the removal of Suez as a competitor in relation to providing certain waste processing and disposal services in the Sydney region?

Questions for competitors

8. Please identify and describe the location and types of waste processing and disposal services (for example putrescible or non-putrescible waste, landfill or transfer station) you supply in Sydney. Please identify any subcontracting arrangements with either of Cleanaway or Suez.
9. Please identify who you consider to be your competitors in each of those services/geographical areas.
10. Please explain whether you have any excess capacity to expand your operations or the ability to expand your capacity in response to increased demand in the Sydney region.
11. Please describe the cost, necessary assets and infrastructure, and any regulatory requirements such as licences and environmental approvals for each of the waste processing and disposal services you provide.
12. If you currently use any of Cleanaway or Suez's waste processing facilities and/or landfills, please describe any alternative facilities available to you.
13. Please describe any impact the proposed acquisition will have on the development of EfW facilities and competition to acquire putrescible waste.

Other information

14. Please provide any additional information or comments or identify any other issues that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the Act.