

3 December 2019

Ms Connie Wu
Assistant Director
Adjudication | Merger & Authorisation Review
Australian Competition & Consumer Commission
Level 5, 1 William Street
PERTH WA 6000

General Counsel Dan Pearce
Direct Line [REDACTED]
Email [REDACTED]
Our Ref DSP: 19480069

By email to connie.wu@accg.gov.au

Dear Connie

Application for Authorisation no. AA1000451 by Metropolitan Waste and Resource Recovery Group for Recycling Sorting Services

We refer to your email of 25 October, and now attach our response.

[REDACTED]

Yours sincerely

[REDACTED]

Holding Redlich

Melbourne . Sydney . Brisbane . Cairns

Level 8 555 Bourke Street Melbourne Vic 3000 DX 422 Melbourne
GPO Box 2154 Melbourne Vic 3001 T +61 3 9321 9999 www.holdingredlich.com

ABN 15 364 527 724

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Dear Connie

Application for Authorisation no. AA1000451 by Metropolitan Waste and Resource Recovery Group for Recycling Sorting Services

We refer to your email dated 25 October 2019, and respond to your questions as follows:

1. In light of Cleanaway's recent acquisition of SKM, could you please advise whether all or any of the five Councils (mentioned above) intend to continue to jointly procure sorting services under the previous Authorisation AA1000422, perhaps from Cleanaway (as a replacement for SKM)? If so, when would they expect such procurement to expire?

The existing contract with SKM has been terminated. This occurred subsequent to the current application.

The five Councils will not be continuing the joint-procurement activity for the provision of sorting services under the previous Authorisation AA1000422.

2. As mentioned above, four of these five Councils are part of the Applicants in the current application. However, [REDACTED]

[REDACTED] could you please confirm whether they wish to be part of the proposed joint procurement in the current application, or wish to continue with their joint procurement of services under the previous Authorisation AA1000422? If it is the former, when would they expect to be in a position to commence the proposed contract with the new service provider(s)?

Further to the above response, four of the five councils from the previous Authorisation AA1000422 have now elected to be part of the current application, with Wyndham City Council the only council electing not to be part of the application. The expected commencement for a contract with a new service provider is July 2021.

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3. In the current application, MWRRG seeks authorisation for 21 years, including 20 years for the provision of services for the currently expected term of the proposed contract. MWRRG also notes multiple contracts may be awarded (potentially to multiple service providers); and that given the Councils' existing contracts have different expiry dates, the proposed procurement will allow for staggered contract commencement dates for individual councils with the new service provider(s). For the avoidance of any doubt, could you please confirm that 20 years is the maximum, cumulative term of all contracts that may be awarded under the proposed procurement arrangement?

MWRRG anticipates that the service provider(s) engaged for the delivery of services will be engaged for a maximum term of 20 years [REDACTED]

[REDACTED]. Transitional provisions or staggered contract commencement dates will be provided for those councils that have varying expiry dates for existing arrangements.

Yours sincerely

[REDACTED]

Holding Redlich