

MEDIA RELEASE



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ACCC identifies concerns about Bingo acquisition

The ACCC has released a statement of issues raising preliminary competition concerns about Bingo's (ASX: BIN) proposed acquisition of Dial-a-Dump.

Bingo and Dial-a-Dump supply building and demolition (B&D) waste collection and processing services in the Greater Sydney area. Bingo and Dial-a-Dump are also future competitors for non-putrescible, or dry, landfill services when Bingo's Patons Lane facility becomes operational in 2019.

"Post-acquisition, Bingo would be the largest B&D waste collector and processor and own a substantial amount of dry landfill capacity in Sydney. We are concerned about the effect of the proposed acquisition in relation to processing, landfill and collections," ACCC Chair Rod Sims said.

"Our preliminary view is that the acquisition would remove Bingo's most substantial competitor for B&D waste processing, particularly in the Eastern Suburbs and inner Sydney. Although alternative facilities exist, our current view is that many are not viable alternatives as they either will not accept third party mixed B&D waste, charge significantly more for heavy loads, or are too far away to constrain Bingo from increasing prices."

"The acquisition would remove future competition between Bingo's and Dial-a-Dump's dry landfills, which may lead to higher gate fees than would be likely without the acquisition. Competition between Sydney landfills is likely to become more important after the introduction of the Queensland landfill levy, which will make transporting waste to Queensland more expensive," Mr Sims said.

The three levels of the supply chain, collection, processing and landfill, are also closely linked. Collectors rely on access to processing facilities at competitive rates to compete for customers, and processors rely on access to landfill. The ACCC is investigating these vertical integration issues.

The ACCC invites submissions from interested parties on the statement of issues by 13 December 2018. The ACCC's final decision is scheduled for 21 February 2019.

The statement of issues is available at the ACCC website.

Background

Bingo is a publicly listed waste management company that provides B&D and commercial and industrial waste collection and processing services in NSW and some parts of Victoria. It operates 12 B&D waste processing facilities in NSW, nine of them in Sydney. It is also developing a processing facility and landfill in Patons Lane in Western Sydney (due to become operational in 2019), and processing facility at Silverwater in Western Sydney.

Dial-a-Dump is a privately owned company, providing B&D waste collection and processing services in Sydney. It operates a waste processing facility at Alexandria and a facility at Eastern Creek which has both processing capability and a landfill.

B&D waste is generated by the demolition and construction of residential and commercial buildings, civil projects, infrastructure development and household renovations. It is delivered to sorting or processing facilities in skips bins or trucks.

B&D waste varies in composition and may include a mix of heavy and light materials. Light B&D waste includes cardboard, paper, plastics and plasterboard. Heavy B&D waste includes bricks, concrete, timber and soils. A large proportion of B&D waste is recyclable. B&D waste processing refers to sorting material into its component parts and recycling reusable material for resale. The residual waste that cannot be recycled is disposed of in landfill.

Dry or non-putrescible landfill is landfill that does not contain putrescible organics such as food waste.

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