






Our Ref: SDD:231875

 (02) 4929 2000

 office@jenkinslegal.com.au

 Level 5, 77 Hunter Street,  
Newcastle NSW 2300

PO Box 771, Newcastle NSW 2300

**26 April 2024**

Competition Exemptions  
Australian Competition and Consumer Commission

By PORTAL and Email: [david.hatfield@acc.gov.au](mailto:david.hatfield@acc.gov.au)  
cc. [anna.pound@acc.gov.au](mailto:anna.pound@acc.gov.au)

Dear Mr Hatfield

**HUNTER RESOURCE RECOVERY – APPLICATION FOR AUTHORISATION FOR PROPOSED CONDUCT**

We act on behalf of Hunter Resource Recovery (“HRR”), in relation to an Application for Authorisation for Proposed Conduct.

**Application for authorisation**

We enclose the following:

1. Application for authorisation for proposed conduct, including annexures (public version);
2. Application for authorisation for proposed conduct, including annexures (confidential version that incorporates the changes outlined on page 2);
3. Letter from ACCC dated 30 January 2024 waving the standard application fee in part; and
4. Receipt showing payment of \$2,500, being the application fee, to ACCC account on 26 April 2024.

**Applicant**

We confirm that HRR is a trustee and delegate of Cessnock City Council, Lake Macquarie City Council, Maitland City Council and Singleton Council.

As stated in part 1.1 of the application, the applicant is HRR. However, in making this application for interim and final authorisation, HRR is seeking authorisation to engage in the proposed conduct outlined in the application on behalf of itself and HRR’s Member Councils, being Cessnock City Council, Lake Macquarie City Council, Maitland City Council and Singleton Shire Council (“Member Councils”).

## Background

HRR has previously been granted authorisation (number A91289) with respect to its joint tendering regarding the collection and processing of recyclables. This authorisation is set to lapse on 4 May 2024 and the contract term with HRR's existing contractor is due to cease on 30 June 2025.

On 31 January 2024, HRR was granted authorisation by the ACCC to jointly procure and contract for the establishment of a recycling processing and sorting facility for 27 years (AA1000647) and to jointly procure and contract for kerbside dry recycle collection in each Council's Local Government Area for 14 years (AA1000648). These authorisations also granted HRR authorisation to do all things necessary to give effect to the contract between Hunter Resource Recovery and Solo Resource Recovery that was entered into as a result of authorisation A91289.

Notwithstanding the above, since the applications were lodged, circumstances have significantly changed within the recycling industry. In light of this, the Member Councils are now reluctant to move forward with the joint tenders anticipated by authorisations AA1000647 and AA1000648 due to the industry uncertainty.

In light of this, HRR is proposing to enter into a short-term contract with its current contractor, Solo, for a period of up to three years from the date of expiry of the current contract on 30 June 2025 (being an initial eighteen months with the option of an eighteen month extension). This contract would be for both processing and collection of recyclables and would be on fundamentally the same terms as HRR's current contract with Solo.

This proposed short-term contract would allow HRR to delay going to market with the contracts as proposed in Authorisation AA1000647 and AA1000648, to allow time for the industry and market to stabilise and any tendering to be able to reflect that market. This would also provide time for the procurement process to occur.

This application is to apply for ACCC authorisation for the abovementioned conduct.

## Exclusion from public register

We request that the following details be excluded from the public register for the following reasons:

- (a) mobile number of Roger Lewis as outlined in the response to part 1.2 (personal, confidential information);
- (b) information outlined in the response to part 3.3, regarding the possible future strategic plan of HRR in relation to the processing contract;
- (c) information outlined in the response to part 10 in relation to the estimated financial costs to HRR should approval not be granted. This is commercially sensitive.;
- (d) list of suppliers (including their contact information) as outlined in the response to part 12 of the application (commercially sensitive and confidential information);
- (e) copy of the current contract annexed as Annexure D (commercially sensitive information); and
- (f) the copy of the extenuating circumstances report annexed as Annexure E which contains very commercially sensitive information.

### **Application for interim authorisation**

For the reasons set out in the 'Extenuating Circumstances' document annexed to the application and marked "E", HRR requests interim authorisation on an urgent basis in order to progress the short-term contracting process with Solo.

Providing such urgent authorisation will ensure continuity of the service and clarity for Member Councils and their residents.

As such, we respectfully request that this application be considered as soon as possible.

If you require any additional information with respect to this application, please do not hesitate to contact the writer.

Yours faithfully

**JENKINS LEGAL AND ADVISORY**

A handwritten signature in black ink, appearing to read 'Sally Davies', is positioned above the typed name.

**Sally Davies**  
**Partner**

## **Hunter Resource Recovery**

**New contract between Hunter Resource Recovery and Solo Resource Recovery regarding collections and processing of recyclate**

**April 2024**

## Application for authorisation for proposed conduct

### Parties to the proposed conduct

#### 1. Details of the applicants for authorisation:

##### 1.1 Name, registered office, telephone number, and ACN:

Hunter Resource Recovery (“HRR”), acting on behalf of its Member Councils, being Cessnock City Council, Lake Macquarie City Council, Maitland City Council and Singleton Shire Council (“Member Councils”).

HRR’s details are:

43-47 Bulwer Street, Maitland NSW 2320

Ph: 1800 838 884

ACN 071 432 570

##### 1.2 contact person’s name, position, telephone number, and email address:

Roger Lewis - HRR CEO

Ph: (02) 4934 4674; [REDACTED]

[Roger@hrr.com.au](mailto:Roger@hrr.com.au)

##### 1.3 a description of business activities:

HRR is a not-for-profit company limited by guarantee. Formed in 1996, it is jointly owned by, and operates on behalf of, its Member Councils (being Cessnock City Council, Lake Macquarie City Council, Maitland City Council and Singleton Shire Council. HRR provides a domestic recycling service to over 157,990 households across these Local Government Areas (“LGAs”).

A copy of the Memorandum and Articles for HRR is annexed as “**Annexure A**”. The Member Councils have entered into a “Recycling Contribution Agreement” for funding HRR and HRR has executed a declaration of trust in favour of the Member Councils (“**Annexure B**” and “**Annexure C**” respectively).

Established in 1996, HRR was one of the first joint ventures approved by the Australian Competition and Consumer Commission (“ACCC”) for tendering a kerbside recycling and collection service to 97,500 tenements.

HRR’s main business activity is to (on behalf of the Member Councils) administer the contract in relation to the collection, processing, sorting and distribution of recyclable materials from the Member Councils’ LGAs. The contract is currently with Solo Resource Recovery.

In addition, HRR provides the following functions:

- recycling education services;
- customer liaison and complaint investigation and resolution;
- acting as a primary contact point for the recycling service;

- providing monthly data on collection and other reporting;
- undertaking roadside bin audits for compliance;
- providing strategic advice to councils on recycling issues;
- administration of Public Event recycling services;
- administration of Councils' electronic waste recycling services;
- media liaison on recycling services.

As a not for profit entity, HRR ensures that any accumulated cash reserves are used to provide on-going support for the service and to subsidise the costs passed to the rate payers.

In addition, HRR is a delegate of each of the Member Councils for the purpose of entering into any contract regarding recycling. This delegation is made under s.355 of the *Local Government Act 1993* ("**LG Act**").

HRR is governed by a Board of Directors made up of:

- (a) the General Manager of each of the Member Councils;
- (b) an elected Councillor from each of the Member Councils; or
- (c) a Senior Director of each of the Member Councils; and

The Board meet regularly to monitor HRR and contractor performance, with the following activities:

- (a) providing quarterly Financial Reports at each meeting;
- (b) providing operational Reports at each meeting;
- (c) submitting an Annual budget for review, annually;
- (d) presenting a Financial Audit Report, annually; and
- (e) presenting an Annual Operation Performance Report.

HRR is committed to meeting the compliance standards established by the Australian Securities and Investment Commission ("ASIC") and conducts regular performance monitoring meetings.

HRR operates as the central hub for recycling services for each Member Council in the following manner:

- (a) by providing a centralised customer service call centre which operates as the recycling hotline;
- (b) by operating as a conduit between the Member Councils and the tenderer to ensure the highest possible standard of customer service is maintained;
- (c) by investigating all service complaints and reporting conclusions to both the Member Councils and the tenderer; and
- (d) by overseeing the Work Health and Safety performance of the contractor.

HRR coordinates all educational programs including:

- (a) development of the recycling website – [www.hrr.com.au](http://www.hrr.com.au);
- (b) providing website maintenance;

- (c) co-ordinating and undertaking school visits and presentations;
- (d) co-ordinating and undertaking presentations to community groups;
- (e) undertaking assessments of recycling programs to meet specific issues;
- (f) attending community events;
- (g) facilitating the development of the recycling education plan on behalf of the Member Councils;
- (h) developing print media resources; and
- (i) undertaking kerbside monitoring of recycling bins for correct use.

HRR is also supported by the General Managers Group, which consists of the general managers of each Member Council. This group meets quarterly and provides guidance and review of HRR's performance against previously agreed performance outcomes. Over the past 27 years of operations, HRR has met all Member Council requests, complaints and directions to the satisfaction of the Member Councils.

**1.4 email address for service of documents in Australia:**

[Roger@hrr.com.au](mailto:Roger@hrr.com.au) and cc [admin@hrr.com.au](mailto:admin@hrr.com.au)

**2. If applicable, provide details of any other persons and/or classes of persons who also propose to engage, or become engaged, in the proposed conduct and on whose behalf authorisation is sought. Where relevant provide:**

**2.1 name, address (registered office), telephone number, and ACN**

**2.2 contact person's name, telephone number, and email address for each of the above parties**

**2.3 a description of business activities of HRR and the above parties.**

This section is not applicable as authorisation is only being sought for HRR and its Member Councils. As such, please see the response to part 1.3 in relation to the business activities of HRR.

## **The proposed conduct**

**3. Provide details of the proposed conduct, including:**

**3.1 a description of the proposed conduct and any documents that detail the terms of the proposed conduct**

In 2014, HRR was granted authorisation by the ACCC to jointly tender for a separate recycling collection and processing service on behalf of its Member Councils (authorisation A91289). This authorisation is set to expire on 4 May 2024.

Following a tendering process, Solo Resource Recovery (Solo) and HRR entered into a contract for the conduct covered by authorisation A91289, for a term of 10

years plus an option for two, one-year extensions. Both options for extension were exercised, meaning that the contract with Solo remains in effect until 30 June 2025, while authorisation A91289 is set to expire on 4 May 2024.

On 31 January 2024, HRR was granted authorisation by the ACCC to jointly procure and contract for the establishment of a recycling processing and sorting facility for 27 years (AA1000647) and to jointly procure and contract for kerbside dry recycle collection in each Council's Local Government Area for 14 years (AA1000648). These authorisations also granted HRR authorisation to do all things necessary to give effect to the contract between Hunter Resource Recovery and Solo Resource Recovery that was entered into as a result of authorisation A91289.

Currently, HRR is administering this contract with Solo with respect to collection, processing and distribution of recyclables on a unified basis for its Member Councils (see attached, copy of existing contract as "**Annexure D**"). HRR manages recycling services for 158,000 households.

For the reasons outlined in the report prepared by HRR and annexed to this application ("**Annexure E**"), HRR is proposing to enter into a new, short-term contract with Solo, with the following terms:

- Date of commencement of the agreement is 1 July 2025, upon the expiry of the current agreement.
- Term of the agreement is 18 months, with an option to renew for a further period of 18 months. The maximum contract length would be 3 years (or 36 months).
- Services to be provided are the same as covered by the current contract between HRR and Solo, being kerbside collection, processing and distribution of recycle services, as already covered by the ACCC's existing authorisation A91289 and covered by new authorisation AA1000647 and AA1000648).
- The commercial terms are still to be negotiated between the parties.

The above points are collectively to be referred to as "The Solo Terms".

This proposed conduct would enable HRR's Member Councils to delay offering the next long-term processing contract until after the impacts of the Commonwealth Government export bans, low demand for recycled products, and stockpile issues are better understood, and corrective Federal and State policy actions implemented. The new open tender projected to be released in early to mid-2026 thereby ensuring more favourable market conditions and certainty for prospective tenderers reflected in more competition and competitive pricing for the communities our member councils serve.

HRR submits that the decision to engage in this proposed conduct has not been made lightly and has been arrived at through close consultation with industry leaders and experts, who are all aware of the extenuating circumstances due to the current turmoil in the recycling industry.

Furthermore, despite HRR's very best efforts, it will be late 2024 at the very least before HRR can award the new contracts for processing and for collections (as covered by the separate authorisation applications). This will not provide sufficient time for the infrastructure to be established (particularly for processing) to allow for continuity of service to ratepayers. As such, HRR has formed the view that it has no choice but to enter into a short term contract with Solo as outlined above and in the report annexed as Annexure E.



In light of the above, HRR is seeking authorisation (on behalf of itself and each Member Council) to:

- (a) engage in all necessary discussions between HRR and its Member Councils in order to enter into the proposed contract with Solo on the Solo Terms;
- (b) to all things necessary to give effect to any contracting between HRR and its Member Councils and Solo with respect to the proposed conduct; and
- (c) enter into and manage a contract with Solo on the Solo Terms for a period of eighteen months and one extension of up to a further eighteen months.

### 3.2 the relevant provisions of the *Competition and Consumer Act 2010 (Cth) (the Act)* which might apply to the proposed conduct, ie:

- (a) cartel conduct (Division 1 of Part IV)
- (b) contracts, arrangements or understandings that restrict dealings or affect competition (s. 45)
- (c) concerted practices (s. 45)
- (d) secondary boycotts (sections 45D, 45DA, 45DB, 45E, 45EA)
- (e) misuse of market power (s. 46)
- (f) exclusive dealing (s.47)
- (g) resale price maintenance (s. 48) and/or
- (h) a dual listed company arrangement (s. 49)

- cartel conduct (Division 1 of Part IV)
- contracts, arrangements or understandings that restrict dealings or affect competition (s. 45)

### 3.3 the rationale for the proposed conduct

The rationale for the proposed conduct is to provide an efficient and cost-effective process for the rate payers in each Member Councils' LGA regarding the collection and processing of their recyclables, and to reduce the amount of waste going to landfill.

The Federal Government acknowledges the importance of recycling and views it as essential. They recognise the industry's crisis and the need for substantial support and intervention to secure an industry generating \$15 billion in annual turnover and supporting 50,000 jobs nationwide.

The recycling industry continues to face multiple challenges including low commodity prices, high operational costs, post-pandemic labour shortages, supply chain interruptions and fluctuating end-markets. Impacts of the China Sword policy, Commonwealth Government material export bans on plastics and fibre, fragmented national policy direction, and the associated lack of onshore processing facilities (see more below), have all led to substantial cost increases for recyclers and reduced public trust in recycling practices. The future of recycling and the need for policy certainty is further illustrated in HRR's Submission included as "**Annexure E**".

To address concerns stemming from the instability in the recycling sector, HRR and other local councils (being Dungog, Muswellbrook, and Upper Hunter Councils) formed a Regional Recycling Working Group who were mandated to devise a more resilient regional recycling processing solution for the future.

The Working Group has developed a processing services contract and a tender to be released by HRR (in accordance with ACCC authorisation AA1000647) .

HRR has undertaken a review and determined that there is a high risk around tendering and entering into a new contract during the period July 2025 to June 2028.

HRR has concluded that the current industry uncertainty is too substantial to confidently proceed with a 15 - 25 year processing contract tender at this juncture. Initiating the tender now, with the aim of awarding a new processing contract in July 2025, is likely to result in an inflated cost to ratepayers. Additionally, the extended timeframe (up to 3 years) required for NSW Government planning and environmental licensing approvals for new waste management facilities further limits the outcomes of tendering now.

HRR proposes to delay tendering the processing contract until the impacts of the Federal legislation governing exports, low demand for recycled products, and stockpile issues are better understood, and corrective policy actions are implemented. This resolution process may take up to 36 months to attain the necessary clarity and confidence regarding the future of kerbside recycling, market conditions, and stabilizing commodity values.

Further, it is generally accepted that the current costs of collecting, primary processing, secondary sorting, handling, and transporting recyclate cannot be recovered through the sale of product under current nor future forecasted business as usual market conditions. Councils will therefore be expected to pay higher processing fees which will have a negative impact on ratepayers.



Since 1997, HRR has provided a service for collection, processing and distribution on a unified basis so that the Member Councils and their rate payers have collectively benefited from:

- promoting and stimulating competition within the market to attract a tenderer with the relevant skills and expertise;
- reducing the costs of recycling services for rates payers; and
- developing efficiencies in landfill management by minimizing the recovery of dry recyclables to minimize waste to landfill.

Since HRR's commencement in 1997, collectively, the Member Councils of Cessnock, Lake Macquarie, Maitland and Singleton have recycled over 750,000 tonnes of dry recyclables, saving 4,665,825 cubic metres of landfill space (calculated to June 2022). This equates to 93,000 truckloads of recycling from almost 20,000,000 bins and is enough to fill 260,000 backyard swimming pools.

The previous joint tender arrangement has ensured that the Service has remained affordable to all residents, even during times of significant change within the industry with the introduction of:

- China's National Sword policy – being China's strict restrictions on the importation of recyclable materials resulting in a glut of recycled materials in Australia. This glut has greatly increased the amount of recycled materials being stored (thus increasing storage costs) and the oversupply means that the recycled materials are now fetching a significantly reduced price when on-selling making companies' involvement in the industry, less attractive and cost effective;
- Federal export bans – being the Australia Government's regulation of the export of waste glass, plastic, tyres and paper, particularly its implementation of strict restrictions on the exportation of waste plastic unless it complies with certain requirements. Again, this has seen a glut of recycled materials in Australia (see response to point above for the ramifications of this). In 2024, to date, there has been no action by the Federal Government to address the impacts on these export bans and stockpiles of recyclables continue to grow and deteriorate. To date some 1.2 million kilos of product is stockpiled whilst awaiting market disposal. This stockpile continues to grow daily;
- a new Federal tax per tonne on certain exported recyclables, including glass, used tyres, plastics, paper and cardboard products, which has seen a significant increase to the costs of managing recyclables; and
- the Australian Government's commitment to evolving into a circular economy (being "*an economic system based on the reuse and regeneration of materials or products, especially as a means of continuing production in a sustainable or environmentally friendly way*"<sup>1</sup>). This government commitment includes the backing of schemes on the management and treatment of waste under the National Waste Policy Action Plan and will see a series of large changes to the industry itself which will revolutionise how the country handles recyclable materials.

All of the above changes have had significant cost implications for rate payers when it comes to the provision of their recycling service. That said, the ability of each of the Member Councils to jointly tender and contract has seen the Member Councils able to jointly manage those costs and thus limit the sum that has had to be passed on to the rate payers. By re-authorising such conduct, HRR can continue to manage the increase of costs to rate-payers and minimize such cost as much as possible (see response to part 10 for more information). Furthermore, entering into a new short-term contract with Solo, will provide additional time before HRR and its Member Councils is required to tender for the collections and processing services, providing any potential tenderers with the necessary time to attain the necessary clarity and confidence regarding the future of kerbside recycling, market conditions, and stabilizing commodity values, so that they can more appropriately tender.

The objective of HRR is to continue to provide a local, cost-effective solution to reducing waste to landfill, and to meet community expectations around sustainable waste management practices.

HRR proposes achieving these objectives with respect to the collection, processing and distribution of recyclables by:

---

<sup>1</sup> Oxford Languages

1. Providing a stable collections, processing and distribution service which provides significant environmental benefits by maximising the recovery of recyclables and minimising non-recyclables in the recycling bin;
2. Promoting considerable investment in the local economy to support the contract to provide meaningful employment and financial gain for existing and future local trade staff;
3. Promoting efficiency in collection service delivery through cross-LGA collection. As many collections are undertaken in suburbs, towns and villages which border adjacent Council areas, the collection runs will be designed to optimise the capacity of the collection vehicles by servicing nearby suburbs, towns and villages in those adjoining LGAs. This will greatly reduce heavy vehicle traffic movements, reduce greenhouse gas emissions and will be more cost efficient. These savings will then be passed on to the rate payer through lower service charges; and
4. Reducing fleet numbers through a regional centralised collection service and by maximising collection capacity, which ensures the number of collection vehicles is minimised. This will achieve a significant financial saving which will be passed onto the rate payers.

