
From: Stephen Fitzpatrick [REDACTED]
Sent: Monday, 13 December 2021 7:03 PM
To: Kolacz, Miriam
Cc: Staltari, Danielle; Black, Susie; Ng, Andrew
Subject: RE: Submissions re EMRC application for authorisation [SEC=UNOFFICIAL] [ACCC-ACCCANDAER.FID3007910]
Attachments: TW18079_EMRC Regional Model_3.0 CIConfidence.xlsx

Hi Miriam

Our responses in red below.

Thank you for this additional information. Can you please confirm:

- Whether there was any further information you were still intending to provide regarding route optimisation following your discussions with the City of Swan? **Nothing further at this stage.**
- Whether EMRC consents to the below email being published on our public register (additionally to your response from 6 December 2021)? **Yes consent granted.**

Separately, we had two brief questions coming out of your 6 December response (**attached**):

1. Question 6 (page 4) states: "The participating Councils will have an option to extend their 10-year EMRC service agreement."

We understood that the service agreements will be 5 years long, with an option to extend for a further 5 years. Could you please confirm the length of the service agreement, including with any options to extend and the length of these options. Will the Participating Councils have the option to enter new service agreements after their 10-year EMRC services agreements expire? **Please refer to section 2.4 of the Application where we state that the proposed Participating Council agreement will be a minimum of 10 years which aligns a typical long-term service agreement with private sector contractors of seven years and the option for yearly extensions for up to three years. Participating Councils will have the option to enter into new service agreements after their 10 year EMRC services agreements expire and as mentioned in our 6 December 2021 response, the EMRC will conduct independent market reviews every 5 years to ensure the service is cost competitive.**

2. Do you have any further information (including any reports or modelling) regarding when the EMRC expects that its service will be 'cost competitive' with the private sector? That is, would bin lift rates be equal to/less than the private sector from commencement (and EMRC potentially running at a loss), or only after a certain number of years (e.g. once EMRC has recouped its initial investment)? **Although a cost comparison with the private sector is not necessarily a true comparison because they can offset their costs to their other entities and commercial waste collections, we think the predicted cost/service for the three participant Councils is comparative to that provided by a large metropolitan Council with an in-house service like the City of Swan. In the initial roll out of the service, the cost per service will be equal to or more than the private sector until all three Councils are fully participating and the efficiencies are realised. As mentioned in our letter of 6 December 2021, there are non-monetary benefits to the participant Councils including:**

- (a) **The EMRC will be collecting a greater range of information for reporting, data analysis and feedback on trends, education, identification of changes that can improve efficiency;**
- (b) **The EMRC will use the additional data for reviews for innovation, value adds and maximising performances between councils; and**
- (c) **The EMRC will conduct waste audits across the Participant Councils to monitor household behaviour and behaviour change.**

As part of the Proposed Conduct, collection vehicles would be able to service more than one participating Council in any run. The ability for collection vehicles to cross LGA borders will assist to optimise collection routes across the region, maximising the use of the

vehicles. The Proposed Conduct will allow vehicles currently out on collection runs across the region to be able to attend missed services in another part of the region without the need to send out another vehicle creating efficiencies in the service.

In addition, with a reduction in the number of vehicles required overall from the Proposed Conduct (compared to the three participant Councils contracting separately with the private sector) and through optimisation of the truck routes and the disposal location (Hazelmere Resource Recovery Park) which is located closer to the majority of the participating Councils, there will be fewer waste vehicles sharing the road. Less trucks and more efficient routes should also lead to reduced traffic congestion and air and noise pollution. Both a reduced number of vehicles and a higher level of services through new, safer technology on vehicles should deliver improved public safety.

To demonstrate that we have done a detailed analysis of the Regional Waste Collection system for the participating Councils, I have attached a copy of the EMRC Regional Collection Model on a commercial-in-confidence basis. This is not for publishing on the ACCC public register.

Please advise if I can assist with any further information.

Regards

Steve



Stephen Fitzpatrick | Waste & Resources Recovery Specialist

Eastern Metropolitan Regional Council
226 Great Eastern Highway, Ascot WA 6104
PO Box 234, Belmont WA 6984

EMRC: 08 9424 2222 | Direct: [REDACTED] | Mobile: [REDACTED]

www.emrc.org.au | www.perthseasternregion.com.au | www.rgang.org.au

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