
From: Stephen Fitzpatrick [REDACTED]
Sent: Friday, 4 February 2022 1:21 PM
To: Kolacz, Miriam
Cc: Hill, Alison; Cameron, Lucy; Ng, Andrew; Black, Susie; Sood, Rajat; Staltari, Danielle
Subject: RE: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3007910]

Hi Miriam

I can confirm that this understanding is correct as stated below and that we consent to this response being published on the public register.

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]

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From: Kolacz, Miriam <miriam.kolacz@accc.gov.au>
Sent: Friday, February 4, 2022 10:00 AM
To: Stephen Fitzpatrick [REDACTED]
Cc: Hill, Alison <Alison.Hill@accc.gov.au>; Cameron, Lucy <Lucy.Cameron@accc.gov.au>; Ng, Andrew <Andrew.Ng@accc.gov.au>; Black, Susie <Susie.Black@accc.gov.au>; Sood, Rajat <Rajat.Sood@accc.gov.au>; Staltari, Danielle <Danielle.Staltari@accc.gov.au>
Subject: RE: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3007910]

OFFICIAL

Hi Stephen

As discussed yesterday afternoon, and further to your response to Q2(a) below, we understand that the EMRC's modelled cost per service (provided in the modelling attached to your emails of 13 December 2021 and 19 January 2022, which is based on 3 Participating Councils) does not include the following:

- any reductions in the cost per service resulting from the optimisation of collection routes, as the EMRC does not have an estimate of the magnitude of these savings at this time; and
- any reductions in the cost per service for **general** waste collection resulting from the 15.8% weight reduction in the general waste bin for Participating Councils using a 3-bin system.

Could you please confirm by **COB today (Friday 4 February)** whether this understanding is correct? Please also confirm whether you consent to your response being published on the public register.

Kind regards
Miriam

Miriam Kolacz

A/g Assistant Director | Competition Exemptions | Mergers, Exemptions and Digital
Australian Competition & Consumer Commission
Level 4 | 271 Spring Street, Melbourne 3000
T: + 61 3 9658 6476 | www.accc.gov.au

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

From: Stephen Fitzpatrick
Sent: Tuesday, January 25, 2022 12:55 PM
To: 'Kolacz, Miriam' <miriam.kolacz@accc.gov.au>
Cc: Staltari, Danielle <Danielle.Staltari@accc.gov.au>; Ng, Andrew <Andrew.Ng@accc.gov.au>; Hill, Alison <Alison.Hill@accc.gov.au>; Cameron, Lucy <Lucy.Cameron@accc.gov.au>; Black, Susie <Susie.Black@accc.gov.au>; Sood, Rajat <Rajat.Sood@accc.gov.au>
Subject: RE: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3007910]

Dear Miriam

Thank you for the further clarification request.

Our response is in **red** below.

Regards

Steve



Stephen Fitzpatrick | Waste & Resources Recovery Specialist

Eastern Metropolitan Regional Council
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From: Kolacz, Miriam <miriam.kolacz@accc.gov.au>

Sent: Tuesday, January 25, 2022 9:06 AM

To: Stephen Fitzpatrick [REDACTED]

Cc: Staltari, Danielle <Danielle.Staltari@accc.gov.au>; Ng, Andrew <Andrew.Ng@accc.gov.au>; Hill, Alison <Alison.Hill@accc.gov.au>; Cameron, Lucy <Lucy.Cameron@accc.gov.au>; Black, Susie <Susie.Black@accc.gov.au>; Sood, Rajat <Rajat.Sood@accc.gov.au>

Subject: RE: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3007910]

OFFICIAL

Dear Stephen

Thank you for your response to Question 2 in our 22 December 2021 email. As discussed yesterday, there were two further points we wanted to clarify. We note that the ACCC is assessing your request for exclusion of your previous response from the public register, and we are therefore writing to you separately on this topic.