#### 3.4 the term of authorisation sought and reasons for seeking this period.

HRR is seeking authorisation from the Australian Competition and Consumer Commission to enter into a short-term contract with Solo Resource Recovery for kerbside collection and processing services on behalf of its Member Councils for a period of 18-months from 1 July 2025 until 31 December 2026, with the option for a further 18-month extension at the company's discretion from 1 January 2027 to 30 June 2028.

Authorisation is also sought for the time required to negotiate the terms of such new contract.

In light of the above, HRR is seeking urgent interim authorisation from on or around 1 May 2024 until 30 June 2028, to cover both the contract negotiation period and the period of the proposed contract.

#### 4. Provide documents submitted to the applicant's board or prepared by or for the applicant's senior management for purposes of assessing or making a decision in relation to the proposed conduct and any minutes or record of the decision made.

See attached, document prepared by HRR (**Annexure E**).

#### 5. Provide the name of persons, or classes of persons, who may be directly impacted by the proposed conduct (e.g. targets of a proposed collective bargaining arrangement; suppliers or acquirers of the relevant goods or services) and detail how or why they might be impacted.

The names of entities who may be directly impacted by the proposed conduct are the current recycling service providers operating in the Hunter Region including, but not limited to (and noting that not all provide both collections and processing services):

1. Cleanaway (collection services only);
2. JJ's Waste & Recycling (collection services only);
3. JR Richards and Sons (collection services only);
4. IQ Renew PL (processing services only);
5. Re-Group Pty Ltd (collection and processing services when operating in conjunction with Solo Resource Recovery);
6. Remondis (collection services only);
7. Solo Resource Recovery (collection services only);
8. Visy Recycling (collection services only).

Notwithstanding the above, each of the above recycling service providers will have an equal opportunity to compete for the Tender to be filed should authorisation be granted by the ACCC with respect to HRR's separate applications in relation to collections and processing.

## Market information and concentration

6. **Describe the products and/or services, and the geographic areas, supplied by the applicants. Identify all products and services in which two or more parties to the proposed conduct overlap (compete with each other) or have a vertical relationship (e.g. supplier-customer).**

The below map shows the LGAs of the Hunter Region. HRR Councils are highlighted in yellow:



Each of the Member Councils operate independently from one another within the boundaries of their respective LGA, and each Member Council provides the standard products and services of a Council.

The conduct subject of this application is with respect to the collection of recyclables within each Member Council's LGA.

Each Member Council operates in the joint-venture of "HRR" regarding collection and processing of recyclates within their LGA (including, steel cans; aluminium cans and pie trays; glass bottles and jars; plastic food and liquid containers; and paper and cardboard). They do not have a customer-supplier relationship in relation to this conduct. If they were not members of HRR, each Member Council would be separately contracting with a third-party provider to collect and process its recyclate and such contracts may be with the same or different companies depending on each Council.

Under this proposal, HRR (representing all 4 Member Councils) would enter into a new short term contract with Solo with respect to the collection, processing and distribution of recyclates in each Member Councils' LGA.

It is estimated that approximately 30,880 tonnes of recyclables will be collected under this proposed conduct and transported to a central location for processing and distribution.

The relevant statistics for the Member Councils are:

HRR Council	Council Area (Km2)	Services as at 1 Jan 23	Households (Private Dwellings Census 2021)	Populations (Census 2021)	Recycling Collection Tonnage (tpa) 2021 /22	Population growth predications (NSW Gov't Planning)
CCC	1,966	25,421	22,549	63,632	4,000	1.81%
LMCC	648	85,780	88,815	213,845	17,471	0.78%
MCC	396	35,863	35,413	90,226	5,976	2.41%
SSC	4,983	9,436	9,810	24,577	1,500	-0.25%
<b>TOTALS</b>	<b>7,993</b>	<b>156,500</b>	<b>156,587</b>	<b>392,280</b>	<b>28,947</b>	<b>1.19% av</b>

Note – Tonnage before Contamination and residual waste is taken out.

**Average annual kilograms of recycled waste per home**

COUNCIL	YEAR 1998	YEAR 2017	YEAR 2023
CCC	136kg	230kg	136kg
LMCC	159kg	237kg	174kg
MCC	143kg	220kg	143kg
SSC	-	231kg	138kg

Note: Cessnock City Council (CCC), Lake Macquarie City Council (LMCC), Maitland City Council (MCC) and Singleton Shire Council (SSC)

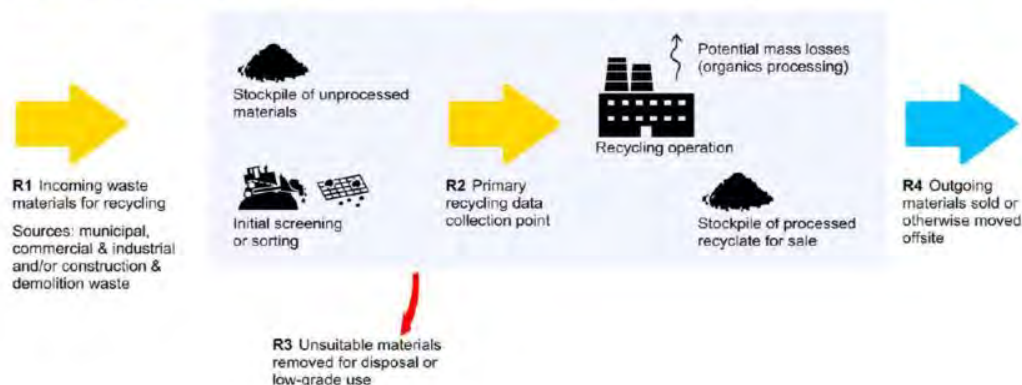
HRR notes that the reduction in weight over the years for kerbside recycling per household is a result of the NSW Container Deposit Scheme which commenced on 1 December 2017. Under the current collections contract, the Member Councils have also seen a significant decline in the contamination of the collected recycled waste, resulting in less ending up in landfill.

- Describe the relevant industry or industries. Where relevant, describe the sales process, the supply chains of any products or services involved, and the manufacturing process.**

The waste management and recycling industry in Australia is best summarised in the annexed extract from the report entitled “Never waste a crisis: the waste and recycling industry in Australia”, dated 26 June 2018 (“Annexure F”).

The current supply process regarding recyclate is outlined in the below diagram extracted from the “National Waste Report 2022”:

Figure 16 A generic recycling process, illustrating what is included in the data presented in this section



In relation to each HRR Member Councils, at present, all recyclate is collected from the respective LGAs and then taken to a Materials Recovery Facility for sorting and processing.

8. In respect of the overlapping products and/or services identified, provide estimated market shares for each of the parties where readily available.

As stated in the response to part 6, the relevant statistics for the Member Councils are:

HRR Council	Council Area (Km2)	Services as at 1 Jan 23	Households (Private Dwellings Census 2021)	Populations (Census 2021)	Recycling Collection Tonnage (tpa) 2021 /22	Population growth predications (NSW Gov't Planning)
CCC	1,966	25,421	22,549	63,632	4,000	1.81%
LMCC	648	85,780	88,815	213,845	17,471	0.78%
MCC	396	35,863	35,413	90,226	5,976	2.41%
SC	4,983	9,436	9,810	24,577	1,500	-0.25%
<b>TOTALS</b>	<b>7,993</b>	<b>156,500</b>	<b>156,587</b>	<b>392,280</b>	<b>28,947</b>	<b>1.19% av</b>

Note – Tonnage before Contamination and residual waste is taken out.

The Member Councils’ areas span from the Lower Hunter to the Upper Hunter Region. Of the 271,351 residential services available within the Hunter Region as a whole, the Contract area for Member Councils represents 57% of the total Council’s domestic market.

The Member Councils make up the following percentage of overall totals (with the percentages calculated on the total area covered by the councils highlighted in Figure 1, except for Midcoast and Central Coast):

Council Area (Km2)	Services as at 1 Jan 23	Households (all Private Dwellings Census 2021)	Populations (Census 2021)	Recycling Collection Tonnage (tpa) 2021 /22
34.89%	57.67%	54.97%	57.97%	43.05%

9. **In assessing an application for authorisation, the ACCC takes into account competition faced by the parties to the proposed conduct. Describe the factors that would limit or prevent any ability for the parties involved to raise prices, reduce quality or choice, reduce innovation, or coordinate rather than compete vigorously. For example, describe:**

- 9.1 **existing competitors**
- 9.2 **likely entry by new competitors**
- 9.3 **any countervailing power of customers and/or suppliers**
- 9.4 **any other relevant factors.**

In 2014, HRR only received three tender submissions with respect to collection and sorting of recyclate. Now, there is only one local provider who provides both collections and processing services and in the current recycling climate (with such high expenses and little return on product) HRR is of the view that only large businesses would even be interested in tendering for such contract. This means that smaller enterprises are excluded from the market and those who might tender would likely do so for a much higher price point, greatly affecting ratepayers.

Prices under the proposed contract with Solo would be fixed, however will be subject to adjustment for CPI and any key changes to the law. No other restriction on Solo is proposed to apply and Solo would be free to provide their services to other non-HRR councils should they so wish. Solo would also be permitted to engage subcontractors for the provision of some of the services.

Further, Solo would be encouraged to be innovative over the life of the contract, including through utilising collection trucks using alternate fuels such as electricity, hydrogen gas or Euro 7 standards, and by modifying collection zones to improve service delivery.

HRR submits that similar conduct regarding HRR's joint tendering for recycling services has previously been approved, and similar conduct has also been approved by the ACCC regarding other councils.


## Public benefit

10. **Describe the benefits to the public that are likely to result from the proposed conduct. Refer to the public benefit that resulted under the authorisation previously granted. Provide information, data, documents or other evidence relevant to the ACCC's assessment of the public benefits.**

The proposed conduct aligns with the public interest by enhancing regional waste management resilience, boosting local economies, and reducing financial risks to councils and ratepayers. ACCC approval will contribute to the sustainable future of recycling in the Hunter region.



HRR believes that the proposal will yield substantial public benefits, including:

- 1) **Significant financial benefits to residents of HRR Member Councils**
  - A financial advantage review has yielded an estimated \$8 million benefit for HRR Member Councils over a period of 5 years, should they be authorised to enter into the proposed short-term contract.  

  - A financial loss to HRR Member Councils will in turn affect residents, as it will harm each Member Council's ability to fund other projects in their respective Local Government Areas.
- 2) **Re-establishing a new local primary sorting facility in 2024:**
  - At present, the absence of local sorting facilities for Member Councils and other local councils mandates the transfer of all recyclables to Sydney for processing. While Solo Resource Recovery is progressing toward reestablishing a local sorting facility at Gateshead, the feasibility of investing up to \$30 million for local primary sorting and new secondary sorting hinges on the possibility of recovering some expenditure through a service extension with HRR.
  - Newcastle City Council, in collaboration with IQ Renew, had planned to establish a new sorting facility at Summerhill Waste Management Centre, catering to the needs of the Newcastle area; however have subsequently rescinded the tender due to costs (see further explanation in Annexure E). This makes the establishment of a local sorting facility even more urgent.
  - HRR's long-term ambitions encompass encouraging and supporting local start-ups that utilise its recovered products, fostering local resilience through secure end-market off takers, and propelling the development of a robust local circular economy.
  - HRR's proposed course of action aligns with the public interest and significantly mitigates financial risks for Member Councils, while having negligible impact on other commercial operators. Should the ACCC endorse the requested extension based on the extenuating circumstances explained in this application, it would confer councils with more competitive tender conditions, reinforcing their commitment to the sustainable future of recycling in our region.
- 3) **Establishing a new local secondary sorting and processing facility for plastics in 2024.**
  - Solo Resource Recovery and ReGroup are planning to establish a PET and HDPE plastics secondary sorting and flaking facility on the NSW Central Coast. This facility is anticipated to become operational in late 2024, pending necessary authorisations and consents and will allow Member Councils to have their products processed locally again.
- 4) **Establishing a local new secondary sorting facility for paper/cardboard in 2024.**
  - ReGroup is investing in secondary sorting capabilities for paper and cardboard at the Gateshead MRF. This facility is also proposed to be operational in late 2024 and promises to contribute to the circular economy while generating new direct and indirect employment opportunities.

- 5) **Processing products locally, leading to a significant reduction in heavy truck movements on local roads and thereby contributing to environmental and safety improvements.**
- 6) **Increased competition among processors once the impacts of export bans, market conditions, and the CDS become clear. This competitive market will lower the cost of recycling processing, shielding ratepayers from higher domestic waste management charges in the 2025 and 2026 financial years.**
- 7) **The potential to stimulate support industries through the local availability of high volumes of quality market-ready products, thereby contributing to the local circular economy.**
- 8) **The possibility of generating hundreds of new regional jobs through increased local processing and remanufacturing.**
- 9) **Local processing leading to boosted commodity prices due to heightened demand, potentially eliminating the need to stockpile or landfill these resources.**
- 10) **Providing councils with the certainty of a secure service and a known ongoing cost for processing.**

See HRR two ACCC applications with respect to authorisation for collections and processing (AA1000647 and AA1000648) for further support of the above points.

## **Public detriment including any competition effects**

11. **Describe any detriments to the public likely to result from the proposed conduct, including those likely to result from any lessening of competition. Refer to the public detriment that may have resulted under the authorisation previously granted. Provide information, data, documents, or other evidence relevant to the ACCC's assessment of the detriments.**

HRR acknowledges that a public detriment may arise as a joint procurement by the Member Councils would effectively see one provider retained to collect and process recyclables within the relevant LGAs. The relevant LGA comprises a substantial proportion of the market to process and sort the recyclables and therefore it may operate to reduce competition.

HRR also notes that the provision of a short term contract also delays other contractors from being able to tender to provide such services until the expiration of the new contract, being 31 December 2026 at the earliest if no extensions are entered into.

That said, HRR and the Member Councils note that once the short term contract has ended, there would be a fair opportunity for all the various service providers to participate in a tender process and to submit a competitive price on a level playing field with other service providers to provide collection and/or processing services. Furthermore, the proposed contract is only with a maximum of 4 out of the 128

Councils in NSW so there are many other opportunities for those contractors to provide their services to other Councils in NSW.

HRR also notes this proposed conduct and previous conduct is only with regards to council issued recycling bins, and that commercial waste services in the region will remain available to be provided by various service providers. Such providers can also contract with non-HRR Councils in the area (ie Newcastle, Port Stephens, Central Coast, Dungog, Upper Hunter and Muswellbrook) with respect to council issued recycling bins. General waste collections are independent with a mix of councils and contractors providing services. Green waste is contracted under 7 separate contracts.

The proposed contract would allow for Solo to engage sub-contractors for the provision of some services. It is possible that the tenderer may seek competitive quotes for these services which may allow smaller operators an opportunity to participate in the Service.

### Contact details of relevant market participants

12. **Identify and/or provide names and, where possible, contact details (phone number and email address) for likely interested parties such as actual or potential competitors, customers and suppliers, trade or industry associations and regulators.**

**Potential suppliers (as outlined in the response to part 5 and noting that not all provide both collections and processing services):**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

(h) [REDACTED]

**Industry associations and regulators:**

(a) **Australian Council of Recycling (“ACOR”)**  
Level 23, 520 Oxford Street, Bondi Junction NSW 2022  
Ph: (02) 8074 7007  
Email: [admin@acor.org.au](mailto:admin@acor.org.au)

(b) **National Waste and Recycling Industry Council (“NWRIC”)**  
Level 1, The Realm, 18 National Circuit, Barton ACT 2600  
Ph: 0407 125 680  
Email: ceo@nwrlic.com.au; secretariat@nwrlic.com.au

(c) **NSW Environmental Protection Authority**  
6 Parramatta Square, 10 Darcy Street, Parramatta NSW 2150  
Ph: (02) 9995 5000  
Email: info@epa.nsw.gov.au

(d) **Waste Management and Resource Recovery Association Australia (WMRR)**  
57 St Johns Road, Glebe NSW 2037  
Ph: (02) 8746 5000  
Email: [info@wmrr.asn.au](mailto:info@wmrr.asn.au)

### Additional information

13. Provide any other information or documents you consider relevant to the ACCC’s assessment of the proposed application.

Nil

## Declaration by Applicant(s)

Authorised persons of the applicant(s) must complete the following declaration. Where there are multiple applicants, a separate declaration should be completed by each applicant.

The undersigned declare that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned undertake(s) to advise the ACCC immediately of any material change in circumstances relating to the application.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the Criminal Code (Cth).



---

Signature of authorised person

Sally Dianne Davies, solicitor of the Applicant

This            26th            day of            April            2024

Note: If the Applicant is a corporation, state the position occupied in the corporation by the person signing. If signed by a solicitor on behalf of the Applicant, this fact must be stated.

---

CORPORATIONS LAW  
A COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

HUNTER RESOURCE RECOVERY ACN 071 432 570

TREVOR DUNN SOLICITORS

148 Beaumont Street,  
HAMILTON NSW 2303  
Telephone: (049) 69 3699  
Fax: (049) 69 3528

---

Reprinted with amendment to Article 13 made 29 November, 1995.  
Reprinted with amendment to Articles 1, 13, & 35 made  
5 June, 1996

THIS IS ANNEXURE A OF 1 PAGE REFERRED TO IN FORM 205 NOTIFICATION OF RESOLUTION

~~THIS IS THE ANNEXURE MARKED "A" - DETAILS OF THE RESOLUTION~~

**Article 1:**

By deleting the definition of "Councils" and substituting:

\* "Councils" means such of the Council of the City of Cessnock, the Council of the City of Lake Macquarie and the Council of the City of Maitland and such other councils constituted under the Local Government Act 1993 (NSW) as for the time being and from time to time as are members of the Company; and "Council" means one of them;

By deleting the definition of "Mayor" and substituting:

"Mayor" means the mayor of a Council.

**Article 13:**

By deleting Article 13 and substituting:

"13. The Board of Directors comprises the members of the Company other than the Corporate Members and the Corporate Members' Representatives (in that capacity)."

**Article 35:**

By deleting Article 35 and substituting:

"35. While two or more Corporate Members are members of the Company no business is to be transacted at any general meeting unless not less than two of the Corporate Members are present. Subject to Article 4, each member has one vote in general meetings of the Company."



CORPORATIONS LAW  
A COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

HUNTER RESOURCE RECOVERY ACN 071 432 570

1. The name of the Company is Hunter Resource Recovery ("the Company").
2. The Company has the powers set forth in Section 161(1) of the Corporations Law and without limiting the generality hereof has the following powers:
  - (i) The promotion of commerce, industry and local government by the provision and development of waste recycling and waste management services, technology and information to local government in New South Wales.
  - (ii) To accept appointment as and act as delegate of any person or body corporate with or without reward and to carry out any act in exercise or performance of the delegation and to declare a trust in respect of any property whatsoever including without limitation that acquired or obtained in or in consequence of the exercise or performance of the delegation or otherwise.
  - (iii) To accept appointment and to act as trustee of any trust or fund with or without reward.
  - (iv) To subscribe to, become a member of, co-operate with or amalgamate with any other association or organisation, whether incorporation or not, whose objects are similar to those of the Company.

The Company must not subscribe to or support with its funds or amalgamate with any association or organisation which does not prohibit the distributions of its income and property among its members to an extent at least as great as that imposed on the Company under or by virtue of Clause 3 of this Memorandum.
  - (v) To buy, sell and deal in all kinds of apparatus and all kinds of provisions, liquid and solid, required by the members of the Company or persons frequenting the Company's premises.
  - (vi) To purchase, take on lease or in exchange, hire and otherwise acquire any lands, building, easement or property, real and personal, and any rights or privileges which may be requisite for the purposes of, or capable of being conveniently used in connection with, any of the objects of the Company.

However in case the Company takes or holds any property which may be subject to any trusts the Company must only deal with the same in such manner as is allowed by law having regard to such trusts.



- (vii) To enter into any arrangements with and to act pursuant to any power, authority or duty delegated by, any government or authority, federal, state, municipal, local, or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think it desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (viii) To appoint, employ, remove or suspend such managers, clerks, secretaries, servants, workmen and other persons as may be necessary or convenient for the purpose of the Company.
- (ix) To establish and support or aid in the establishment and support of associations, institutions funds, trusts and conveniences calculated to benefit employees or past employees of the Company or the dependants or connections of any such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any public, general or useful object.
- (x) To construct, improve, maintain, develop, work, manage, carry out, alter or control any houses, buildings, grounds, works or conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidise, or otherwise assist and take part in, the constructions, improvement, maintenance, development, working, management, carrying out, alteration, or control thereof.
- (xi) To invest and deal with money of the Company not immediately required in such manner as the Board thinks fit.
- (xii) To borrow or raise or secure the payment of money in such manner as the Company may think fit and secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures, perpetual or otherwise charged upon all or any of the Company's property (both present and future), and to purchase, redeem, or pay off such securities.
- (xiii) To make, draw, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, and other negotiable, or transferable instruments.
- (xiv) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all, or any part of the property and rights of the Company.
- (xv) To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the Company's property of whatsoever kind sold by the Company or any money due to the Company from purchasers and others.

