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**Sent:** Wednesday, 15 December 2021 10:31 AM  
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**Subject:** RE: [SEC=OFFICIAL]Metropolitan Waste and Resource Recovery Group - Application for authorisation - further question [SEC=OFFICIAL] [HR-MEL.FID1023743]

Could you please provide further detail and explanation about the various policy changes and/or reforms to help us understand why it is more appropriate for Participating Councils to enter into short term contracts (up to 7 years) as opposed to longer term contracts (e.g. the original 20 years granted for the contracting period under authorisation AA1000451)?

The Recycling Victoria Circular Economy Policy and related reforms are expected to be implemented in full over the next 5 to 6 years. For example, the Container Deposit Scheme and the additional bins to be provided for household glass waste, are not expected to be fully implemented until approximately 2023 and 2027 respectively. The likely impact of these changes (and the other significant proposals in the Policy) on the volumes and streams of waste also retains a degree of uncertainty, and accordingly an interim period with an upper limit of 7 years is proposed. This period is intended to allow councils to obtain services effectively, and suppliers to access waste volumes efficiently, whilst each side assesses the practical impact of the changes in the market (and data becomes available on which to base further decisions). If a longer term commitment was made at this time of relative uncertainty, it may result in poorer outcomes for all parties, including potential new suppliers; the circumstances for such a longer term procurement are expected to be more favourable as the proposed Panel is in its last year or two.