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16 October 2018

Mr Michael Drake
Director
Adjudication Branch
Merger & Authorisation Review Division
Australian Competition & Consumer Commission

By Email: michael.drake@acc.gov.au; adjudication@acc.gov.au

Dear Sir

Central Highlands Regional Council and Isaac Regional Council - Application for Authorisation – Kerbside Waste Collection Services

We refer to your email dated 5 October 2018.

Thank you for providing a list of topics which the ACCC would like to discuss regarding the Application.

Please find set out below the Applicant's joint response to the request for further information:-

- 1. Clarify what services will be included in the proposed joint tender for waste services:-**
 - (a) Will the tender be for collection services only (and exclude other services such as waste processing)?**

The conduct for which authorisation is sought is the kerbside and bulk bin waste and recycling services for residential, domestic and commercial premises within each of the local government areas. The services to be tendered do not include recycling of waste collected and processing of waste for Central Highlands Regional Council. At this stage, Isaac Regional Council is still considering whether processing of collected recycling waste at a Material Recycling Facility is a service to be tendered. The tender will exclude the collection of industrial waste which is a separate service.

To clarify, the services to be provided will be the collection of red lid (general waste) and yellow lid (recycling waste) 240L wheelie bins, and also the collection of larger bulk bins approximately between 1.5 – 3 cubic metres from multiple dwelling units. This material is then transported to a transfer station and ultimately to landfill after recycling and processing.

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(b) What does “bulk bin” refer to?

The term “bulk bin” waste collection services relates to the collection of containers used for bulk waste. Generally, bulk waste is collected in containers ranging from between 1 cubic metre to 30 cubic metres which are situated at public transfer stations or Council owned facilities. These bulk bins are serviced as required and the contents are transported from transfer stations or the Council owned facility to landfills.

(c) Will the collection of domestic green waste be included in the tender?

The tender documentation will include the ability to negotiate a potential future dedicated green waste collection services. Neither Central Highlands Regional Council or Isaac Regional Council currently operate dedicated green waste collection services within their respective local government areas.

(d) Will the collection of public bins (e.g. street and park litter) be included in the tender?

Yes, the collection of public bins (e.g. street and park litter) will be included in the services covered by the proposed tender.

2. Information regarding anticipated timeframes for the joint procurement process and contract term:-**(a) Explain why the Applicants have sought authorisation for 10 years.**

The current waste collection contract is for 7 years plus 3 one year options. The current proposal is to tender for a similar term contract. The Applicants submit that the length of the term of the contract is appropriate having regard to the time and effort spent scoping and calling for tenders and taking into account the ability for a successful tenderer to recover capital investment associated with establishing operational bases and purchasing equipment required for the tendered services.

(b) Set out the timeframe for when current contracts expire, the tender process and how long the new contracts will be in place for.

The current waste collection contracts for both Central Highlands Regional Council and Isaac Regional Council expire in October 2019. The current tender process is expected to commence in January 2019 with an expected tender close period of approximately March 2019. Each of the Councils expect being able to award the tender(s) by April 2019 to May 2019. Each of the Councils is expected through its tender consultant to make waste industry participants aware of the calling for tenders in approximately November – December 2018. The new contract is expected to be in place for 7 years with the ability to exercise 3 one year options at Council’s discretion.

3. Provide information relating to the current arrangements for the provisional waste collection services in the two Council areas.

Current arrangements for the provision of waste collection services is the same for both Central Highlands Regional Council and Isaac Regional Council. The current contract is held by JJ Richards and the term of the current contract is 7 years plus 3 one year options expiring in October 2019. The current contract has a similar scope dealing with kerbside domestic and commercial waste. The current contract does not include a dedicated green waste collection service. It is noteworthy that the current contract was the subject of an authorisation by the ACCC.

4. **If applicable, provide information resulting from any market consultation undertaken by the Applicants about potential service providers and/or expected bidders for the joint tender.**

The Applicants have not undertaken any market consultation with potential service providers and/or expected bidders for the joint tender. Council intends through its tender consultant to give notice to participants of the waste collection industry, and the State and National Peak Bodies for waste of the intention to call for tenders in January 2019.

5. **We also request the Applicants provide a list of interested parties as requested in Item 12 of the ACCC Application Form. This will assist us in commencing public consultation as soon as possible, which is particularly important given the Applicants' request for urgent interim authorisation, interested parties are likely to include the following market participants:**

(a) actual potential waste service providers;

- Remondis Australia Pty Ltd
32-36 Christie Street
St Marys NSW 2760
Email: info@remondis.com.au
- Cleanaway Waste Management Limited
Level 4, 441 St Kilda Road
Melbourne Metro VIC (South East) 3004
- JJ Richards & Sons Pty Ltd
3 Grant Street
Cleveland Qld 4163
Email: enquiries@jrichards.com.au
- Suez Resource Recovery
91B Lawrence Drive
Nerang Qld 4211
- Toxfree
Email: info@toxfree.com.au
- Veolia Australia & New Zealand
Level 21, 127 Creek Street
Brisbane Qld 4000
Ph: (07) 3275 0111

(b) industry bodies;

- Waste Recycling Industry Queensland
P O Box 1335
Oxley Qld 4075
- Waste Management Association of Australia
Suite 4.08, 10 Century Circuit
Baulkham Hills NSW 2153

(c) **State Government contacts for example those relevant to the Queensland Waste Avoidance and Resource Productivity Strategy referred to in the Application.**

- Department of Environment and Science

Should you have any queries please do not hesitate to contact Andrew Kerr of our office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Kerr', with a large, sweeping flourish extending to the left.

Andrew Kerr
Partner
for **PRESTON LAW**