- (xvi) To take any gift of property, whether subject to any special trust or not, for any one or more of the objects of the Company but subject always to the prohibition in paragraph (iv) above.
- (xvii) To take such steps by personal or written appeals, public meetings, or otherwise, as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the Company in the shape of donations, annual subscriptions or otherwise.
- (xviii) To print and publish any newspapers, periodicals, books or leaflets that the Company may think desirable for the promotion of its objects.
- (xix) To purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of the companies, institutions, societies, or associations with which the Company is authorised to amalgamate.
- (xx) To transfer all or any part of the property, assets, liabilities and engagements of the Company to any one or more of the companies, institutions, societies, or associations with which the Company is authorised to amalgamate.
- (xxi) To make donations for patriotic or charitable purposes.
- (xxii) To transact any lawful business in aid of the Commonwealth of Australia in the prosecution of any war in which the Commonwealth of Australia is engaged.

The Company must not support with its funds any activity or endeavour to impose on or procure to be observed by its members or others any regulations or restrictions which if an object of the Company would make it a trade union within the meaning of the Trades Union Act 1958.

3. The income and property of the Company whencesoever derived must be applied solely towards the promotion of the objects of the Company as set forth in this Memorandum of Association, and no portion thereof is to be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise, to the members of the Company.

Nothing contained in these Articles prevents the payment in good faith of remuneration to any officers or servants of the Company or to any member of the Company in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual way of business, nor prevent the payment of interest at a rate not exceeding the rate for the time being fixed for the purpose of this paragraph by the Articles of Association on money borrowed from any members of the Company or reasonable and proper rent for premises demised or let by any member to the Company, but so that no Director is appointed to any salaried office of the Company or any office of the Company paid by fees and that no remuneration or other benefit in money or money's worth is paid or given by the Company to any Director except repayment of out-of-pocket expenses and interest at the rate aforesaid

on money lent or reasonable and proper rent for premises demised or let to the Company.

The Company must not make any payment to any Director of the Company other than:

- (i) for the payment of out-of-pocket expenses incurred by the Director in the performance of any duty as Director of the Company where the amount payable does not exceed an amount previously approved by the Board of Directors.
  - (ii) for payment of any service rendered to the Company by the Director in a professional or technical capacity, other than in the capacity as director, where the provision of the service has the prior approval of the Board of Directors and where the amount payable is approved by the Board of Directors and is not more than an amount which commercially would be reasonable payment for the service; or
  - (iii) for payment of any salary or wage due to the director as an employee of the Company where the terms of employment have been approved by the Board of Directors.
  - (iv) for the provision of a financial benefit to a director to which subsection 243K(7A) of the Law refers or payment of an insurance premium in respect of a contract insuring a director to which subsection 243K(7B) of the Law refers.
4. The liability of the members is limited.
  5. Every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company (contracted before he ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding five dollars (\$5.00).
  6. If upon the winding-up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, it must not be paid to nor distributed among the members of the Company, but must be given or transferred to some other corporation the objects of which, as stated in its constitution, are restricted to one or more of the objects specified in Section 383(i)(a) of the Law and to objects incidental or conducive to those so specified and which, by its constitution, is required to apply its profits (if any) or other income in promoting its objects and is prohibited

from paying any dividend to its members. The corporation is to be determined by the members of the Company at or before the time of the dissolution and in default thereof by application to the Supreme Court for determination.

7. True accounts must be kept of the sums of money received and expended by the Company and the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the Articles of Association for the time being in force, must be open to the inspection of the members. Once at least in every year, the accounts of the Company must be examined by one or more properly qualified auditor or auditors who must report to the members in accordance with the provisions of the Corporations Law.
8. The names, addresses and occupations of the subscribers are as follows:

Trevor Hamilton Dunn  
148 Beaumont Street  
Hamilton NSW 2303  
Solicitor

Katherine Ann Ross  
148 Beaumont Street  
Hamilton NSW 2303  
Solicitor

Paola Simone  
148 Beaumont Street  
Hamilton NSW 2303  
Law Clerk

Roslyn Schreiber  
148 Beaumont Street  
Hamilton NSW 2303  
Law Clerk

Barbara Isabel Palmer  
148 Beaumont Street  
Hamilton NSW 2303  
Law Clerk

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of the Memorandum of Association.

Signature of Subscribers

T.H. Dunn  
Trevor Hamilton Dunn

K.A. Ross  
Katherine Ann Ross

P. Simone  
Paola Simone

R.L. Schreiber  
Roslyn Schreiber

B. Palmer  
Barbara Isabel Palmer

Witness to signature and  
Address of witness

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Dated 28 September, 1995.

CORPORATIONS LAW  
A COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

HUNTER RESOURCE RECOVERY ACN 071 432 570

INTERPRETATION

1. In these Articles:

"the Law" means the Corporations Law 1990;

"the Board" or "the Board of Directors" means the Directors of the Company elected or appointed pursuant to those Articles.

"the Company" means Hunter Resource Recovery.

"Councils" means such of the the Council of the City of Cessnock, the Council of the City of Lake Macquarie and the Council of the City of Maitland and such other councils constituted under the Local Government Act 1993 (NSW) as for the time being and from time to time as are members of the Company; and "Council" means one of them;

"Corporate Members" means the Councils and "Corporate Member" means one of them.

"General Manager" includes a person for the time being fulfilling the duties of General Manager;

"Corporate Member's Representative" means the relevant person by whom a Corporate Member is represented and who acts for the Corporate Member pursuant to Article 3.

"Mayor" means the mayor of a Council.

"the seal" means the common seal of the Company;

"secretary" means any person appointed to perform the duties of a secretary of the Company and includes an Honorary Secretary;

expressions referring to writing, unless the contrary intention appears, are construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

words or expressions contained in these Articles must be interpreted in accordance with the provisions of the Law.

references to statutes, regulations, ordinances or by-laws or the provisions of them are taken to extend to all statutes, regulations, ordinances, by-laws or provisions amending, consolidating or replacing them. A reference to a statute includes a reference to all regulations, ordinances and by-laws under it.

2. The Company is established for the purposes set out in the Memorandum of Association.

#### CORPORATE MEMBERS

3. Each Corporate Member is represented by and acts by:
  - (a) its General Manager; or
  - (b) the person (being a councillor of the Council or the holder of a senior staff position in the Council's organisation structure) for the time being holding the written delegation of the General Manager; or
  - (c) the person (being a councillor of the Council or the holder of a senior staff position in the Council's organisation structure) in the stead of its General Manager (and his or her delegate) as for the time being is appointed by a Council. The person is accredited to represent the Corporate Member upon notice in writing of the appointment signed by the Mayor of the Council being given to the Company.
4. While any Corporate Member is a member or any Corporate Members are members of the Company:
  - (a) it or they:
    - (i) alone is or are entitled to vote at any general meeting of the Company; and
    - (ii) has one vote, or have one vote each, including without limitation on a show of hands and on a poll; and

- (b) other members of the Company are entitled to receive notice of and to attend general meetings of the Company but are not entitled to vote at any general meeting of the Company.
5. A Corporate Member:
- (a) ceases to be a member of the Company if it resigns its membership by notice in writing to the Company: or
- (b) at the election of the other Corporate Members, if it ceases to exist or is merged with another council or is incorporated into another local government area under the Local Government Act 1993.

### MEMBERSHIP

6. The subscribers to the Memorandum of Association, such persons admitted to membership by the Board in accordance with these Articles and persons admitted to membership pursuant to Article 7 are members of the Company.
7. Notwithstanding Articles 8 and 9, the Corporate Members together may from time to time make request in writing under hand of their respective Corporate Member's Representative to the Directors to admit such person or persons ("applicant") as they may nominate to membership of the Company. If the Directors refuse or fail to admit any person or persons ~~so~~ nominated to membership of the Company within 14 days of such request the Corporate Members by ordinary resolution in general meeting may admit any such person or persons to membership of the Company with effect from the passage of the resolution.
8. Every person proposed for membership ("applicant") of the Company (other than the subscribers to the Memorandum of Association and persons admitted pursuant to Article 7) must be proposed by one and seconded by another member of the Company.
9. At the next meeting of the Board after the receipt of any request pursuant to Article 7 or of any proposal for membership, pursuant to Article 8, the request or proposal must be considered by the Board, which must thereupon determine upon the admission or rejection of the applicant. In no case is the Board required to give any reason for the rejection of an applicant.
10. When an applicant has been accepted for membership the Secretary must forthwith send to the applicant written notice of his or her acceptance.



11. A member (other than a Corporate Member) of the Company may be removed as a member of the Company by unanimous vote of the Corporate Members present in general meeting.

#### CESSATION OF MEMBERSHIP

12. (a) A member automatically and simultaneously ceases to be a member of the Company upon his or her or its giving notice in writing to the Secretary of his or her or its resignation; and
- (b) A member (other than a Corporate Member) automatically and simultaneously ceases to be a member of the Company upon his or her ceasing to be a Director of the Company.

but continues liable for all monies due by him or her or it to the Company and in addition for any sum not exceeding five dollars (\$5.00) for which he or she or it is liable as a member of the Company under Clause 5 of the Memorandum of Association of the Company.

#### THE BOARD OF DIRECTORS

13. The Board of Directors comprises the members of the Company other than the Corporate Members and the Corporate Members' Representatives (in that capacity).
14. A person ceases to be a Director of the Company if he or she:
- (a) ceases to be a member of the Company;
  - (b) becomes insolvent under administration or makes any arrangement or composition with his creditors generally; or
  - (c) becomes prohibited from being a director of a company by reason of any order made under the Law; or
  - (d) ceases to be a Director by operation of Section 228 of the Law; or
  - (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health; or
  - (f) resigns his office by notice in writing to the Company; or
  - (g) for more than three months is absent without permission of the Board from meetings of the Board held during that period; or
  - (h) holds any office of profit under the Company; or
  - (i) is directly or indirectly interested, within the meaning of Section 231 of the Law in any contract or proposed contract with the Company. Nothing in this sub-Article affects the operation of Clause 3 of the Memorandum of Association of the Company.

- (j) ceases to be a Corporate Member's Representative.
15. The Chairman of the Company and of the Board of Directors must be elected at the Annual General Meeting of the Company or otherwise forthwith upon a vacancy occurring.

#### POWERS AND DUTIES OF THE BOARD

16. The business of the Company is managed by the Board who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company in general meeting, subject nevertheless, to any of these Articles, the provisions of the Law, and such directions, not being inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; provided that any rule, regulation or by-law of the Company issued or made by the Board may be disallowed by the Company in general meeting; and provided further that no resolution passed by the Company in general meeting invalidates any prior act of the Board, which would have been valid if that resolution had not been passed.
17. For the purpose of Clause 3 of the Memorandum of Association the rate of interest payable in respect of money lent by members to the Company must not exceed the lowest rate paid for the time being by the Commonwealth Bank in respect of term deposits.
18. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company must be signed, drawn, accepted, endorsed or otherwise executed as the case may be, by any two Directors or in such other manner as the Board from time to time determines.
19. The Board must cause minutes to be made:
- (a) of all appointments of officers and servants;
  - (b) of the names of the Directors present at all meetings of the Company and of the Board;
  - (c) of all proceedings at all meetings of the Company and of the Board.

The minutes must be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

PROCEEDINGS OF THE BOARD OF DIRECTORS

20. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may at any time, and a Secretary must, on the requisition of a Director, convene a meeting of the Board.
21. Subject to these Articles questions arising at any meeting of the Board are decided by a majority of votes and a determination by a majority of the Directors present is for all purposes taken to be a determination of the Directors. In case of an equality of votes the chairman of the meeting has a second or casting vote.
22. The quorum necessary for the transaction of the business of the Board is a majority of the total number of Directors for the time being or such other number as may be fixed by the Directors.
23. The Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the number fixed by or pursuant to Article 22 as the necessary quorum of the Board, the Director or Directors may act for the purpose of increasing the number of Directors to that number or of convening a general meeting of the Company, but for no other purpose.
24. The Chairman presides as chairman at every meeting of the Company and of the Board, or if there is no Chairman, or if at any meeting he is not present within ten minutes after the time appointed for holding the meeting, or if being present, he or she is unwilling to preside, then the members may choose one of their number to be chairman of the meeting.
25. The Board may delegate any of its powers and or functions (not being duties imposed on the Board as the Directors of the Company by the Law or the general law) to one or more committees consisting of such member or members of the Company as the Board thinks fit. Any committee so formed must conform to any regulations that may be given by the Board and subject thereto has power to co-opt any member or members of the Company and all members of such committees have one vote.
26. The Board may appoint one or more advisory committees consisting of such member or members of the Board and such other member or members (whether or not members of the Company) as the Board thinks fit. Such advisory committees act in an advisory capacity only. They must conform to any regulations that may be given by the Board and, subject thereto, have power to co-opt any other member or members of the Company and all members of such advisory committees have one vote.

27. Every committee or advisory committee may meet and adjourn as it thinks proper. Questions arising at any meeting are determined by a majority of votes of the members present, and in the case of an equality of votes the chairman has a second or casting vote.
28. All acts done by any meeting of the Board, of a committee or by any Director are notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Board, committee or Director, or that the Directors or any of them were disqualified, as valid as if every such person had been duly appointed and was qualified to be a Director or committee member.
29. A resolution in writing signed by all Directors in Australia for the time being entitled to receive notice of a meeting of the Board, is as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors.
30. The Secretary must in accordance with Section 240 of the Law be appointed by the Board for such term, upon such conditions as it thinks fit, and any Secretary so appointed may be removed by it. Nothing herein prevents the Board from appointing a member of the Company as Honorary Secretary and any member so appointed forthwith becomes an office-bearer of the Company and if not already a member of the Board ex officio a member of the Board and any member so appointed is subject to the provisions of Clause 3 of the Memorandum.

#### GENERAL MEETINGS

31. An Annual General Meeting of the Company must be held in accordance with the provisions of the Law.
32. A Corporate Member may, whenever it thinks fit, or if there are no Corporate Members of the Company, two or more members may, convene a general meeting. General meetings must also be convened on such requisition, or in default may be convened by such requisitionist, as provided by Sections 246 or 247 of the Law.
33. Subject to the provisions of the Law relating to special resolutions and agreements for shorter notice, fourteen days notice at the least (exclusive of the day on which the notice is served or deemed to be served, and exclusive of the day for which notice is given) specifying the place, the day and the hour of meeting, and in the case of special business the general nature of that business must be given to such persons as are entitled to receive such notices from the Company.

34. For the purpose of Article 33 all business is special that is to be transacted at a general meeting and also all that is to be transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors in the place of those retiring, and the appointment of auditors, if necessary.

#### PROCEEDINGS AT GENERAL MEETINGS

35. While two or more Corporate Members are members of the Company no business is to be transacted at any general meeting unless not less than two of the Corporate Members are present. Subject to Article 4, each member has one vote in general meetings of the Company.
36. The Chairman presides as chairman at every general meeting of the Company, or if there is no Chairman, or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or unwilling to act the members present must elect one of their number to be chairman of the meeting.
37. The chairman may, with the consent of any meeting at which a quorum is present (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business must be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Save as aforesaid it is not necessary to give any notice of an adjournment or the business to transacted at an adjourned meeting.
38. At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the chairman; or
  - (b) by at least one of the Corporate Members.
  - (c) if there are no Corporate Members of the Company, by at least two members.

Unless a poll is so demanded a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

39. If a poll is duly demanded it must be taken in such a manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll is taken to be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a chairman or on a question of adjournment must be taken forthwith.
40. In the case of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded is not entitled to a casting vote.

#### SEAL

41. The Board must provide for the safe custody of the seal which must only be used by the authority of the Board or of a committee of the Board authorised by the Directors in that behalf. Every instrument to which the seal is affixed must be signed by a Director and must be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for that purpose.

#### ACCOUNTS

42. The Board must cause proper accounting and other records to be kept and must distribute copies of every profit and loss account and balance sheet (including every document required by law to be attached thereto) accompanied by a copy of the Auditor's report thereon as required by the Law, provided however, that the Board must cause to be made out and laid before each Annual General Meeting a balance sheet and profit and loss account made up to a date not more than five months before the date of the meeting.
43. The Board must from time to time determine in accordance with Clause 7 of the Memorandum of Association at what times and places and under what conditions or regulations, the accounting and other records of the Company are open to the inspection of members.

### AUDIT

44. A properly qualified auditor or auditors must be appointed and his duties regulated in accordance with Section 327 of the Law.

### NOTICE

45. Any notice required by law or by or under these Articles to be given to any member must be given by sending it by post to him at his registered address, or to the address, if any, supplied by him for the giving of notices. Where a notice is sent by post, service of the notice is taken to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
46. (1) Notice of every general meeting must be given in any manner hereinbefore authorised to:
- (a) every member except those members for whom the Company has no registered address or other address or an address for the giving of notices to them; and
  - (b) the Auditor or Auditors for the time being of the Company.
- (2) No other person is entitled to receive notices of general meetings.

### WINDING-UP

47. The provisions of Clause 6 of the Memorandum of Association relating to the winding-up or dissolution of the Company have effect and must be observed as if they were repeated in these Articles.

### INDEMNITY

48. Every Director, Auditor, Secretary and other officer for the time being of the Company is indemnified out of the assets of the Company against any liability arising out of the execution of the duties of his office which is incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Law in which relief is granted to him by the Court pursuant to Section 241(2) of the Law in respect of any negligence default breach of duty or breach of trust.

AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

49. Notwithstanding Article 35 and pursuant to section 176 of the Law, a special resolution to alter or add to these Articles and/or the Memorandum of Association must be passed by all the Corporate Members.



## 50. Signature of Subscribers

T.H. Dunn  
Trevor Hamilton Dunn

K.A. Ross  
Katherine Ann Ross

P. Simone  
Paola Simone

R.L. Schreiber  
Roslyn Schreiber

B. Palmer  
Barbara Isabel Palmer

DATED 28 September, 1995.

Witness to signature and  
Address of witness

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303

Y. Clark JP  
Y. Clark  
148 Beaumont Street  
Hamilton NSW 2303



**HUNTER RESOURCE RECOVERY**  
**ACN 071 432 570**

---

**RECYCLING CONTRIBUTION AGREEMENT**

---

**WITH**

**CESSNOCK CITY COUNCIL**

**LAKE MACQUARIE CITY COUNCIL**

**MAITLAND CITY COUNCIL**

**SINGLETON COUNCIL**

## RECYCLING CONTRIBUTION AGREEMENT

THIS AGREEMENT is made

2011

**PARTIES**     **CESSNOCK CITY COUNCIL** first part  
                  **LAKE MACQUARIE CITY COUNCIL** second part  
                  **MAITLAND CITY COUNCIL** third part  
                  **SINGLETON COUNCIL** fourth part  
                  (collectively referred to as "the Councils")  
                  **HUNTER RESOURCE RECOVERY ACN 071 432 570** ("the Company")  
                  fifth part

### BACKGROUND RECITALS

- A. The Councils propose to enter into a venture for the provision of a waste recycling service to their respective local government areas .
- B. The Councils respectively propose to delegate to the Company the function of providing a waste recycling service ("the Recycling Service") on behalf of the Councils.
- C. Following a proposed tender process and acceptance of tender by each Council, the Company proposes to enter into a contract with a contractor ("the contractor") for the provision of the Recycling Service ("the contract").
- D. The contract provides for the Recycling Service to service premises in the local government areas of each Council ("the recycling services").
- E. The Councils wish to make provision for the financial support of the Company to enable it to perform the delegated function.

### OPERATIVE PART

The Councils covenant and agree with each other and severally with the Company:

#### 1. Delegated Functions

The Company agrees as delegate and agent of each of the Councils to use its best endeavours to manage the contract to ensure that the contractor provides the recycling services to each Council.

#### 2. Contribution

To contribute and pay in proportion among them the aggregate of such moneys ("the service sum") as from time to time are required;

- (a) to administer the Company;
- (b) to pay the contractor to provide the Recycling Service; and

- (c) so long as any obligation of the Company to the contractor under the contract remains unsatisfied, to perform and administer the contract including without limitation all sums paid or payable under the contract.