- (a) Note 2 in the Table of Comparative Service Costs (**attached**) says: *"The EMRC estimated cost per service for the General Waste Collection should be reduced significantly for Participants using the three-bin system. This is based on bin audit results from one of the Participant Councils which shows a 15.8% weight reduction in the general waste bin when going from a two-bin system to a three-bin system..."*

Given that Bayswater and Bassendean are already using a 3-bin system, please explain what this statement means for the interpretation of the costs provided in the Table, or any other cost estimates that have been provided to the ACCC? **The intention of this statement was to show that there are other factors not already included in our response that may see the cost per service for General Waste [REDACTED] reduce in practice, such as the weight reduction within General Waste bins resulting from participants using a three-bin FOGO system, which would allow collection vehicles to service more properties per run and save costs in driver time, fuel and maintenance. As proposed, route optimisation will be undertaken to determine further reductions in the cost per service.**

- (b) Please provide an estimate of the expected costs to each council to establish/administer its service agreement with EMRC (as a comparison to the [REDACTED] they currently incur using private sector providers). **The Participant Councils will be required to manage and monitor the EMRC**

service, for example they will monitor KPIs and review data and monthly reports to confirm the service is being delivered efficiently and as agreed. We expect that initially the costs will be similar to what they currently expend due to the service changes and customer enquiries that will go back and forth between EMRC and councils at the start of the contracts, however they should not require the same level of contract management as private sector contracts and their costs should reduce as the contracts proceed and confidence grows in the EMRC service delivery and reporting.

We request that you provide a response by COB **Thursday 27 January 2022**.

Kind regards
Miriam

Miriam Kolacz

A/g Assistant Director | Competition Exemptions | Mergers, Exemptions and Digital
Australian Competition & Consumer Commission
Level 4 | 271 Spring Street, Melbourne 3000
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From: Stephen Fitzpatrick [REDACTED]
Sent: Wednesday, 19 January 2022 4:45 PM
To: Black, Susie <Susie.Black@accc.gov.au>
Cc: Staltari, Danielle <Danielle.Staltari@accc.gov.au>; Kolacz, Miriam <miriam.kolacz@accc.gov.au>; Ng, Andrew <Andrew.Ng@accc.gov.au>; Hill, Alison <Alison.Hill@accc.gov.au>; Cameron, Lucy <Lucy.Cameron@accc.gov.au>; Hatfield, David <david.hatfield@accc.gov.au>; Jones, Gavin <gavin.jones@accc.gov.au>
Subject: RE: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL]

Dear Susie

Thank you for the follow up questions received 22 December 2021.

Our responses are in red below.

1. Based on the information provided by the Applicants to date, we have set out a description of the Proposed Conduct for which we understand the Applicants to be seeking authorisation. Can you please confirm that the following is an accurate description of the Proposed Conduct (noting in particular the text in **bold**). If this is not accurate or there are other aspects of the arrangements in respect of which authorisation is sought that are not captured, please provide those details.

*The Applicants seek authorisation in relation to the establishment of a regional waste collection service operated by EMRC, where the Participating Councils **jointly negotiate and administer, and enter and give effect to, service agreements with EMRC on the same or substantially similar terms**, for the provision of the following services: **Text added by the ACCC in bold is noted and accepted, bearing in mind that the three Participant Councils will have different start dates.***

- Domestic kerbside collection of:
 - Mixed general waste **(this service includes in-house processing of the waste for a separate fee)**
 - Co-mingled dry recyclables **(using existing MRF's for processing for which a separate fee will be negotiated)**
 - Food Organics Garden Organics collection as part a 3-bin system **(this service will use in-house processing for a separate fee)**
- Incidental commercial waste collection services to small businesses with services equivalent to domestic kerbside collection services
- Bin maintenance, repair and replacement **(this includes a provision for new bins for population growth)**
- Bulk waste collection service (mixed or specific) for the collection of larger household waste that cannot be disposed of within normal household bins **(this is for greenwaste and bulk waste and the EMRC can process both waste streams for a separate fee)**
- Event Waste Management
- Street **and parks** litter and illegal dumping management, and **(this service also includes community buildings such as swimming pools, libraries etc)**
- Customer service (i.e. contact point for enquiries, complaints etc.) **(this also provides for consistent customer support services and messaging across the three participant Councils)**

*(together, the collection and ancillary waste services)
(the Proposed Conduct).*

2. Please outline for each Applicant council:

- a. the current prices they pay for each of the collection of waste and ancillary waste services with the current providers they are contracted with. **See attached document.**
- b. any costs incurred in establishing and/or maintaining the arrangement each Applicant council has with their current provider. **See attached document.**

Note: The costs provided in the attached document are given under commercial-in-confidence and we request their exclusion from the public register.

