

16 September 2021

Ms Anna Pound
Acting Assistant Director
Competition & Exemptions
Australian Competition & Consumer Commission

General Counsel Dan Pearce
Direct Line [REDACTED]
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Our Ref DSP 19350058

By email to anna.pound@accc.gov.au

Dear Ms Pound

Application for Authorisation no. AA1000566 by Gippsland Waste and Resource Recovery Group for Recycling Services

Gippsland Waste and Resource Recovery Group (**GWRRG**) notes the submission (**Submission**) from Tambo Waste dated 6 September 2021 (and received on 13 September) in relation to the above Application, and respectfully provides the following comments.

GWRRG believes that the intended outcomes of the project to which the Application relates are consistent with a number of the matters raised in the Submission. The project is not seeking to achieve outcomes which are unsustainable for private operators in the Gippsland waste and resource recovery sector. And, as set out in the Application, if there is to be a move away from landfill as the fall-back method of dealing with recyclable material, it is inherently necessary for there to be some aggregation of waste to make investments in innovation by the private sector, including in the Gippsland area, viable.

The experience in the region in recent years has been that existing operators have not readily sourced sufficient volumes of waste to justify the increasing of their processing capacities, and instead unprocessed and partially processed materials have in fact been transported out of the region to larger facilities in metropolitan Melbourne for further treatment. It is expected that the project planned here will better facilitate the aggregation of volumes in the region so as to provide a better basis for supporting investment in local facilities.

The process proposed for the procurement will be open to all existing providers, including Tambo Waste, and will allow any supplier to offer to supply a particular suite of services, and to supply as many councils as it wishes. There is no obligation to tender for all 6 councils' needs, or to offer to provide every element of the services that may be required. Suppliers such as Tambo Waste are likely to be in a position to offer competitive proposals for the most geographically distant councils given their existing operations on the ground in those regions, and also to make the most of their specialist expertise with certain types of services. Conversely, it is also open for suppliers such as Tambo Waste to partner with other suppliers if they instead wish to pitch for a larger volume and variety of work. In either case, Tambo Waste's apparent presumption that only larger players from outside the region will prevail is not

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consistent with the design of the tender process. And, in the alternative, Tambo Waste has no guarantee that it will continue to win contracts with individual councils if they sought services on a council by council basis; so its assertions that choosing a collaborative procurement process can only have negative outcomes for its position are also not certain.

The aim of promoting viable local businesses is also supported by the tender requirements relating to local investment, jobs and opportunities for marginalised sections of the community. These requirements are mandatory requirements, and should provide suppliers like Tambo Waste with an opportunity to benefit from their existing operations and profile (including as mentioned in the Submission). Ideally, the proposed procurement could provide Tambo Waste with the chance to expand in to neighbouring council areas, and itself invest further on the basis of greater volumes of waste that it could access under the project.

Finally, the procurement process will be run transparently, and with oversight by probity advisers and auditors. This will guard against inappropriate conduct by any supplier, and should provide comfort to Tambo Waste in relation to any larger suppliers potentially engaging in intimidating conduct.

We hope that the points above are self-explanatory, but please contact Dan Pearce if any further information or clarification is required at this stage.

Yours sincerely



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