### **3. Calculation of contribution**

The proportion of the service sum to be paid by each Council under clause 2 ("the contribution") is that proportion of the service sum as the number of recycling services provided in the Council's local government area in any period of two weeks bears to the aggregate number of recycling services provided in the local government areas of all the Councils in the same period of two weeks.

### **4. Illustration of calculation of contribution**

The contribution payable under clauses 2 and 3 above is illustrated by:

$$X = \frac{Y}{Z} \times P$$

Where:

- X= the contribution.  
Y= the number of recycling services provided in the relevant Council's local government area in any period of 2 weeks.  
Z= the aggregate number of recycling serves provided in the local government areas of all the Councils in the same period of 2 weeks as in Y.  
P = the service sum for the relevant 2 week period.

### **5. Advance contributions**

Each Council agrees to pay to the Company one or more advance contributions in such sums as the Company at any time and from time to time requires. The advance contributions must be held by the Company for the purposes set out in clause 2. The Company must record the advance contributions received from and any repayments made to each Council in separate accounts in a ledger called "the Contributions Ledger". The Company at any time and from time to time may repay to all or any of the Councils the whole or any part of advance contributions related to that Council. Contributions and refunds of contributions must be related to the number of recycling services provided or expected to be provided in the Council's local government area.

### **6. Payment of contribution**

The contribution or an advance contribution is to be paid within 7 days of invoice from the Company.

### **7. Proof by statement of Secretary**

A statement in writing signed by the Secretary of the Company is, except in the case of manifest error, conclusive proof of the facts stated in it for the working of this agreement including without limitation:

- (a) the proportion of the service sum paid or payable by a party;  
(b) the number of recycling services for any stated period in aggregate or for any Council;

- (c) the contributions made or payable in aggregate by any Council;
- (d) any advance contribution to, repayment from or balance in the Contribution Ledger; and
- (e) any contribution or any advance contribution not paid by any Council.

**8. Quarterly statements**

The Company must provide to each Council not less than quarterly as at the last days of February, May, August and November a statement of:

- (a) recycling services provided by the Company in aggregate and to each Council;
- (b) contributions made by the Councils;
- (c) advance contributions, repayments and balances in the Contribution Ledger; and
- (d) payments made to the contractor for recycling services.

**9. Default**

Default by a Council under this agreement ("default") means a:

- (a) withdrawal of a delegation by a Council to the Company;
- (b) failure to pay any contribution or any advance contribution by the due date; or
- (c) failure by a corporate member to attend any general meeting of the Company.

If a Council commits a material default, the Company may give the Council notice requesting that the default be remedied. If such default is not remedied within 28 days of the Council's receipt of this notice, then, in addition to any other remedy under this Agreement, the Company may (with the prior written consent of the non-defaulting Councils):

- (a) renounce its delegation and agency as described in clause 1;
- (b) direct the recycling contractor to discontinue to the provision of recycling services within that Council's local government area; and
- (c) vary this Agreement in order to exclude the defaulting Council from any further participation in this Agreement (without affecting any party's rights).

On the exclusion of the defaulting Council, any rights accrued by a party prior to such exclusion will remain unaffected.

**10. Recovery of unpaid contribution**

Any contribution or advance contribution not paid by any Council may be recovered by the Company or any other Council on behalf of the Company from that party as a liquidated debt in any court of competent jurisdiction.

## 11. Indemnity

Each Council ("the indemnifying party") agrees to indemnify and keep indemnified the Company and each other Council ("the indemnified parties") against all losses, damages, expenses and costs (including without limitation legal costs on an indemnity basis) suffered or incurred by the indemnified parties or any of them caused by the default of the indemnifying party of a kind described in clause 9.

## 12. Definitions and Interpretation

In this agreement unless the context otherwise requires:

**"General Manager"** means the General Manager for the time being, or the person for the time being fulfilling the duties of General Manager, of the respective Councils.

**"Council"** means each of the Councils.

Headings are included for ease of reference only. None of the terms of this agreement is to be construed or interpreted by reference to any heading.

Bare reference to any numbered clause is a reference to the correspondingly numbered provision of this agreement.

This agreement may be executed in counterparts.

The illustration in clause 4 does not limit clause 3.

**SIGNED as a deed.**

**EXECUTED FOR THE COUNCIL OF THE )  
CITY OF CESSNOCK by its Mayor and )  
General Manager: )**

.....  
Mayor General Manager

.....  
Name: (Please print) Name: (Please print)

**EXECUTED FOR THE COUNCIL OF THE )  
CITY OF LAKE MACQUARIE by its Mayor )  
and General Manager: )**

.....  
Mayor General Manager

.....  
Name: (Please print) Name: (Please print)

**EXECUTED FOR THE COUNCIL OF THE )  
CITY OF MAITLAND by its Mayor and )  
General Manager: )**

.....  
Mayor General Manager

.....  
Name: (Please print) Name: (Please print)

EXECUTED FOR THE SINGLETON )  
COUNCIL by its Mayor and General )  
Manager: )

.....  
Mayor

.....  
General Manager

.....  
Name: (Please print)

.....  
Name: (Please print)

Executed by  
HUNTER RESOURCE RECOVERY )  
ACN 071 432 570 )  
in accordance with section 127 )  
of the Corporations Act 2001: )

.....  
Director

.....  
Director/Secretary

.....  
Name: (Please print)

.....  
Name: (please print)



---

**HUNTER RESOURCE RECOVERY ACN 071 432 570**

**DECLARATION OF TRUST**

**TO**

**THE COUNCIL OF THE CITY OF CESSNOCK**

**THE COUNCIL OF THE CITY OF LAKE MACQUARIE**

**THE COUNCIL OF THE CITY OF MAITLAND**

**SINGLETON COUNCIL**

## DECLARATION OF TRUST

This deed is made

and is addressed to:

**THE COUNCIL OF THE CITY OF CESSNOCK**

**THE COUNCIL OF THE CITY OF LAKE MACQUARIE**

**THE COUNCIL OF THE CITY OF MAITLAND**

**SINGLETON COUNCIL**

**("the Councils")**

By Hunter Resource Recovery ACN 071 432 570 (**"the Company"**)

### BACKGROUND RECITALS

- A. The Company had agreed to act as the delegate of each of the Councils upon the terms and conditions set forth in the Schedules below and as they may be amended, extended or replaced from time to time (**"the Delegations"**)
- B. In compliance with and to satisfy paragraph 2 of the Delegations the Company is executing these presents

### OPERATIVE PROVISIONS

The Company declares and agrees it will:

1. Hold all its assets, undertaking and property of any kind (including without limitation contractual and equitable interests) which the Company may hold or to which the Company may be entitled at any time (**"the Property"**) on trust for the Councils absolutely:
  - (a) to repay or partially repay (as far as the property extends) to each of their respective balances in the Contribution Ledger kept pursuant to the Recycling Contribution Agreement made between the Company and each of Councils on or about the same date as this Declaration of Trust: and
  - (b) as to the remainder in equal shares.
2. Not to dispose of or deal with the Property from time to time other than to perform or satisfy the obligations of the Company properly incurred in the

exercise of the delegations referred to in paragraph 1 of the Delegations and in the normal course of business and otherwise only and when in such a manner as the Councils may from time to time permit.

3. Transfer and/or dispose of the Property in such manner as the Councils may from time to time direct.
4. Insure all Property which is insurable in its full replacement value and to hold the policies of insurance and all rights under them and the proceeds of any claims under them upon trust for the Councils

**SIGNED as a deed poll.**

Signed, sealed and delivered by )  
Hunter Resource Recovery )  
ACN 071 432 570 )  
in accordance with s.127 )  
of the *Corporations Act 2001* )

.....  
Director

.....  
Director/Secretary

.....  
Print name

.....  
Print name

SCHEDULE 1  
CESSNOCK CITY COUNCIL  
DELEGATION  
- Section 377 Local Government Act, 1993

1. Pursuant to Section 377 of the Local Government Act, 1993 ("the Act") the Council delegates to Hunter Resource Recovery ACN 071 432 570 the function of providing a waste recycling service being a service and/or facility and/or activity within the meaning of Section 24 of the Act.
2. This Delegation is conditional upon:
  - (a) the delegation by each and all of Lake Macquarie City Council and Maitland City Council and Singleton Council to the Company upon terms identical with this delegation: and
  - (b) the execution by the Company of a Declaration of Trust in or to the effect of the form in the Schedule below.
3. This Delegation is not capable of further delegation.
4. Nothing in this delegation is construed so as to amount to a delegation specified in Section 377 of the Act namely:
  - The making of a rate
  - A determination under Section 549 as to the levying of a rate
  - The fixing of a fee
  - The borrowing of money
  - The voting of money for expenditure on its works, services or operations
  - The compulsory acquisition, purchase, sale, exchange or surrender of any land or other property
  - The acceptance of tenders which are required under this Act to be invited by the council
  - The adoption of a management plan
  - The adoption of a financial statement included in an annual financial report
  - A decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6
  - The fixing of an amount or rate for the carrying out by the council of work on private land
  - The decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work
  - The review of a determination of an application for approval.
  - The power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194
  - A decision under section 356 to contribute money of otherwise grant financial assistance to persons.
  - The power of the council under section 455 in relation to attendance at meetings
  - The making of an application, or the giving of a notice, to the Governor or Minister

- This power of delegation

**Schedule  
Declaration of Trust**

*This deed is made*

*And addressed to:*

**THE COUNCIL OF THE CITY OF CESSNOCK**

**THE COUNCIL OF THE CITY OF LAKE MACQUARIE**

**THE COUNCIL OF THE CITY OF MAITLAND**

**SINGLETON COUNCIL**

*("the Councils")*

*By Hunter Resource Recovery ACN 071 432 570 ("the Company")*

**BACKGROUND RECITALS**

- A. *The Company had agreed to act as the delegate of each of the Councils upon the terms and conditions set forth in the Schedules below and as they may be amended, extended or replaced from time to time ("the Delegations")*
- B. *In compliance with and to satisfy paragraph 2 of the Delegations the Company is executing these presents.*

**OPERATIVE PROVISIONS**

*The Company declares and agrees that it will:*

1. *Hold all its assets, undertaking and property of any kind (including without limitation contractual and equitable interests) which the Company may hold Or to which the Company may be entitled at any time ("the Property") on trust for the Councils absolutely:  
(a) to repay or partially repay (as far as the property extends) to each Council their respective balances in the Contribution Ledger kept pursuant to the Recycling Contribution Agreement made between the Company and the Councils on or about the same date as this Declaration of Trust; and  
(b) as to the remainder in equal shares*
2. *Not dispose of or deal with the property from time to time other than to perform or satisfy obligations of the Company properly incurred in the exercise of the delegation referred to in paragraph 1 of the Delegations and in*

*the normal course of business and otherwise only when and in such manner as the Councils may from time to time permit*

3. *Transfer and/or dispose of the property in such manner as the Councils may from time to time direct*
4. *Insure all property which is insurable in it full replacement value and to hold the policies of insurance and all rights under them and the proceeds of any claims under them upon trust for the Councils*

**SIGNED as a deed poll.**

**SCHEDULE 2**  
**LAKE MACQUARIE CITY COUNCIL**  
**DELEGATION**  
**- Section 377 Local Government Act, 1993**

1. Pursuant to Section 377 of the Local Government Act, 1993 ("the Act") the Council delegates to Hunter Resource Recovery ACN 071 432 570 the function of providing a waste recycling service being a service and/or facility and/or activity within the meaning of Section 24 of the Act.
2. This Delegation is conditional upon:
  - (a) the delegation by each and all of Cessnock City Council and Maitland City Council and Singleton Council to the Company terms identical with this delegation: and
  - (b) the execution by the Company of a Declaration of Trust in or to the effect of the form in the Schedule below.
3. This Delegation is not capable of further delegation.
4. Nothing in this delegation is construed so as to amount to a delegation specified in Section 377 of the Act namely:
  - The making of a rate
  - A determination under Section 549 as to the levying of a rate
  - The fixing of a fee
  - The borrowing of money
  - The voting of money for expenditure on its works, services or operations
  - The compulsory acquisition, purchase, sale, exchange or surrender of any land or other property
  - The acceptance of tenders which are required under this Act to be invited by the council
  - The adoption of a management plan
  - The adoption of a financial statement included in an annual financial report
  - A decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6
  - The fixing of an amount or rate for the carrying out by the council of work on private land
  - The decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work
  - The review of a determination of an application for approval.
  - The power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194
  - A decision under section 356 to contribute money of otherwise grant financial assistance to persons.
  - The power of the council under section 455 in relation to attendance at meetings
  - The making of an application, or the giving of a notice, to the Governor or Minister

- This power of delegation

**Schedule  
Declaration of Trust**

*This deed is made*

*And addressed to:*

***THE COUNCIL OF THE CITY OF CESSNOCK***

***THE COUNCIL OF THE CITY OF LAKE MACQUARIE***

***THE COUNCIL OF THE CITY OF MAITLAND***

***SINGLETON COUNCIL***  
*("the Councils")*

*By Hunter Resource Recovery ACN 071 432 570 ("the Company")*

***BACKGROUND RECITALS***

- A.*** *The Company had agreed to act as the delegate of each of the Councils upon the terms and conditions set forth in the Schedules below and as they may be amended, extended or replaced from time to time ("the Delegations")*
- B.*** *In compliance with and to satisfy paragraph 2 of the Delegations the Company is executing these presents.*

***OPERATIVE PROVISIONS***

*The Company declares and agrees that it will:*

- 1. Hold all its assets, undertaking and property of any kind (including without limitation contractual and equitable interests) which the Company may hold Or to which the Company may be entitled at any time ("the Property") on trust for the Councils absolutely:  
(a) to repay or partially repay (as far as the property extends) to each Council their respective balances in the Contribution Ledger kept pursuant to the Recycling Contribution Agreement made between the Company and the Councils on or about the same date as this Declaration of Trust: and  
  
(b) as to the remainder in equal shares*
- 2. Not dispose of or deal with the property from time to time other than to perform or satisfy obligations of the Company properly incurred in the*



*exercise of the delegation referred to in paragraph 1 of the Delegations and in the normal course of business and otherwise only when and in such manner as the Councils may from time to time permit*

3. *Transfer and/or dispose of the property in such manner as the Councils may from time to time direct*
4. *Insure all property which is insurable in it full replacement value and to hold the policies of insurance and all rights under them and the proceeds of any claims under them upon trust for the Councils*

***SIGNED as a deed poll.***

SCHEDULE 3  
**MAITLAND CITY COUNCIL**  
DELEGATION  
- Section 377 Local Government Act, 1993

1. Pursuant to Section 377 of the Local Government Act, 1993 (“the Act”) the Council delegates to Hunter Resource Recovery ACN 071 432 570 the function of providing a waste recycling service being a service and/or facility and/or activity within the meaning of Section 24 of the Act.
2. This Delegation is conditional upon:
  - (a) the delegation by each and all of Cessnock City Council and Lake Macquarie City Council and Singleton Council to the Company terms identical with this delegation; and
  - (b) the execution by the Company of a Declaration of Trust in or to the effect of the form in the Schedule below.
3. This Delegation is not capable of further delegation.
4. Nothing in this delegation is construed so as to amount to a delegation specified in Section 377 of the Act namely:
  - The making of a rate
  - A determination under Section 549 as to the levying of a rate
  - The fixing of a fee
  - The borrowing of money
  - The voting of money for expenditure on its works, services or operations
  - The compulsory acquisition, purchase, sale, exchange or surrender of any land or other property
  - The acceptance of tenders which are required under this Act to be invited by the council
  - The adoption of a management plan
  - The adoption of a financial statement included in an annual financial report
  - A decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6
  - The fixing of an amount or rate for the carrying out by the council of work on private land
  - The decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work
  - The review of a determination of an application for approval.
  - The power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194
  - A decision under section 356 to contribute money of otherwise grant financial assistance to persons.
  - The power of the council under section 455 in relation to attendance at meetings
  - The making of an application, or the giving of a notice, to the Governor or Minister

- This power of delegation

## **Schedule Declaration of Trust**

*This deed is made*

*And addressed to:*

***THE COUNCIL OF THE CITY OF CESSNOCK***

***THE COUNCIL OF THE CITY OF LAKE MACQUARIE***

***THE COUNCIL OF THE CITY OF MAITLAND***

***SINGLETON COUNCIL***

*("the Councils")*

*By Hunter Resource Recovery ACN 071 432 570 ("the Company")*

### ***BACKGROUND RECITALS***

- A. The Company had agreed to act as the delegate of each of the Councils upon the terms and conditions set forth in the Schedules below and as they may be amended, extended or replaced from time to time ("the Delegations")*
- B. In compliance with and to satisfy paragraph 2 of the Delegations the Company is executing these presents.*

### ***OPERATIVE PROVISIONS***

*The Company declares and agrees that it will:*

- 1. Hold all its assets, undertaking and property of any kind (including without limitation contractual and equitable interests) which the Company may hold Or to which the Company may be entitled at any time ("the Property") on trust for the Councils absolutely:
  - (a) to repay of partially repay (as far as the property extends) to each Council their respective balances in the Contribution Ledger kept pursuant to the Recycling Contribution Agreement made between the Company and the Councils on or about the same date as this Declaration of Trust; and*
  - (b) as to the remainder in equal shares**

2. *Not dispose of or deal with the property from time to time other than to perform or satisfy obligations of the Company properly incurred in the exercise of the delegation referred to in paragraph 1 of the Delegations and in the normal course of business and otherwise only when and in such manner as the Councils may from time to time permit*
3. *Transfer and/or dispose of the property in such manner as the Councils may from time to time direct*
4. *Insure all property which is insurable in it full replacement value and to hold the policies of insurance and all rights under them and the proceeds of any claims under them upon trust for the Councils*

***SIGNED as a deed poll.***

SCHEDULE 4  
SINGLETON COUNCIL  
DELEGATION  
- Section 377 Local Government Act, 1993

1. Pursuant to Section 377 of the Local Government Act, 1993 ("the Act") the Council delegates to Hunter Resource Recovery ACN 071 432 570 the function of providing a waste recycling service being a service and/or facility and/or activity within the meaning of Section 24 of the Act.
2. This Delegation is conditional upon:
  - (a) the delegation by each and all of Cessnock City Council and Lake Macquarie City Council and Maitland City Council to the Company terms identical with this delegation: and
  - (b) the execution by the Company of a Declaration of Trust in or to the effect of the form in the Schedule below.
3. This Delegation is not capable of further delegation.
4. Nothing in this delegation is construed so as to amount to a delegation specified in Section 377 of the Act namely:
  - The making of a rate
  - A determination under Section 549 as to the levying of a rate
  - The fixing of a fee
  - The borrowing of money
  - The voting of money for expenditure on its works, services or operations
  - The compulsory acquisition, purchase, sale, exchange or surrender of any land or other property
  - The acceptance of tenders which are required under this Act to be invited by the council
  - The adoption of a management plan
  - The adoption of a financial statement included in an annual financial report
  - A decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6
  - The fixing of an amount or rate for the carrying out by the council of work on private land
  - The decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work
  - The review of a determination of an application for approval.
  - The power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194
  - A decision under section 356 to contribute money of otherwise grant financial assistance to persons.
  - The power of the council under section 455 in relation to attendance at meetings
  - The making of an application, or the giving of a notice, to the Governor or Minister

- This power of delegation

**Schedule  
Declaration of Trust**

*This deed is made*

*And addressed to:*

***THE COUNCIL OF THE CITY OF CESSNOCK***

***THE COUNCIL OF THE CITY OF LAKE MACQUARIE***

***THE COUNCIL OF THE CITY OF MAITLAND***

***SINGLETON COUNCIL***  
*("the Councils")*

*By Hunter Resource Recovery ACN 071 432 570 ("the Company")*

***BACKGROUND RECITALS***

- A.*** *The Company had agreed to act as the delegate of each of the Councils upon the terms and conditions set forth in the Schedules below and as they may be amended, extended or replaced from time to time ("the Delegations")*
- B.*** *In compliance with and to satisfy paragraph 2 of the Delegations the Company is executing these presents.*