As we have reiterated previously, the EMRC's focus is on providing a full waste management service including achieving maximum sorting and recovery of bulk waste and keeping ahead of changing regulations and public expectations.

Please advise if you require any additional 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

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From: Black, Susie <Susie.Black@accc.gov.au>
Sent: Wednesday, December 22, 2021 12:54 PM
To: Stephen Fitzpatrick <Stephen.Fitzpatrick@emrc.org.au>
Cc: Staltari, Danielle <Danielle.Staltari@accc.gov.au>; Kolacz, Miriam <miriam.kolacz@accc.gov.au>; Ng, Andrew <Andrew.Ng@accc.gov.au>; Hill, Alison <Alison.Hill@accc.gov.au>; Cameron, Lucy <Lucy.Cameron@accc.gov.au>; Hatfield, David <david.hatfield@accc.gov.au>; Jones, Gavin <gavin.jones@accc.gov.au>
Subject: AA1000587 - ACCC information request to EMRC - 22 Dec 2021 [SEC=OFFICIAL]

OFFICIAL

Dear Stephen

We had some follow up questions set out below, which we are seeking your response to by **19 January 2022**.

1. Based on the information provided by the Applicants to date, we have set out a description of the Proposed Conduct for which we understand the Applicants to be seeking authorisation. Can you please confirm that the following is an accurate description of the Proposed Conduct (noting in particular the text in **bold**). If this is not accurate or there are other aspects of the arrangements in respect of which authorisation is sought that are not captured, please provide those details.

*The Applicants seek authorisation in relation to the establishment of a regional waste collection service operated by EMRC, where the Participating Councils **jointly negotiate and administer, and enter and give effect to, service agreements with EMRC on the same or substantially similar terms**, for the provision of the following services: **Text added by the ACCC in bold in noted and accepted, bearing in mind that the three Participant Councils will have different start dates.***

- *Domestic kerbside collection of:*
 - *Mixed general waste*
 - *Co-mingled dry recyclables*
 - *Food Organics Garden Organics collection as part a 3-bin system*

- *Incidental commercial waste collection services to small businesses with services equivalent to domestic kerbside collection services*
- *Bin maintenance, repair and replacement*
- *Bulk waste collection service (mixed or specific) for the collection of larger household waste that cannot be disposed of within normal household bins*
- *Event Waste Management*
- *Street **and parks** litter and illegal dumping management, and*
- *Customer service (i.e. contact point for enquiries, complaints etc.)*

*(together, the collection and ancillary waste services)
(the Proposed Conduct).*

2. Please outline for each Applicant council:

- a. the current prices they pay for each of the collection of waste and ancillary waste services with the current providers they are contracted with.
- b. any costs incurred in establishing and/or maintaining the arrangement each Applicant council has with their current provider.

I note your response will be placed on the public register, subject to any request for exclusion you may make.

I note the team working on this matter will be on leave from this afternoon, returning in mid-January. Should you have any questions in relation to this matter in the meantime, please contact exemptions@accc.gov.au.

Kind regards

Susie

Susie Black

Director | Mergers, Exemptions and Digital

Australian Competition & Consumer Commission

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T: +61 2 6243 1055 | E: susie.black@accc.gov.au

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Office days: Tues, Wed, Fri (please contact danielle.staltari@accc.gov.au in my absence)

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Please Note: If you received this message outside your business hours it is because it was a convenient time for me to send it. Please do not feel obliged to respond until your normal work hours.