***OPERATIVE PROVISIONS***

*The Company declares and agrees that it will:*

- 1.*** *Hold all its assets, undertaking and property of any kind (including without limitation contractual and equitable interests) which the Company may hold Or to which the Company may be entitled at any time ("the Property") on trust for the Councils absolutely:*
  - (a)*** *to repay of partially repay (as far as the property extends) to each Council their respective balances in the Contribution Ledger kept pursuant to the Recycling Contribution Agreement made between the Company and the Councils on or about the same date as this Declaration of Trust: and*
  - (b)*** *as to the remainder in equal shares*
- 2.*** *Not dispose of or deal with the property from time to time other than to perform or satisfy obligations of the Company properly incurred in the exercise of the delegation referred to in paragraph 1 of the Delegations and in*

*the normal course of business and otherwise only when and in such manner as the Councils may from time to time permit*

- 3. Transfer and/or dispose of the property in such manner as the Councils may from time to time direct*
- 4. Insure all property which is insurable in it full replacement value and to hold the policies of insurance and all rights under them and the proceeds of any claims under them upon trust for the Councils*

***SIGNED as a deed poll.***



## **Section D Specification**

### **Part 2 Recyclables Specification**

**CONTRACT NO: HRR001A**

**CONTRACT FOR:**

**Kerbside Collection of Domestic and Commercial  
Recyclables**

Enquiries on the contents of this document should be directed to:

**Hunter Resource Recovery**

Telephone: (02) 4934 4674

Facsimile: (02) 4934 4745

Email: [rogerlewis@ozemail.com.au](mailto:rogerlewis@ozemail.com.au)



## Part 2 - CONTENTS

### Recyclables Specification

1.	INTRODUCTION .....	3
2.	SERVICE REQUIREMENTS.....	3
2.1	Collection and Frequency for Single Premises.....	3
2.2	Collection and Frequency for Multi-occupancy Premises / Multiple Dwellings ..	3
2.3	Collection and Frequency for Other Service-Entitled Premises .....	3
3.	RECYCLABLES TO BE COLLECTED.....	3
4.	PERFORMANCE BENCHMARKS, INCENTIVES AND DAMAGES.....	4
4.1	Performance Benchmarks.....	4
4.2	Performance Incentives and Damages .....	4
5.	ADDITIONAL MOBILE BIN REQUIREMENTS.....	4
6.	ADDITIONAL REQUIREMENTS FOR VEHICLES .....	4
7.	CONTRACTOR RECYCLABLES OWNERSHIP AND DELIVERY .....	4
7.1	Contractor Ownership of Recyclables .....	4
7.2	Amendment of Recyclables.....	5
7.3	Sorting Facility – Contractor Operated Nominated Facility .....	5
7.4	Rejection of Recyclables and Penalty Payments.....	5
7.5	Sorting Facility – Reporting .....	6
7.6	Sorting Facility – Audits .....	6
8.	COMPACTION AND QUALITY MANAGEMENT.....	6
9.	CONTAMINATION MANAGEMENT .....	7
9.1	Contamination Strategy and Operations.....	7
9.2	Supporting Materials to be Developed .....	7
9.3	Contamination Procedures.....	7
9.4	Minimum Contamination Requirements and Procedures.....	7
9.5	Reporting and Documenting Contamination Incidents.....	8
9.6	The Principal's Contamination Policy .....	9
9.7	Review of Contamination Strategy and Procedures Program.....	9
	ANNEXURE TO THE RECYCLABLES SPECIFICATION – NOT USED .....	10

## 1. INTRODUCTION

This Part defines explicit requirements for the collection of Recyclables from Service-Entitled Premises in the Service Area. It must be read in conjunction with the General Specification (Part 1), to form the complete specification in relation to the Recyclables Collection Service.

The Contractor must ensure that Services provided under this contract address the requirements of the General Specification (Part 1) as well as the Recyclables Specifications (Part 2). To the extent of any inconsistency between the General Specification (Part 1) and Recyclables Specification (Part 2), the Service Specification shall have precedence.

## 2. SERVICE REQUIREMENTS

Commencing on the Services Commencement Date and finishing on the Expiry Date, the Contractor shall provide a Recyclables Collection Service for nominated Service-Entitled Premises and at specified frequencies within the Service Area, in accordance with this Contract.

Service-Entitled Premises include nominated single Premises and multi-occupancy Premises, in addition to other Service-Entitled Premises.

### 2.1 Collection and Frequency for Single Premises

The Service involves the collection of fully co-mingled Recyclables from Service-Entitled Premises (residential) using, at the Principal's discretion, 140 litre, 240 litre or 360 litre Mobile Bins on a fortnightly basis.

Multiple services shall be available to Customers, as specified in Clause 6.2 of the General Specification.

All collections will be from the kerbside, with the exception of Infirm Services as specified in Clause 4.5.2 of the General Specification and Special On Property Collections as specified in Clause 4.5.3 of the General Specification.

### 2.2 Collection and Frequency for Multi-occupancy Premises / Multiple Unit Dwellings

Unless otherwise specified, multi-occupancy premises will be provided with a fortnightly recyclables collection as set out in Clause 2.1 unless directed to supply Bulk Bins.

### 2.3 Collection and Frequency for Other Service-Entitled Premises

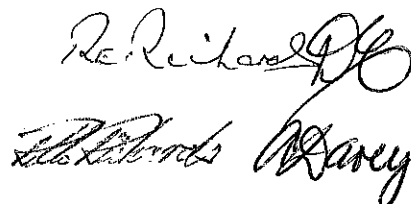
The Contractor shall collect recyclables from other Service-Entitled Premises including being non rateable properties and Council buildings including:

- Public Place Recycling Stations;
- Commercial Premises;
- Landfill Bulk Bins;
- Schools.

The Principal will determine the entitlement frequency of service and bin size to be supplied.

## 3. RECYCLABLES TO BE COLLECTED

Recyclables to be collected under this contract will include the recyclables defined in the General Specification.



#### 4. PERFORMANCE BENCHMARKS, INCENTIVES AND DAMAGES

##### 4.1 Performance Benchmarks

The Principal requires a high level of performance from the Contractor that meets the satisfaction of Customers. This will be gauged by the level of service complaint as well as departures from the Specification.

A minimum standard of performance for the Contractor has been established for service complaints, this standard is as follows:

Complaint Type	Standard - Per Month
Missed Services	≤1 per 5000 services
Early Starts	nil
Other Customer Complaints	≤1 per 5000 services

##### 4.2 Performance Incentives and Performance Damages

Failure to achieve the Performance Benchmarks in Clause 4.1 may result in the Principal exercising its rights under Clause 22 of the General Specification.

#### 5. ADDITIONAL MOBILE BIN REQUIREMENTS

In addition to the requirements for Mobile Bins under Clause 9.1 of the General Specification, all Mobile Bins supplied by the Contractor to meet its obligation under this Recyclables Specification must:

- ( a ) have a yellow lid;
- ( b ) have a dark green body; and
- ( c ) correctly embossed and stickered as approved by the Principal.

#### 6. ADDITIONAL REQUIREMENTS FOR VEHICLES

For the purposes of monitoring contamination and vehicle loads, each Collection Vehicle used under this Recyclables Specification must be fitted with effective hopper mounted colour cameras. Colour monitors should be mounted within the cabin to allow the driver and other staff riding in the vehicle to view material as it enters the collection vehicles hopper.

All Collection Vehicles used for Services must be operated, maintained and serviced to the manufacturers' manuals, guidelines and specifications. For this Recyclables Specification, this includes without limitation, any features designed to optimise quality of Recyclables including compaction mechanisms, hydraulic controls or devices which may affect the compaction densities, lifting devices and lifting speeds.

The Principal may engage the services of the manufacturer of the collection equipment who shall inspect the operation of the equipment on all Collection Vehicles used under this Recyclables Specification including compaction mechanisms, hydraulic controls or devices which may affect the compaction densities, lifting devices and lifting speeds on an annual basis for the duration of the contract.

#### 7. CONTRACTOR RECYCLABLES OWNERSHIP AND DELIVERY

##### 7.1 Contractor Ownership of Recyclables

The Contractor owns all Recyclables collected pursuant to the Recyclables Collection Service. The Contractor must pay all costs associated with the acceptance, receipt, sorting,



processing and delivery to end market or other destinations of Recyclables and will retain any income from Recyclables sold through provision of these services.

## **7.2 Amendment of Recyclables**

The Recyclables to be collected by the Contractor under this Contract may be varied from time to time by the Contractor with the prior written consent of the Principal.

The Principal's consent may be withheld at its absolute discretion or given subject to any conditions, which it may, in its absolute discretion, consider appropriate, including, without limitation, agreement on any costs necessary to give effect to the variation.

## **7.3 Sorting Facility – Contractor Operated Nominated Facility**

The material collected by the Contractor in the course of performing the Recyclables Collection Service must be delivered to a facility or facilities within the LGA collection areas and approved by the Principal.

The Contractor must not use any MRF employed for the delivery of the Service for any purpose other than the delivery of the Service unless with the consent in writing from the Principal which consent may be withheld in the Principal's absolute discretion.

The Contractor may nominate an Alternative Facility during the Term of the Contract. Use of an Alternative Facility or any other sorting facility for receiving Recyclables under this contract must be first approved by the Principal in its absolute discretion.

On or prior to the Services Commencement Date, the Contractor must supply the Principal with a copy of all agreement(s) or contract(s) related to the receipt, sorting and/or processing of Recyclables under this Specification. On or prior to the Services Commencement Date, the Contractor must supply the Principal with a copy of relevant licences and approvals related to the receipt, sorting and/or processing of materials under this Specification.

The Contractor will be responsible for ensuring that all recyclables collected comply with the requirements for receipt of materials at the MRF or Alternative Facility.

## **7.4 Rejection of Recyclables and Penalty Payments**

Where material collected under this Contract is rejected by the facility, or where a penalty charge is imposed for any reason whatsoever, including but not limited to contamination of the delivered material, over compaction of loads or unacceptably high levels of glass fines, the Contractor will pay any and all associated charges and costs.

If the Contractor is required to transport the load to a disposal facility, all associated transport costs will be paid by the Contractor.

The Contractor is to nominate a disposal facility for rejected product disposal and seek the consent of the Principal; such consent will not be unreasonably withheld.

All weigh slips/dockets for rejected material disposal shall be kept by the Contractor for the duration of the Contract term and any extension period. The Principal shall have the right to review all weigh slips/dockets by giving no less than 48 hours' notice to the Contractor in writing.

The Contractor must promptly notify the Principal of all rejected loads and full details of any non-compliance reports from the facility.

### **7.5 Sorting Facility – Reporting**

The Contractor must provide the Principal with evidence, in the form agreed upon by the Contractor and the Principal, of the separate amounts of all Recyclables collected in the course of providing the services.

The Contractor must provide the Principal with a report related to the Materials Recovery Facility on a monthly basis. The report shall include, but not be limited to:

- ( a ) Total tonnes of material received over the previous month;
- ( b ) Total tonnes of material disposed of due to contamination and processing waste and location of disposal.
- ( c ) Actual or estimated proportion of material disposed of that is glass fines.
- ( d ) Recovery rates of product by category
- ( e ) To whom product is sold or disposed
- ( f ) Weights of product sold for the reporting period
- ( g ) Weight by category of stock piled recyclables

### **7.6 Sorting Facility – Audits**

The Contractor must undertake audits on materials accepted for sorting and/or processing from the Principal at least every twelve (12) months. The Contractor shall pay any and all costs associated with conducting the audit. The audit must determine:

- ( a ) The proportion of glass breakage;
- ( b ) The proportion and composition of Contamination;
- ( c ) The composition of the Recyclables.

An audit must be conducted within sixty (60) days after the Services Commencement Date and within thirty (30) days of each anniversary of the Services Commencement Date.

The detailed audit methodology shall be agreed upon by the Principal and Contractor prior to the audit process. The audit methodology shall include but not be limited to:

- ( a ) Recyclables from not less than three (3) days in a week;
- ( b ) Record drivers name, registration number of the Collection Vehicle, date and time of entering the facility, net weight of load and compaction density.

The Principal must be provided with the full audit results as soon as practicable after the audit.

## **8. COMPACTION AND QUALITY MANAGEMENT**

The Contractor shall manage the Service to ensure that the qualities of the collected recyclables are not degraded during:

- ( a ) Collection;
- ( b ) Transport including compaction; and,
- ( c ) Unloading.

The Contractor is expected to work with the Principal throughout the term of the contract to ensure that optimum value is obtained for the Recyclables collected.

## **9. CONTAMINATION MANAGEMENT**

### **9.1 Contamination Strategy and Operations**

The Contractor will be responsible for developing, implementing, monitoring, evaluating and reviewing a contamination management strategy and associated procedures.

The strategy and procedures will ultimately form a chapter of the Quality Plan specified under Clause 14 of the General Specification but also must be suitable to act as a stand alone operational document.

A draft Contamination Strategy and Procedures Program must be submitted for approval by the Principal a minimum of three (3) months prior to the Services Commencement Date. The Principal may direct that the Contractor make any reasonable amendments to the Contamination Strategy and Procedures Program that it considers appropriate.

### **9.2 Supporting Materials to be Developed**

The Contractor will be responsible for producing any supporting materials required to implement the contamination strategy such as stickers and brochures. The Principal must give final approval to all supporting materials and changes to supporting materials over the term of the Contract.

All supporting materials must be developed in conjunction with educational resources developed under Clause 18 of the General Specification to ensure an integrated approach and consistent messages. All letters used as a component of the strategy will be produced by the Principal on the Principal's letterhead.

The Contractor must specify all details of the supporting material types in the Contamination Strategy and Procedures.

### **9.3 Contamination Procedures**

In developing the Contamination Management Strategy and Procedures Program, the Contractor must undertake the minimum requirements and procedures detailed in Clause 9.4 of this Recyclables Specification.

These minimum requirements will form the basis of the procedures to be developed by the Contractor and the Contractor is expected to expand on and improve the minimum procedures detailed under Clause 9.4 of this Recyclables Specification.

On submitting the draft Contamination Strategy and Procedures Program to the Principal as specified under Clause 9.1 of this Recyclables Specification, the Contractor may propose amendments to the minimum procedures specified in Clause 9.4 of this Recyclables Specification. The Contractor's proposal must detail how the amendments improve contamination management and resource recovery outcomes.

The procedures must specify clearly all operational details including responsibilities for tasks, timeframes, specific supporting materials to be utilised and variations between strategy and procedures for single Premises and multi-occupancy Premises.

### **9.4 Minimum Contamination Requirements and Procedures**

#### **9.4.1 Contamination - Visible at the Kerbside during collection required**

The Contractor must not empty any Mobile Bin where it is evident upon visual inspection that it contains Contamination.

Contamination includes material that does not conform to acceptable materials of this Recyclables Specification. This may include for example bags of garbage visible within the Mobile Bin.



The Contractor must notify the Customer of the problem either by way of letter being placed in the letterbox of the Premise or sticker attached to the Mobile Bin. Customers must be notified forthwith.

#### **9.4.2 Contamination - Visible at the Kerbside**

If the Contractor finds Contamination on visual inspection of a Mobile Bin, the Contractor must not empty the Mobile Bin if deemed acceptable. The Contractor must notify the Customer of the problem and clarify the acceptable recyclable materials.

The Customer must be notified of the problem forthwith by applying sticker or notice approved by the Principal.

#### **9.4.3 Contamination - Visible via Camera in Hopper**

If the Contractor becomes aware of contamination or Contamination within a Mobile Bin in the process of emptying its contents into the Collection Vehicle, the Contractor must provide the Customer with notification, specifying the problem and clarifying the acceptable recyclables.

The Customer must be notified of the problem forthwith of the incident occurring.

#### **9.4.4 Multiple Occurrences - Second Occurrence**

On the second occurrence, over a time period agreed upon by the Contractor and the Principal, of any incident at a Premise as specified under Clauses 9.4.1, 9.4.2 and 9.4.3 of this Recyclables Specification, the Contractor must follow the procedure as outlined in the relevant clause specified.

#### **9.4.5 Multiple Occurrences - Third Occurrence**

If a further contamination incident occurs, over a 6 month time period or as otherwise agreed upon by the Contractor and the Principal, or a combination of incidents as specified under Clauses 9.4.1, 9.4.2 and 9.4.3 of this Recyclables Specification, the Contractor must follow the same procedure as outlined in the relevant Clause specified.

In addition, the Contractor must notify the Principal of the situation and provide a brief outline of the history and severity of the incidents at that Premise.

#### **9.4.6 Multiple Occurrences - Cessation of Service**

The Principal may request that the Contractor cease the Service, as specified in Clause 6.3 of the General Specification, for a period of time determined by the Principal at that Premise to which Clause 9.4.5 of this Recyclables Specification applies. The Principal will notify the Customer in writing after removal of the service.

### **9.5 Reporting and Documenting Contamination Incidents**

The Contractor must document and maintain database(s) of all addresses and other appropriate details for all contamination incidents including a description of the severity of the incident.

This information must be collated and compiled for the Principal on a monthly basis in writing.

The Contractor must verbally advise the Principal each day of all non-conforming bins and action taken by the Contractor.

**9.6 The Principal's Contamination Policy**

The Principal will provide the Contractor with details of any changes to the Principal's policy in relation to contamination management and cessation of Services after repeated contamination incidents.

**9.7 Review of Contamination Strategy and Procedures Program**

The Contamination Strategy and Procedures Program will be evaluated and reviewed by the Principal in consultation with the Contractor at least on an annual basis. All changes must be agreed between the Principal and the Contractor.



**ANNEXURE TO THE RECYCLABLES SPECIFICATION – NOT USED**

*R. Richards*  
*R. Richards*  
*RS*  
*Spence*



**HUNTER**  
Resource Recovery

**CONTRACT NO: HRR001A**

**CONTRACT FOR:**  
**Kerbside Collection of Domestic and  
Commercial Recyclables**

**INDEX OF CONTRACT DOCUMENTS**

1. Principal's letter of acceptance of tender
2. Section C – Conditions of Contract
3. Section D – Part 1 – General Specification (including Annexures)
4. Section D – Part 2 – Recyclables Specification
5. Section F – Tender Return Schedules including introductory letter, company profile and supporting documentation

Enquiries on the contents of this document should be directed to:

**Hunter Resource Recovery**

Telephone:

**(02) 4934 4674**

Facsimile:

**(02) 4934 4745**

Email:

**rogerlewis@ozemail.com.au**



**HUNTER**  
Resource Recovery

## **Section C**

# **Conditions of Contract**

**CONTRACT NO: HRR001A**

**CONTRACT FOR:**  
Kerbside Collection of Domestic and  
Commercial Recyclables

Enquiries on this document should be directed to:

**Hunter Resource Recovery**

Telephone: (02) 4934 4674  
Facsimile: (02) 4933 3745  
Email: [rogerlewis@ozemail.com.au](mailto:rogerlewis@ozemail.com.au)

## CONTENTS

<b>1.</b>	<b>INTRODUCTORY ISSUES .....</b>	<b>4</b>
1.1	Contract Aims and Objectives .....	4
1.2	Definitions .....	4
1.3	Construction of Terms .....	6
1.4	Interpretation .....	7
1.5	Relationship between the Parties .....	8
1.6	Notices .....	8
<b>2.</b>	<b>THE SERVICES .....</b>	<b>9</b>
2.1	Work to be Performed .....	9
2.2	Contract Term .....	10
2.3	Fees .....	10
2.4	Reports .....	10
2.5	Contractor's Representative .....	10
2.6	Principal's and Supervising Officer's Right of Access .....	11
<b>3.</b>	<b>CHANGES IN THE SERVICES .....</b>	<b>11</b>
3.1	Service Changes in Case of Emergencies .....	11
3.2	Service Changes for Convenience .....	11
<b>4.</b>	<b>CONTRACTOR'S OBLIGATIONS .....</b>	<b>12</b>
4.1	Contractor to Comply with Statutory and Legal Obligations .....	12
4.2	Contractor to Maintain Records .....	12
4.3	Contractor to Act in Support of Principal's Obligations .....	12
<b>5.</b>	<b>CONTRACTOR'S EMPLOYEES .....</b>	<b>13</b>
5.1	Generally .....	13
5.2	Staff Presentation and Identification .....	13
5.3	Conduct of Employees .....	13
5.4	Legal Proceedings .....	14
5.5	Removal of Employees .....	14
5.6	Industrial Disputes and Interruptions to Service .....	14
5.7	Indemnity .....	14
5.8	Payroll Tax .....	15
5.9	Payment of Employees and Subcontractors .....	15
5.10	Government Authorities and Termination .....	15
<b>6.</b>	<b>SUBCONTRACTING .....</b>	<b>15</b>
6.1	Generally .....	15
6.2	Subcontracting and Assigning .....	15
6.3	Transfer from Existing Contractual Arrangements .....	15
6.4	Contractor to Provide Information .....	15
6.5	Contractor Still to be Liable .....	16
6.6	Change in Beneficial Ownership .....	16
<b>7.</b>	<b>CONTRACTOR'S VEHICLES, PLANT AND EQUIPMENT .....</b>	<b>16</b>
7.1	Generally .....	16
7.2	Deficient Vehicles, Plant and Equipment .....	17
<b>8.</b>	<b>PROPERTY .....</b>	<b>17</b>
8.1	Damage to Property .....	17
8.2	Damage to Mobile Bins Used in this Contract .....	17
8.3	Cost of Damage .....	17

<b>9.</b>	<b>INSURANCE, RISK, RESPONSIBILITY AND INDEMNITY</b> .....	<b>18</b>
9.1	Workers' Compensation.....	18
9.2	Public Liability Insurance.....	18
9.3	Vehicles, Plant and Equipment Insurance.....	18
9.4	Annual Review of Insurance.....	19
9.5	Proof of Insurance.....	19
9.6	Failure to Produce Proof of Insurance.....	19
9.7	Indemnity.....	19
9.8	Reimbursement by Contractor.....	20
9.9	Indemnities and Releases of Liability Continue.....	20
<b>10.</b>	<b>PAYMENTS</b> .....	<b>20</b>
10.1	Payment Rates.....	20
10.2	Submission of Claims.....	20
10.3	Payment.....	20
10.4	Correction of Payments.....	20
10.5	Interest on Overdue Payments.....	20
10.6	Provisional and Contingency Sums.....	21
10.7	Service Rates Reviews.....	21
10.8	Calculation of Revised Service Rates.....	21
10.9	Periods of Non-Performance.....	22
10.10	Certification of Payments.....	22
10.11	Power to Pay Employees and Subcontractors.....	22
<b>11.</b>	<b>DEFAULTS AND TERMINATION</b> .....	<b>23</b>
11.1	Default by Contractor.....	23
11.2	Payments on Termination.....	23
11.3	Insolvency of Contractor.....	24
11.4	Termination of this Contract by the Contractor.....	24
<b>12.</b>	<b>SECURITY</b> .....	<b>25</b>
12.1	Performance Security.....	25
12.2	Amount and Form of the Performance Security.....	25
12.3	Recourse to the Performance Security.....	25
12.4	Return of the Performance Security.....	26
12.5	Replacement of the Performance Security.....	26
12.6	Appointment as Attorney.....	26
12.7	Principal's Right to Terminate.....	26
<b>13.</b>	<b>DISPUTE RESOLUTION</b> .....	<b>26</b>
13.1	Resolution of Dispute.....	26
13.2	Notice of Dispute.....	27
13.3	Further Information.....	27
13.4	Negotiation.....	27
13.5	Appointment of Mediator.....	27
13.6	Initial Mediation Meeting.....	27
13.7	Mediation.....	28
13.8	Arbitration or Litigation.....	28
13.9	Time Limits.....	28
13.10	Continuing Provision of Services.....	28
<b>14.</b>	<b>TAXES AND TAX PAYMENTS</b> .....	<b>28</b>
14.1	Contracts Sum Includes All Tax.....	28
14.2	The Principal May Recover Excess Tax Payments.....	28
14.3	Survival of Clause.....	28

<b>15. FORCE MAJEURE (EVENTS AND INTERRUPTIONS OF SERVICES)</b> .....	<b>29</b>
15.1 Claim of Force Majeure .....	29
15.2 Suspension of Rights and Obligations .....	29
15.3 Provision of Further Information.....	29
15.4 Duty to Mitigate.....	29
15.5 End of Period of Force Majeure .....	29
15.6 Termination after Extended Force Majeure.....	29
15.7 Interruption of Service.....	30
<b>16. ACKNOWLEDGMENT</b> .....	<b>30</b>
<b>17. STAMP DUTY AND COSTS</b> .....	<b>30</b>
<b>18. CUMULATIVE RIGHTS</b> .....	<b>30</b>
<b>19. FURTHER ASSURANCE</b> .....	<b>30</b>
19.1 Further Documents.....	30
19.2 Councils' Statutory Functions .....	30
<b>20. SPECIAL CONDITIONS</b> .....	<b>30</b>
<b>SCHEDULE</b> .....	<b>31</b>
<b>21. REGIONAL ARRANGEMENTS AND COMPETITION AND CONSUMER ACT 2010</b> .....	<b>31</b>
<b>22. OBTAIN ALL NECESSARY APPROVALS</b> .....	<b>31</b>
<b>23. CONFLICT OF INTEREST</b> .....	<b>31</b>
<b>24. STANDARD OF CARE</b> .....	<b>31</b>
<b>25. PERSONNEL</b> .....	<b>31</b>
<b>26. GOODS AND SERVICES TAX (GST)</b> .....	<b>32</b>
<b>27. DIRECT BANKING</b> .....	<b>32</b>
<b>28. PAYMENTS ON ACCOUNT</b> .....	<b>32</b>
<b>29. TERMINATION BY THE PRINCIPAL – PRINCIPAL'S CONVENIENCE</b> .....	<b>32</b>
<b>30. LATENT FACILITY CONDITIONS</b> .....	<b>33</b>
<b>31. CONFIDENTIALITY AND PRIVACY</b> .....	<b>33</b>
<b>32. INTELLECTUAL PROPERTY</b> .....	<b>33</b>
<b>33. ENVIRONMENTAL REQUIREMENTS</b> .....	<b>33</b>
33.1 Ecologically Sustainable Development .....	33
33.2 Environmental Control .....	33
33.3 Final Clean Up.....	34
<b>34. GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (NSW)</b> .....	<b>34</b>
34.1 Consultation Clause ( <i>GIPA Act</i> , s. 54) .....	34
34.2 Access to Information Clause ( <i>GIPA Act</i> , s. 121).....	35
<b>ANNEXURE</b> .....	<b>36</b>

*Rebecca Seal*

# Contract for Kerbside Collection of Domestic and Commercial Recyclables

*Bevan*

THIS AGREEMENT is made the 14 day of August 2012.

*Howey*

BETWEEN the Principal and the Contractor named in Item 1 of the Annexure in consideration of the obligations they each accept pursuant to the following terms and conditions:

*Rebecca Seal*

## 1. INTRODUCTORY ISSUES

### 1.1 Contract Aims and Objectives

The Aims and Objectives of this Contract are:

- (a) to achieve and maintain a high standard of performance in provision of the Services by the Contractor using best practice methods and systems;
- (b) to fulfil the Principal's Members' obligations under the Council's charter in the *Local Government Act 1993* including to "properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible in a manner which is consistent with and promotes the principles of ecologically sustainable development" and "have regard to the long term and cumulative effect of its decisions";
- (c) to regularly assess the performance of the Contractor and to gain continual improvement to work practices and resource recovery;
- (d) to promote the health, safety and welfare of all persons engaged in or affected by the Services;
- (e) to minimise noise impacts;
- (f) to purchase environmentally preferred goods whenever possible;
- (g) to facilitate a sustained effort to increase the type, quality and amount of resources recovered from the waste stream;
- (h) to maximise and preserve the resource integrity and value of recoverable and reusable materials within the waste stream;
- (i) to ensure the provision of ongoing effective communication and cooperation between the Principal's Members and the Contractor;
- (j) to provide high standard, integrated waste and resource recovery services, based on "best practice" principles, which are complementary to national, state and regional waste management policies, as well as the Principal's Members' own waste management strategies;
- (k) to fulfil the Principal's Members' obligations under legislation relating to provision of waste and resource recovery services;
- (l) to provide cost-effective services that users perceive as offering value for money.
- (m) to employ suitably qualified and experienced staff generally and to consider applications from employees of the previous contractor, Solo Waste/Solo Resource Recovery.
- (n) As per page 5 Section A – To promote economic development etc.

### 1.2 Definitions

In this Contract, the following terms will, have the meanings indicated:

"Annexure" means the Annexure to these Conditions of Contract.

*Bevan*

*Howey*

*Rebecca Seal*

**“Authority”** includes any Government (State or Federal), Government departments, statutory corporation or other body having power to affect the manner of provision of the Services or the need for the provision of the Services by the Councils and the Principal.

**“Business Day”** means a day on which trading banks are open for business in Sydney, New South Wales.

**“Claim”** means a statement prepared by the Contractor, containing such information as the Supervising Officer may require, which sets out the Services provided in a given period and the amount believed by the Contractor to be due under this Contract as payment for these Services.

**“Clause”** means a clause of this Contract.

**“Contract Commencement Date”** means the date of this Contract.

**“Contract”** means this agreement.

**“Contract Documents”** means the documents listed in Item 2 of the Annexure.

**“Contract Sum”** means the total amount payable under this Contract each year.

**“Contractor”** means the Party or Parties described as such in the Contract and includes any employee, agent or subcontractor acting on behalf of the specified Contractor.

**“Contractor’s Representative”** is the person so described appointed under Clause 2.5.1.

**“Contract Term”** has the meaning ascribed to it by Clause 2.2.2.

**“Council”** means each of Cessnock, Lake Macquarie, Maitland City Councils and Singleton Council.

**“Equipment”** - see “Vehicles, Plant and Equipment”.

**“Facility”/“Facilities”** means facilities used by the Contractor to provide Services under this Contract.

**“Force Majeure Event”** means an event beyond the reasonable control of the Party that the Party has taken all reasonable efforts to minimise.

**“GST”** has the meaning attributed to it in *A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth)*.

**“Information”** means all information, including documents or data however held, stored or recorded, drawings, plans, specifications, calculations, reports, models, concepts, source codes, files, computerised data, or photographic recordings, audio or audio visual recordings.

**“Material(s)”** means any item put out for collection as part of any of the Services.

**“Notice of Dispute”** means the notice served by a party to this Contract pursuant to Clause 13.2.

**“Party”/“Parties”** means any party or parties to this Contract.

**“Party’s Representative/Party’s Representatives”** means the representative(s) nominated by each Party in writing to the other Party to act as its representative(s) in the administration of this Contract [i.e., the Contractor’s Representative and the Supervising Officer].

**“Performance Security”** has the meaning ascribed to it in Clause 12.2.

**“Plant”** - see “Vehicles, Plant and Equipment”.



**"Premises"** and **"Service-Entitled Premises"** have the meanings ascribed to them in the Specification.

**"Principal"** means Hunter Resource Recovery Pty Ltd ACN 017 432 570 as delegate of each of the Councils.

**"Principal's Member's Code of Conduct"** means any regulations, guide, policy or standards that the Principal sets from time to time for the conduct of its staff.

**"Principal's Members"** means each of the Councils.

**"Principles of ecologically sustainable development"** are as defined in the *Local Government Act 1993*.

**"Services"** means all or any of the services to be performed by the Contractor as described in these documents, including but not limited to Special Event Services.

**"Services Commencement Date"** means the date determined in accordance with Clause 2.2.1 and is the date on which the Contractor is to commence providing the Services.

**"Service Rates"** means for the year commencing on the Contract Commencement Date the rates specified in the Tender and for each subsequent year those rates as adjusted in accordance with Clause 10.

**"Site"** means any Facility, or private or public place, where any of the Services are performed or provided under this Contract.

**"A Special Events Service"** means any Public/Council events whereby the relevant Council deems it to be a Special Event.

**"Specification"** means the specification of Services attached to this agreement, which includes the General Specification and Recyclables Specification.

**"Supervising Officer"** means the person appointed from time to time by the Principal to represent the Principal in the administration of this Contract.

**"Tender"** means the Tender Return Schedules forming part of the Contract Documents.

**"Tender Return Schedules"** means the Tender Return Schedules submitted by the Contractor and including the Contractor's introductory letter, company profile and supporting documentation.

**"Vehicles, Plant and Equipment"** means all or any of the vehicles, plant, implements, appliances and equipment used by the Contractor for carrying out its obligations under this Contract whether or not owned by the Contractor.

### **1.3 Construction of Terms**

In this Contract:

**Headings:** Headings and underlinings are for convenience and do not affect interpretation.

**Number:** Words expressed in the singular include the plural and vice versa.

**Gender:** A reference to a gender includes a reference to any other gender.

**Grammatical Forms:** Where a term is assigned a particular meaning, other grammatical forms of that term have a corresponding meaning.

**Reference to any Statute:** A reference to any Act, regulation, planning instrument, local law or by-law includes all Acts, regulations, planning instruments, local laws or by-laws

amending, consolidating or replacing same, and a reference to an Act includes all regulations, planning instruments, local laws and by-laws made under that Act.

**Successors and Permitted Assigns:** A reference to a Party in a document includes that Party, its legal representatives, successors and permitted assigns.

**Reference to Documents:** A reference to any document includes a reference to that document as amended, rectified or replaced from time to time and to any document so amending, rectifying or replacing the document.

## **1.4 Interpretation**

### **1.4.1 Contract Interpretation**

No rule of contract interpretation will be applied in the interpretation of this Contract to the disadvantage of one Party on the basis that it prepared or put forward any document comprising part of this Contract.

### **1.4.2 Amendments**

An amendment of any Clause in this Contract must be in writing and signed by the Parties.

### **1.4.3 Precedence**

Should the Contract Documents contain any discrepancy or inconsistency, then the documents will take precedence in the order in which they are listed in Item 2 of the Annexure for the purposes of resolving the discrepancy or inconsistency. If the discrepancy or inconsistency is not resolved by this method, the Principal will make a determination resolving the discrepancy or inconsistency. No determination by the Principal under this Clause will be construed as giving rise to a variation under clause 5.

### **1.4.4 Severability**

If any part of this Contract is or becomes illegal, invalid or unenforceable in a relevant jurisdiction, the legality, validity or enforceability of the remainder of this Contract will not be affected and this Contract will be read as if that part had been deleted.

### **1.4.5 Whole Understanding**

This Contract constitutes the whole understanding between the Parties, and embodies all terms and conditions of the transaction.

### **1.4.6 Governing Law**

The law of the State of New South Wales governs this Contract and any legal proceedings or arbitration under this Contract. Any legal action in relation to this Contract against any party may be brought in any court of competent jurisdiction in the State of New South Wales. Each party by execution of this Contract irrevocably, generally and unconditionally submits to the non-exclusive jurisdiction of any court specified in this provision in relation to both itself and its property.

### **1.4.7 Currency**

All prices and payments shall be in Australian currency.

### **1.4.8 Language**

Communications under this agreement shall be in the English language.

### **1.4.9 Measurements**

Measurements shall be in Australian legal units of measurement within the meaning of the *National Measurement Act 1960*.

## **1.5 Relationship between the Parties**

### **1.5.1 No Partnership**

Nothing in this Contract will be deemed to create a partnership between the Parties to this Contract nor will such a relationship be deemed to exist between the Parties arising out of any circumstances associated with this Contract.

### **1.5.2 Several and Joint Liability**

If the Contractor consists of two (2) or more parties, this Contract binds each of them severally and all of them jointly.

### **1.5.3 No Agency**

The Contractor will not:

- ( a ) Hold itself out as being an agent of the Councils or the Principal, or being in any way entitled to make any contract on behalf of the Councils or the Principal, or to bind the Principal to the performance, variation, release or discharge of any obligation; or,
- ( b ) Hold out its employees or agents or allow its employees or agents to hold themselves out as being employees or agents of the Councils or Principal.

### **1.5.4 No Fettering of Principal's Powers**

It is acknowledged and agreed that this Contract does not fetter or restrict the powers or discretions of the Principal, and/or the Councils, in relation to any powers or obligations it has under any legislation.

### **1.5.5 Contractor to Examine Information**

The Contractor warrants that it has examined all information and has made all enquiries relevant to its obligations under this Contract and is aware of all risks, contingencies, costs, difficulties and other circumstances in any way connected with the performance of its obligations under this Contract.

### **1.5.6 No Waiver**

No time or other indulgence granted by one Party to this Contract to any other Party, or any variation of the terms and conditions of this Contract, or any judgement or order obtained by one Party to this Contract against any other Party, will in any way amount to a waiver of any of the rights or remedies of the Parties against one another in relation to the terms of this Contract. Additionally, a waiver by a Party to this Contract in respect of any breach of any provision of this Contract by the other Party shall not be deemed to be a waiver of any other or of any subsequent breach. The failure of a Party to enforce at any time any of the provisions of this Contract shall in no way be interpreted as a waiver of such provision.

## **1.6 Notices**

### **1.6.1 Method of Giving Notices**

A notice required or permitted to be given by one Party to another under this Contract will be in writing, addressed to the other Party and:

- ( a ) Handed to that Party's Representative; or,
- ( b ) Delivered to that Party's address; or,
- ( c ) Sent by pre-paid mail to that Party's address; or,
- ( d ) Transmitted by facsimile to that Party's facsimile number.
- ( e ) By electronic mail

### **1.6.2 Time of Receipt**

A notice given to a Party in accordance with Clause 1.6.1 will be treated as having been duly given and received:

- ( a ) If handed to that Party's Representative, immediately; or,
- ( b ) If delivered to that Party's address, on the day of delivery; or,
- ( c ) If sent by pre-paid mail, on the third (3) Business Day after posting; or,
- ( d ) If transmitted by email or facsimile to that Party's email address or facsimile number and a correct and complete transmission report is received, on the day of transmission.

### **1.6.3 Addresses of Parties**

For the purposes of Clauses 1.6.1 and 1.6.2, the postal address or facsimile number of a Party is the postal address, facsimile number stated in Item 1 of the Annexure unless notice of another postal address and/or facsimile number has been given to the other Party.

### **1.6.4 Notices Issued by the Principal**

Where a notice is given by the Principal under this Contract it must be issued by the Supervising Officer.

When the Contractor receives a notice from the Supervising Officer purporting to be issued on behalf of the Principal the Contractor is entitled to accept that the notice has been issued with the knowledge and authority of the Principal.

### **1.6.5 Supervising Officer**

Unless the context otherwise requires all functions of the Principal under this Contract may be performed by a Supervising Officer and any notice required to be given or received by the Principal may be given by, or served on, the Supervising Officer.

## **2. THE SERVICES**

### **Work to be Performed**

#### **2.1.1 Contractor's Obligation**

The Contractor will perform the Services during the Contract Term in accordance with the Contract Documents.

#### **2.1.2 Notice of Direction**

In addition to any other right the Principal may have, if the Contractor fails to meet any of its obligations under Clause 2.1.1 for any reason, the Supervising Officer may give notice to the Contractor directing the Contractor to remedy the failure. Any notice given under this clause may specify a time within which the failure must be remedied which is to be at the Principal's discretion but must be reasonable.

#### **2.1.3 Contractor's Default Notice of Direction**

If the Contractor fails to remedy a default in accordance with a notice issued under clause 2.1.2, the Principal may arrange for the default to be remedied by others.

#### **2.1.4 Cost of Remedying Default**

Any costs or charges incurred by the Principal in the remedying of a default under clause 2.1.3, including any monitoring, administration or management cost incurred as a result of the default, as determined by the Supervising Officer, must be paid by the Contractor to the Principal within ten (10) Business Days of invoice or may be deducted from any moneys due or becoming due to the Contractor under this Contract, at the option of the Principal.

#### **2.1.5 Better Performance**

The Supervising Officer may give directions for the better performance of this Contract and the Contractor will give effect to such directions as if they constituted express terms of this Contract, provided however, that any directions giving rise to variations will be subject to the agreement of the Parties as set out in clause 3.

When issuing directions for better performance these directions must be consistent with the Aims and Objectives set out for this Contract in Clause 1.1.

## **2.2 Contract Term**

### **2.2.1 Services Commencement Date**

Services under this contract are to commence to the Principal on the Services Commencement Date set forth in Item 3 of the Annexure.

### **2.2.2 Contract Term**

The Contract Term is to be the period set forth in Item 4 of the Annexure ("initial contract term") plus any period for which the operation of this Contract is extended under Clause 2.2.3, and any other period for which the operation of this Contract is extended by agreement between the Parties.

### **2.2.3 Extension of Contract Term**

The Principal may, at its option, extend the operation of this Contract beyond the initial contract term set forth in Item 4 of the Annexure for a period that is not less than the period set forth in Item 4 (a) of the Annexure and is not more than the period set forth in Item 4 (b) of the Annexure, from the expiration of the initial contract term. The Principal must give notice of its intention to extend the operation of this Contract of at least the period set forth in Item 4 (c) of the Annexure prior to the expiration of the initial contract term.

## **2.3 Fees**

The Contractor will pay all fees, charges and costs incurred in its performance of the Services, except as stated, if at all, in the service Specifications for each part of the Services or in Item 5 of the Annexure.

## **2.4 Reports**

The Contractor will provide the Supervising Officer with written reports on any aspect of the Services if and as requested to do so in writing by the Supervising Officer or as specified elsewhere in the Contract Documents.

## **2.5 Contractor's Representative**

### **2.5.1 Appointment of Representative**

The Contractor will appoint a representative to be responsible for the day to day performance of the Services and the supervision of all persons employed or engaged in carrying out the Services (the "Contractor's Representative") and notify the Principal of the name of such person. The Contractor will notify the Supervising Officer immediately in writing should a new Contractor's Representative be appointed.

### **2.5.2 Availability of Representative**

The Contractor's Representative must be available to meet the Supervising Officer daily at Principal's offices to discuss delivery of the Services and to agree how any problems or complaints are being addressed. If the Supervising Officer waives these meetings he/she may reinstate these meetings at any time.

In addition the Contractor's Representative must be available and able to be contacted by the Principal by telephone each day during the hours specified in Item 6 of the Annexure.

The Contractor's Representative must have available, at all times, an appropriate and reliable motor vehicle and mobile communication system by which the Principal can contact the Contractor's Representative.

### **2.5.3 Address and Telephone Numbers**

The Contractor will provide the Supervising Officer with the address of the Contractor's Representative and a telephone number on which the Contractor's Representative may always be contacted. This address must be located in the Lower Hunter Area and must be attended between 8:00 am and 4:30 pm on all Business Days. The Contractor will notify the Principal immediately in writing of any change of address or telephone numbers of the Contractor's Representative.

### **2.5.4 Directions to Representative**

The Parties agree that any direction, instruction, notice, determination, approval or other communication made or given to a Party's Representative will be deemed to have been made or given to that Party.

### **2.5.5 Knowledge of Representative**

The Parties agree that any matter within the knowledge of a Party's Representative is deemed to be within the knowledge of that Party.

## **2.6 Principal's and Supervising Officer's Right of Access**

The Principal and the Supervising Officer may at all times when the Contractor's Facilities are available for service under the Contract access and inspect those Facilities and associated Vehicles, Plant and Equipment and records to satisfy themselves that the Contractor is complying with its obligations under this Contract.

## **3. CHANGES IN THE SERVICES**

### **3.1 Service Changes in Case of Emergencies**

Where in the opinion of the Supervising Officer an emergency exists which poses a risk to public health, public safety or the environment the Principal may direct the Contractor to provide additional or varied Services.

Where the Contractor is directed to provide additional or varied Services under this Clause it shall be paid at rates determined under the Contract or, if no such rates are available at a reasonable rate for the Services provided. Any dispute concerning such payments shall be determined pursuant to Clause 13.

### **3.2 Service Changes for Convenience**

Either Party may at any time request changes to Services provided under this Contract.

Variations to the Services may only occur with the agreement of all affected Parties under this Contract however such agreement shall not unreasonably be withheld by any Party, provided those variations do not substantially deviate from the Aims and Objectives set out in clause 1.1.

Any request to vary the Services must be made no later than a reasonable time before the variation is to take effect and with such information as is reasonably required for any other Party to assess the request.

In deciding if a particular variation is reasonable the Parties shall have regard to the Contract Aims and Objectives set out in Clause 1.1. These Contract Aims and Objectives shall be used to guide any decisions on variations.

## 4. CONTRACTOR'S OBLIGATIONS

### 4.1 Contractor to Comply with Statutory and Legal Obligations

The Contractor must ensure that all legal obligations that arise, whether by or under this Contract, statute, in equity or at common law, as a consequence of or in connection with the performance of the Services are fully complied with.

The Contractor's obligations, as created by this Clause include, without limitation, the following:

- (a) Where any person, facility, premises, vehicle, plant, equipment, or activity is required to be licensed, registered, approved or accredited the Contractor must ensure that the appropriate licence, registration, approval or accreditation is in force and current at all times during the performance of the Services.
- (b) Where development consent is required to be obtained pursuant to Part 4 of the *Environmental Planning and Assessment Act 1979* in respect of the use of any land, the Contractor must ensure such consent is obtained and is in force prior to the commencement of, and at all times during, such use.
- (c) Irrespective of who performs the Services, the Contractor must ensure the Services are performed in a safe manner and in accordance with all relevant legislation and Codes of Practice, including but not limited to the:
  - *Protection of the Environment Operations Act 1997*;
  - *Environmentally Hazardous Chemicals Act 1995*;
  - *Environmentally Hazardous Chemicals Amendment Act 1996*;
  - *Environmental Planning and Assessment Act 1979*;
  - *Local Government Act 1993*;
  - *Occupational Health and Safety Act 2000*;
  - *Dangerous Goods Act 1975*;
  - *Waste Avoidance and Resource Recovery Act 2001*;
  - *Workers Compensation Act 1987*;
  - *Road Transport (General) Act 1999*;
  - *Road Transport (Safety and Traffic Management) Act 1999*;
  - *Industrial Relations Act 1996*;
  - *Transport Industry - Waste Collection and Recycling (State) Award*; and,

all regulations, awards, codes and/or guidelines pursuant to any of such Acts and any enactments in lieu of such Acts as may be repealed.

### 4.2 Contractor to Maintain Records

The Contractor is to maintain copies of all licences, approvals, consents, accreditations, orders, directions and instructions that relate to the performance of the Services, including details of renewal or expiry dates and any restrictions that apply, and any variations to this Contract or notices issued under this Contract until the date twelve (12) months after the completion of the performance of the Services in their entirety or the date twelve (12) months after termination of this Contract, whichever is the later.

### 4.3 Contractor to Act in Support of Principal's Obligations

If the Principal has any legal obligations that the Principal cannot fulfil without a person involved in the performance of the Services acting (or not acting) in a particular manner in relation to the performance of the Services, then the Principal may direct the Contractor to ensure that such person (whether the person is the Contractor, an employee or officer of the

Contractor, a subcontractor, an employee or officer of a subcontractor or any other person) acts (or does not act) in that manner. Any such direction must be complied with immediately, or if a timeframe is specified in the direction, in accordance with that timeframe. The Contractor must ensure that the terms of any engagement of a subcontractor to perform part of the Services allow the Contractor to comply with the provisions of this clause.

Where the Principal makes a direction under this Clause 4.3 up to forty (40) hours per calendar year of Contractors' staff time is to be available at no charge to the Principal in total under this Clause and Clause 5.4. Where the Principal requires additional time by Contractors' staff the Contractor is to provide a diary of time spent and may recover staff costs from the Principal at a fixed rate of that person's hourly rate plus fifty percent (50%) where hourly paid or at the rate of 1/1200 of annual base salary per hour where that person is on salary.

## **5. CONTRACTOR'S EMPLOYEES**

### **5.1 Generally**

- (a) The Contractor must provide a sufficient number of employees with adequate skills, training and qualifications to carry out promptly and effectively the Services under this Contract and otherwise to perform the obligations of the Contractor under this Contract to the satisfaction of the Principal.
- (b) The Contractor must observe all laws creating employee entitlements including industrial awards, enterprise agreements and Industrial or Arbitration Tribunal decisions applicable to the Contractor's employees. The Contractor's employees will not be considered to be the Principal's or Councils' employees.
- (c) The Contractor must provide upon request by the Principal or the Supervising Officer evidence of any enterprise or industrial awards in place with relevant unions or groups of employees that cover employees performing Services under this Contract.
- (d) The Contractor must comply with all anti-discrimination laws and ensure its employees do not breach those laws.
- (e) When required by the Principal the Contractor must provide evidence and records to demonstrate it is complying with the requirements of this Clause 5.1.

### **5.2 Staff Presentation and Identification**

- (a) The Contractor must ensure that all staff and subcontractors performing the Services are appropriately attired and wear name badges.
- (b) The Principal may direct the Contractor that certain uniforms, clothing, safety equipment and name badges may or may not be used.
- (c) The Principal may direct the Contractor as to the standard of cleanliness, repair and presentation of uniforms, clothing, and safety equipment that is acceptable.
- (d) The Contractor must comply with any directions given under Clause 5.2 (b) and (c).

### **5.3 Conduct of Employees**

The Contractor will ensure that all of its employees and subcontractors:

- (a) Conduct themselves in a friendly, courteous, civil and inoffensive manner;
- (b) Carry out their duties at all times with as little inconvenience and disturbance to others as possible, and without causing any nuisance;



- ( c ) Conduct themselves in accordance with the Principal's Members' Codes of Conduct and any Act or regulation and report to the Principal any conduct which attempts to induce any public official to act corruptly in the administration of this Contract;
- ( d ) Collect ONLY Materials specified under the Contract. The collection of additional materials for money or other consideration including trade waste and business wastes is prohibited without the written consent of the Principal, which will not be unreasonably withheld. If the Contractor's employees are found collecting such materials the Principal may, in addition to any other remedies, recover the estimated costs of disposal and/or reprocessing such materials for the period which such materials are shown to have been collected or in the absence of clear evidence of the period from the beginning of the Contract.

#### **5.4 Legal Proceedings**

The Contractor and its employees must upon request and without any expense to the Principal attend as witnesses for the Principal in all cases where prosecutions are laid or where legal proceedings are instituted against the Principal or by the Principal against another person.

Where the Principal makes a request under this clause, up to forty (40) hours per calendar year of Contractors' staff time is to be available at no charge to the Principal in total under this Clause and Clause 4.3. Where the Principal requires additional time by Contractors' staff the Contractor is to provide a diary of time spent and may recover staff costs from the Principal at a fixed rate of that person's hourly rate plus fifty percent (50%) where hourly paid or at the rate of 1/1200 of annual base salary per hour where that person is on salary.

#### **5.5 Removal of Employees**

The Principal in its absolute discretion may by notice in writing from the Supervising Officer to the Contractor require that any employee, agent or subcontractor be removed, within a stated time, from any activity involved in performing the Services in the event that the Principal has reasonable grounds for suspecting that the employee's conduct is contrary to the requirements of this clause 5 or otherwise may cause the Contractor to be in breach of this Contract.

#### **5.6 Industrial Disputes and Interruptions to Service**

The Contractor must advise the Supervising Officer forthwith if the Contractor is unable to fulfil all or any part of its obligations under this Contract as a result of industrial dispute.

If an industrial dispute results in the cessation or interruption of any of the Services which remains unresolved for a period of more than 24 hours, the Contractor must immediately notify the dispute to the appropriate Industrial Commission and request an immediate compulsory conference between the parties concerned and must take all reasonable steps to endeavour to resolve such disputes. If the Contractor fails to so notify such dispute as required by this clause, the Principal will be entitled to take all necessary action to remedy the situation. In this circumstance, the Contractor will indemnify the Principal against all loss or cost incurred by the Principal in the event the Principal does take action to remedy the situation.

#### **5.7 Indemnity**

The Contractor indemnifies the Principal in respect of all moneys paid by the Principal to any employee of the Contractor, subcontractor, Authority, superannuation fund or insurer arising from any legal obligation of the Principal following the failure of the Contractor to pay any money to any such person or entity.

### **5.8 Payroll Tax**

The Contractor must:

- ( a ) Pay any payroll tax in respect of wages or salaries paid to the Contractor's employees; and,
- ( b ) Ensure that all subcontractors pay any payroll tax in respect of wages or salaries paid to the subcontractor's employees.

### **5.9 Payment of Employees and Subcontractors**

The Contractor warrants that it will pay its subcontractors and employees in a timely fashion and in accordance with any applicable contract, award, enterprise agreement and/or statute.

### **5.10 Government Authorities and Termination**

If the Contractor is prevented from carrying out the Services for any period of (5) five consecutive days or more by any order, notice or direction from any competent Authority or by law then the Principal may, at its discretion and acting reasonably:

- ( a ) Seek to vary the terms of this Contract in accordance with Clause 3; or,
- ( b ) Terminate this Contract by notice in writing to the Contractor and upon delivery of such notice this Contract will be cancelled and no Party will be liable to any other Party for any costs, damages, compensation, charges or expenses suffered or incurred by any Party arising out of such termination. However, such termination will be without prejudice to the rights of the Principal and the Contractor in respect of any breach or default under this Contract occurring prior to such termination.

## **6. SUBCONTRACTING**

### **6.1 Generally**

- ( a ) Any assignment or subcontracting will not be binding on the Principal unless it is done in accordance with this Clause 6.
- ( b ) The Contractor will not, except pursuant to Clause 6.2, subcontract or assign the whole or any portion of its rights and obligations under this Contract, and no subcontractors or assignees will have any rights under this Contract against the Principal or be entitled to receive any payments under this Contract from the Principal unless the relevant subcontract or assignment has received consent pursuant to Clause 6.2.

### **6.2 Subcontracting and Assigning**

Subject to Clauses 6.4 and 6.5, The Contractor will be entitled to assign or subcontract the whole or any part of its rights and obligations under this Contract only with the prior written consent of the Principal in its absolute discretion, which consent may be given subject to such conditions as the Principal considers appropriate.

### **6.3 Transfer from Existing Contractual Arrangements**

Where an existing contractual arrangement exists between the Principal and the Contractor for any or all of the Services described in this Contract this Contract supersedes the earlier arrangements to the extent that Services are included within this Contract.

No compensation will apply to the Contractor for the transfer of existing arrangements under this Clause 6.3.

### **6.4 Contractor to Provide Information**

With any application for the consent of the Principal to any assignment or subcontracting, the Contractor must provide all such information as may be required by the Principal, including,

but not limited to, evidence that the proposed assignee or subcontractor will be capable of performing any obligations of the Contractor under this Contract that are to be subcontracted or assigned.

This may include details of motor vehicles and equipment, employees, facilities, management, staff, systems and financial history and resources proposed to be used by the assignee or subcontractor.

### **6.5 Contractor Still to be Liable**

Unless otherwise agreed in writing by the Principal, no assignment or subcontracting of any rights or obligations of the Contractor under this Contract will relieve the Contractor from any liability under this Contract or at law in respect of the performance or purported performance of this Contract and the Contractor will be responsible for the acts and omissions of any subcontractor or assignee or any subcontractor's or assignee's employees and agents as if they were the acts or omissions of the Contractor.

### **6.6 Change in Beneficial Ownership**

For the purpose of this Clause 6, if the Contractor is a company, an assignment of this Contract will include any change in the beneficial ownership of the share capital of the Contractor, or the resignation, death or appointment of any director of the company, which alters the effective control of the Contractor. This Clause shall not apply if the Contractor is a public company listed on an Australian or overseas Stock Exchange or a subsidiary of any such company.

## **7. CONTRACTOR'S VEHICLES, PLANT AND EQUIPMENT**

### **7.1 Generally**

The Contractor will ensure that all of its Vehicles, Plant and Equipment being used in the performance of this Contract:

- (a) complies with all applicable Acts, regulations and by-laws; and,
- (b) are suitable for the purpose for which they are to be used; and,
- (c) are maintained in good repair and condition.
- (d) Minimise fuel consumption and emissions to land, air and water within the limits of effective operations

#### **7.1.1 Motor Vehicles**

The Contractor must for every motor vehicle to be used in the delivery of the Service:

- (a) obtain the prior consent in writing of the Principal to the use of the vehicle before it is put into service; and
- (b) thoroughly and properly maintain the vehicle and clean it daily; and
- (c) maintain the livery to a standard comparable with that when the vehicle was first put into service; and
- (d) keep the vehicle in a depot for the time being approved by the Principal; and
- (e) paint the vehicle uniformly with every other vehicle used in the delivery of the Service; and
- (f) have a properly sign written sign approved by the Principal prominently placed on each side and the back of the vehicle in or to the effect of:  
"Hunter Resource Recovery – Conserving our natural resources" with the logos of the Councils; and or such other logo, slogan as directed by the Principal in writing

- (g) ensure it is equipped with a suitable and reliable two-way communication system such as a telephone or radio to enable two-way communication between all vehicles at any time engaged in delivery of the Service; and
- (h) ensure that the vehicle including without limitation its configuration and operation, complies with the law including without limitation the *Australian Road Rules and the Australian Vehicles Standards Rules*; and
- (i) upon its breakdown, provide a replacement vehicle which complies with this clause; and
- (j) ensure it does not remain stationary for longer than is necessary for the delivery of the Service and the delivery of the Special Events Service; and
- (k) has a clearly visible fleet number on the rear of each collection vehicle.

## **7.2 Deficient Vehicles, Plant and Equipment**

### **7.2.1 Notice of Deficiency**

If the Supervising Officer considers that any item of the Contractor's Vehicles, Plant and Equipment is deficient, having regard to the requirements of Clause 7.1, the Supervising Officer may give notice to the Contractor:

- (a) specifying the deficiency;
- (b) stating a date by which the deficiency is to be remedied;
- (c) stating that the item of the Contractor's Vehicles, Plant and Equipment is not to be further used in the performance of the Services or otherwise in connection with this Contract until the deficiency has been remedied;
- (d) stating that the item of the Contractor's Vehicles, Plant and Equipment may only be used subject to specified conditions until the deficiency has been remedied; and,

may require the Contractor to obtain the Principal's approval before using the items of Vehicles, Plant and Equipment which has been subject to a notice of deficiency.

### **7.2.2 Reasons for Direction**

Any notice given under this Clause will give reasons for the Principal's direction.

## **8. PROPERTY**

### **8.1 Damage to Property**

The Contractor must report in writing all damage to property to the Supervising Officer forthwith.

The Contractor must do all things necessary to immediately remedy any damage done by its employees, agents or subcontractors to any property of the Principal or any other person. Should the Contractor fail to do so, the Principal may effect the necessary repairs or pay reasonable compensation to the owner of the property. The cost of effecting any necessary repairs or the amount of any reasonable compensation will be paid on demand by the Contractor to the Principal or may be deducted from any moneys due or becoming due to the Contractor under this Contract, at the absolute discretion of the Principal.

### **8.2 Damage to Mobile Bins Used in this Contract**

Where the Contractor damages mobile bins it will repair at its cost the mobile bins. Where the Principal is dissatisfied with a repair the Principal may direct the Contractor to carry out a further repair or replace the damaged mobile bin at the Contractor's cost.

### **8.3 Cost of Damage**

The Principal will determine by obtaining (3) Three written quotes the cost of effecting any necessary repairs or the amount of reasonable compensation to be paid to the owner of any

property in accordance with Clause 8, which may include any professional fees and costs that are deemed by the Principal to be attributable to the application of Clause 8.

Where the costs determined under Clause 8 exceed ten-thousand dollars (\$10,000) the Contractor may request an independent expert review of the costs and submit same to the Principal. The costs of such review are to be added to the amount of the claim for costs of damage. If, after obtaining an independent expert review of the costs, the Parties cannot agree on an amount to satisfy Clause 8, the Contractor may commence dispute resolution procedures under this Contract.

The Parties are to use their best endeavours to reach agreement on the costs. If an agreement can not be reached then the provisions of Clause 13 shall apply.

## **9. INSURANCE, RISK, RESPONSIBILITY AND INDEMNITY**

### **9.1 Workers' Compensation**

#### **9.1.1 Obligation to Insure**

The Contractor must insure in respect of any liability, loss, claim or proceedings whatsoever as required by law relating to workers' compensation or employers' liability by any person employed by it in or about the execution of the Services and must ensure that every subcontractor is insured against any such liability in the case of employees of such subcontractor.

#### **9.1.2 Indemnity**

The Contractor will indemnify the Principal and the Principal's Members from any liability, costs, penalties or additional premiums the Contractor or its subcontractors may incur under the provisions of the *Workers Compensation Act 1987* arising from any aspect of the Services to be performed by the Contractor under this Contract.

### **9.2 Public Liability Insurance**

The Contractor must hold current public liability insurance ("the Public Liability Policy") in the names of the Contractor, its subcontractors and the Principal and the Supervising Officer and each of the Principal's Members, providing coverage for an amount of at least that stated in Item 7 of the Annexure. The Public Liability Policy will be effected with an insurer approved by the Principal which approval will not be unreasonably withheld. The Public Liability Policy will cover such risks and be subject only to such conditions and exclusions as are approved by the Principal. The cover for the Principal is only in respect of Services provided by the Contractor and its subcontractors under the Contract.

#### **9.2.1 Cross Liability**

Any insurance required to be effected in accordance with this Contract by the Contractor (other than workers' compensation insurance) must include a cross liability clause in which the insurer agrees to waive all rights of subrogation or action against the Principal or the Principal's Members and any of the persons comprising the insured or to whom coverage under the policies is extended and for the purpose of which the insurer accepts the term "insured" as applying to each of the persons comprising the insured or to whom coverage under the policies is extended as if a separate policy of insurance had been issued to each of them (subject always to the overall sum insured not being increased thereby).

### **9.3 Vehicles, Plant and Equipment Insurance**

The Contractor must insure its Vehicles, Plant and Equipment in respect of any liability as required by law and also in respect of any injury or damage to person or property as may be caused by the negligent use of any such Vehicles, Plant or Equipment in the course of performing the Services.

#### **9.4 Annual Review of Insurance**

At least once every year after the Contract Commencement Date the Principal and the Contractor together with such insurance advisors, on their own behalf and at their cost, as any Party may require, must meet and review the insurances held in respect of the Contract. All insurances under this provision must be taken out and maintained in a form and with reputable and financially sound insurers approved by the Principal, such approval not to be unreasonably withheld.

#### **9.5 Proof of Insurance**

Before the Contractor commences work under this Contract and whenever requested in writing by the Principal, the Contractor must produce evidence to the satisfaction and approval of the Principal of the insurances effected and maintained.

The effecting of insurance does not limit the liabilities or obligations of a Party under other provisions of this Contract.

#### **9.6 Failure to Produce Proof of Insurance**

If the Contractor, or a subcontractor, fails within ten (10) Business Days of receiving a request from the Principal to produce evidence of compliance with insurance obligations required by this Contract or fails to effect or to keep in force any of the insurances required by this Contract to the satisfaction of the Principal, the Principal may in its absolute discretion effect and maintain the insurance and pay the premiums. The premium paid will be a debt due to the Principal from the Contractor and the Principal may refuse payment of any moneys due to the Contractor under this Contract until evidence of compliance with insurance obligations required by this Contract is produced by the Contractor to the satisfaction and approval of the Principal. The rights given by this Clause 9 are in addition to any other right.

#### **9.7 Indemnity**

- ( a ) Subject to Clause 9.7 (b) the Contractor must at all times hold harmless and keep indemnified the Principal, its employees, representatives, officers and agents and the Principal's Members from and against all actions, proceedings, liabilities, losses, damages, demands, claims, suits, fines and other penalties, costs, charges and expenses (including all reasonable legal fees and other expenses of legal proceedings) and causes of action arising out of or in any way connected with or related to (in all circumstances whether directly or indirectly) the performance of the Services by the Contractor, its employees, agents, subcontractors and assigns (including without limitation the observance, fulfilment, non-observance or non-fulfilment of any term, condition or requirement of this Contract), including:
- (i) Any negligence, wrongful act or omission of the Contractor or of any other persons for whose acts or omissions the Contractor is liable; and/or
  - (ii) Death or injury to any person or loss of or damage to any property; and/or
  - (iii) Any breach of a third party's Intellectual Property rights; and/or
  - (iv) Any breach of the Contract by the Contractor; and/or
  - (v) Any action, claim or demand from liability brought against the Principal in connection with a breach by the Contractor of the Occupational Health & Safety Act and associated Regulations (so far as permissible at law).

- (b) The Contractor shall not under Clause 9.7(a) be liable to indemnify the Principal, its employees, representatives, officers and agents or the Principal's Members for the proportionate share of any actions, proceedings, liabilities, losses, damages, demands, claims, suits, fines and other penalties, costs, charges and expenses caused by the negligent act or omission of the Principal, its employees, representatives, officers and agents.

### **9.8 Reimbursement by Contractor**

The Contractor must, on written demand, reimburse the Principal, its employees, representatives, officers and agents for any financial loss incurred by that person, including fines and other penalties, for which the Contractor indemnifies that person pursuant to this Clause 9.

### **9.9 Indemnities and Releases of Liability Continue**

The indemnities and releases of liability contained in this Clause 9 continue in full force and effect after the termination of this Contract by a Party or the Parties for any reason.

## **10. PAYMENTS**

### **10.1 Payment Rates**

The Contractor will be paid for Services provided under this Contract at the Service Rates that apply at the time the Services are supplied.

### **10.2 Submission of Claims**

Within sixty (60) days from the date the Service is rendered the Contractor must deliver to the Principal a Claim for payment of those Services provided in that month. The Claim for payment must be in the form of a tax invoice for GST purposes and supported by evidence of the amount due to the Contractor and such other information as the Principal may reasonably require to verify the amount due including the Services performed and the Service Rates applicable to those Services.

The Principal shall approve or dispute the Claim in writing to the Contractor within ten (10) Business Days. Where the Principal approves the Claim subject to conditions or adjustment or rejects a Claim, the Principal shall notify the Contractor of such conditions or adjustment within ten (10) Business Days of submission of the Claim by the Contractor.

### **10.3 Payment**

The Principal must, within thirty (30) Business Days of submission by the Contractor, pay a Claim subject to any conditions or adjustments notified by the Principal to the Contractor.

### **10.4 Correction of Payments**

At any time the Principal may correct any error discovered in any previous payment, and may add to or deduct from any payments due to the Contractor under this Contract to compensate for such error.

When such adjustments occur the Contractor will provide invoices to the Principal to support any corrections within twenty (20) Business Days of being advised of them.

### **10.5 Interest on Overdue Payments**

If any moneys due to any Party are not paid by the date on which they should have been paid, then interest shall be payable thereon from the due date until the date on which they are paid. The rate of interest shall be the rate stated in Item 8 of the Annexure and if no rate is stated the rate shall be ten percent (10%) per annum, compounded quarterly.



## 10.6 Provisional and Contingency Sums

Where the Contract provides for the payment of provisional and contingency sums the amount of these has been determined by the Principal and are included in the total Contract Sum.

Expenditure against these sums may only occur at the direction of the Supervising Officer. Any claims by the Contractor from these amounts must be identified separately in accounts. Any unused amounts from these sums at the end of each year of the Contract shall remain with the Principal and may not be carried over from year to year.

## 10.7 Service Rates Reviews

Service Rates for Services supplied under this Contract are to be adjusted quarterly on 1 July, 1 October, 1 January and 1 April in each year (the Quarter Dates) in accordance with the rise and fall adjustment formula in clause 10.8 and the Service Rates that are set at that time will apply for Services provided the following quarter. The first such adjustment shall occur on the first of the Quarterly Dates which occurs at least three months after the Services Commencement Date.

## 10.8 Calculation of Revised Service Rates

As anticipated by Schedule 12 of the Contractor's tender schedules, the Service Rates set out in the Tender, will be adjusted on the Quarter Dates in each year as follows:

**Formula:**  $\text{Revised Service Rates} = \text{Tendered Service Rate} \times [Ax(B-C)/C + Dx(E-F)/F + Gx(H-I)/I + J(K-L)/L]$

Where:

**A** is the component specified for "Wages" in Schedule 12 of the Contractor's tender schedules – 0.35

**B** is the award wage applicable for a Level 6 driver under the Waste Management Award (2010) (or equivalent position under the replacement award) applicable for the period being adjusted

**C** is the award wage applicable for a Level 6 driver under the Waste Management Award (2010) available at the close of tenders

**D** is the component specified for "Fuel" in Schedule 12 of the Contractor's tender schedules – 0.15

**E** is the average of the "Terminal Gate Price for diesel" in Sydney as published by the Australian Institute of Petroleum ([www.iap.com.au](http://www.iap.com.au)) (or if this price index ceases to exist, a similar index selected by the Principal, acting reasonably, from time to time) applicable over the final four weeks of the period being adjusted

**F** is the average of "Terminal Gate Price" for diesel in Sydney as published by the Australian Institute of Petroleum applicable over the final four week prior to the close of tenders

**G** is the component specified for "Vehicle Costs" in Schedule 12 of the tender schedules – 0.40

**H** is the CPI Transport Table 5 figure Sydney applicable for the period being adjusted (for eg, June quarter CPI for July invoice)

**I** is the CPI Transport Table 5 figure Sydney applicable available at the close of tenders (Dec 2011 quarter)



*J* is the component specified for "Costs and Profit Return" in Schedule 12 of the tender schedules – 0.10

*K* is the CPI All Groups Table 1 Sydney figure applicable for the period being adjusted

*L* is the CPI All Groups Table 1 Sydney figure available at the close of tenders (Dec 2011 quarter)

### **10.9 Periods of Non-Performance**

The Principal will not be required to make any payment to the Contractor in respect of any of the Services that are not performed, or are not performed in accordance with this Contract.

### **10.10 Certification of Payments**

On submitting a Claim for any payment under this Contract, the Contractor will certify in writing to the Supervising Officer that:

- ( a ) It has paid all wages and allowances owing to any of its employees in respect of the work claimed for;
- ( b ) It has paid all amounts due to any person, including any relevant government taxes, levies or charges, in respect of the work claimed for to which it has subcontracted any of its rights and obligations under this Contract;
- ( c ) It has made any payments that it is required to make in respect of the Contractor's Vehicles, Plant and Equipment and the Facilities up to the end of the period to which the claim applies;
- ( d ) It has paid all superannuation components payable.

The Supervising Officer may require that any such certification by the Contractor is confirmed by a statutory declaration to the same effect by a person authorised to make such a declaration on the Contractor's behalf prior to the making of any payment to the Contractor under this Contract.

### **10.11 Power to Pay Employees and Subcontractors**

If the Supervising Officer has evidence that:

- ( a ) Any wages or allowances due to the Contractor's employees are unpaid;
- ( b ) The Contractor has failed to pay any amounts due to any party to which it has subcontracted any of its rights and obligations under this Contract; or,
- ( c ) The Contractor has failed to make any payment that it is required to make in respect of its Vehicles, Plant and Equipment or facilities,

the Principal may deduct such amounts as appear to be due to the Contractor's employees or subcontractors or to any third party with an interest in any of the Contractor's Vehicles, Plant and Equipment or Facilities from any payments due to the Contractor under this Contract, and withhold the moneys until it has been provided with evidence to the satisfaction of the Principal that all wages and allowances due to the Contractor's employees or amounts due to the Contractor's subcontractors or such third parties have been paid. If no such evidence is provided to the Principal within five (5) Business Days, the Principal may pay to the Contractor's employees any wages and allowances or to the subcontractors and such third parties any amounts which appear to be unpaid to the extent of the moneys which have been withheld from payments to the Contractor.

Nothing in this Clause will in any way oblige the Principal to make any payment to any of the Contractor's employees or subcontractors or any such third parties. Any payments that may be made by the Principal under this Clause will be deemed to have been made on behalf of the Contractor.

## **11. DEFAULTS AND TERMINATION**

### **11.1 Default by Contractor**

#### **11.1.1 Principal to Give Notice**

Should the Contractor default in the performance or observance of any obligation it has under this Contract, or refuse or neglect to carry out or give effect to any order, instruction, direction or determination which the Principal is empowered to give or make under this Contract, and which is given or made in writing to the Contractor, the Principal may give notice requiring the Contractor to explain why the powers contained in this clause should not be exercised.

Such notice:

- ( a ) will signify that it is a notice under this Clause; and,
- ( b ) will specify the default, refusal or neglect on the part of the Contractor upon which it is based.

#### **11.1.2 Principal's powers**

If, within five (5) Business Days after receipt of the notice, the Contractor fails to demonstrate to the Principal's satisfaction that the default will be rectified, or the order, instruction, direction or determination will be carried out or given effect to and this Contract satisfactorily performed, the Principal, without prejudice to any other rights that it may have under this Contract or at common law against the Contractor, may:

- ( a ) suspend payment under this Contract; or
- ( b ) treat the matter as a dispute under Clause 13 of this Contract; or
- ( c ) suspend all payments under this Contract until the Contract dispute is resolved; or
- ( d ) terminate or take over this Contract including, at the Principal's sole discretion, the use of the Contractor's Vehicles, Plant and Equipment for a period not exceeding the duration of the Contract Term (and any valid extension of the Contract Term).

In addition to the payments on termination specified in clause 11.2, if the Principal elects to take over and use the Contractor's Vehicles, Plant and Equipment, the Principal will pay the Contractor a market rental for the use of such equipment determined by the Principal, acting reasonably.

The suspension of payment under this Clause by the Principal, will not in any way affect the continuing obligations of the Contractor under this Contract. Suspension of payment may be continued until the default has been rectified or the order, instruction, direction or determination is carried out or given effect to.

### **11.2 Payments on Termination**

#### **11.2.1 Limit of Payments**

In the event of termination of this Contract under Clause 11.1 or as a result of Force Majeure, the Principal will be liable to make payments to the Contractor only in respect of any portion of the Services which have been properly executed and not paid for at the date of termination.

#### **11.2.2 Payment for Losses and Expenses**

In the event of a termination under Clause 11.1, the Contractor must pay to the Principal the amount of all costs, losses and expenses incurred by the Principal by reason of or arising from the termination including but not limited to all professional fees, the Principal's costs and costs of making alternative arrangements for provision of the Services.

### **11.2.3 Principal's Determination**

The Principal will determine the amounts payable by the Contractor and the Principal pursuant to this Clause 11 as soon as practicable after the termination of the Contract. The Principal will give notice of such determination under this Clause to the Contractor. Any amounts payable under this Clause by the Contractor and the Principal must be paid within ten (10) Business Days of the receipt of notice by the Contractor of the Principal's determination.

### **11.2.4 The Principal may Retain Moneys**

The Principal may retain moneys payable to the Contractor pursuant to this Clause 11 until the amount payable by the Contractor to the Principal under Clause 11 has been determined by the Principal and paid by the Contractor. Alternatively, the Principal may set off against moneys payable by it to the Contractor, any moneys payable by the Contractor to the Principal.

### **11.3 Insolvency of Contractor**

If:

- ( a ) the Contractor (being a natural person) becomes bankrupt;
- ( b ) the Contractor (being a natural person) files or is served with a petition in bankruptcy;
- ( c ) the Contractor (being a natural person) is served with a bankruptcy notice;
- ( d ) the Contractor makes an assignment for the benefit of its creditors;
- ( e ) the Contractor informs the Principal that the Contractor is insolvent or unable to pay its debts;
- ( f ) a meeting of creditors of the Contractor is called with a view to entering into a scheme of arrangement or composition with creditors or placing the Contractor under official management;
- ( g ) the Contractor enters a scheme of arrangement or composition with creditors;
- ( h ) the Contractor is placed under administration;
- ( i ) a receiver or receiver and manager or agent for any creditor is appointed to take possession of any asset or carry on the whole or any part of the Contractor's business;
- ( j ) a resolution is passed for the winding up of the Contractor;
- ( k ) an application is made to a Court for the winding up of the Contractor and such application is not dismissed within twenty (20) Business Days of such application being filed;
- ( l ) a winding up order is made in respect of the Contractor;
- ( m ) execution is levied against the Contractor by any person;
- ( n ) a liquidator or provisional liquidator is appointed to the Contractor,

then the Principal may terminate this Contract by notice in writing to the Contractor or take over the Services under this Contract by notice in writing to the Contractor.

### **11.4 Termination of this Contract by the Contractor**

#### **11.4.1 Contractor's Right to Terminate**

If the Principal has failed to pay to the Contractor any amount due under Clause 10, other than an amount being the subject of:

- ( a ) dispute under this Contract; and notified under Clause 10.2
- ( b ) any legal proceedings commenced in respect of this Contract;

- ( c ) adjustment or conditional approval by the Principal within ten (10) Business Days of delivery of a claim for payment,

within ten (10) Business Days of the expiry of any period for payment, the Contractor may give notice in writing to the Principal stating that a notice of termination under this Contract may be served if payment is not made within a further ten (10) Business Days. If the Principal fails to make payment within ten (10) Business Days of the receipt of such notice, then the Contractor may by notice to the Principal either suspend the Services or terminate Services to the Principal. Any suspension of the Services to the Principal by the Contractor under this Clause will not prevent the Contractor terminating this Contract during the period that the Services are suspended.

#### **11.4.2 Payments upon Termination**

Upon termination of this Contract by the Contractor under Clause 11.4.1, without prejudice to the accrued rights or remedies of the Parties or the other liabilities of the Parties under this Contract which may have accrued prior to termination, the Principal will, after taking into account amounts previously paid under this Contract, make payments to the Contractor in respect of:

- ( a ) Any portion of the Services which have been properly executed and not paid for at the date of termination; and,
- ( b ) The cost of materials or goods properly ordered for the performance of the Services by the Contractor for which the Contractor has paid, or for which the Contractor is legally bound to pay, provided that such goods and materials will, on the making of the payment by the Principal, become the property of the Principal and be transferred to the Principal's ownership and possession by the Contractor and provided further that these costs are limited to the value of the goods and materials transferred to the Principal or to the cost of such goods paid by the Contractor whichever is the lesser.

The amount of any payments to be made by the Principal under this Clause and any steps required to effectively transfer ownership and possession of any materials or goods referred to in Clause 11.4.2 (including the proportions in which each Party to this Contract is to bear the costs of the taking of any such steps) will be determined by the Principal. Each Party will take any steps determined by the Principal to effectively transfer ownership and possession of the material or goods under this Clause.

## **12. SECURITY**

### **12.1 Performance Security**

The Performance Security is required to be provided by the Contractor for the purpose of ensuring due and proper performance of the Services.

### **12.2 Amount and Form of the Performance Security**

Within twenty (20) Business Days of the date of acceptance of the Tender or before the Services Commencement Date, whichever is the earlier, the Contractor will deliver to the Principal cash, or an irrevocable, unconditional bank guarantee from a bank or similar institution approved by the Principal in favour of the Principal in a form acceptable to the Principal for the sum stated in Item 9 of the Annexure the ("Performance Security").

### **12.3 Recourse to the Performance Security**

In the event of any failure by the Contractor to carry out and complete its obligations under this Contract, the Principal may have recourse to the Performance Security in respect of any moneys for which the Contractor may be liable to the Principal under this Contract. Without

limiting the rights of the Principal under this Clause, the Principal may deduct from the Performance Security any sum payable to the Principal under Clauses 10 and 11.

In the event that the Principal has recourse to the Performance Security then the Principal must notify the Contractor within ten (10) Business Days thereafter.

#### **12.4 Return of the Performance Security**

Unless the Principal has exercised a right under Clause 12.3, the Performance Security will be returned to the Contractor at the conclusion of the Contract Term providing all liabilities under this Contract have been met.

#### **12.5 Replacement of the Performance Security**

If the Principal has applied the Performance Security or any part thereof to rectify or part rectify any breach of this Contract the Contractor shall within five (5) Business Days of service of the notice on the Contractor pursuant to Clause 12.3 provide a replacement Performance Security or "top up" of the same amount to be held on the same terms as this Clause 12 to the intent that the Performance Security will be maintained in the amount specified in Clause 12.2.

#### **12.6 Appointment as Attorney**

The Contractor irrevocably appoints the Principal as its attorney to do any acts and execute any documents that may be necessary to ensure payment of the whole or part of the Performance Security to the Principal under Clause 12.3.

#### **12.7 Principal's Right to Terminate**

If the Contractor fails to meet its obligations under Clause 12.2 or 12.5, the Principal may immediately terminate this Contract. In the event of a termination of this Contract under this Clause, Clauses 11.2 and 11.3 will operate to the extent that they are applicable, as if the termination had been made by the Principal under Clause 11.1 (without the need for the notice and show cause requirements under clause 11.1 to be complied with).

### **13. DISPUTE RESOLUTION**

#### **13.1 Resolution of Dispute**

If a dispute arises the Parties shall use their best endeavours to resolve the dispute informally in the first instance before any Notice of Dispute is served.

If a dispute arises between the Contractor and the Principal, any Party seeking to resolve the dispute must do so in accordance with the provisions of this Clause 13.

Reasonable compliance with this Clause 13 is a condition precedent to any entitlement to claim relief or remedy whether by way of proceedings in a court or other tribunal in respect of the dispute.

Nothing in this clause 13 prevents:

- ( a ) a Party seeking urgent injunctive or declaratory relief from a court in connection with a dispute without first having attempted to negotiate and settle the dispute in accordance with this Clause 13;
- ( b ) a Party terminating this Contract pursuant to any clause of this Contract;
- ( c ) the Parties meeting at any time to seek to resolve a dispute.

The Parties' obligations under this Contract will continue despite any dispute between the Parties.



### **13.2 Notice of Dispute**

If the Principal or the Contractor becomes aware of a dispute between the Principal and the Contractor, that Party must notify the other Party of the existence and nature of the dispute by serving on the other Party a notice setting out detailed particulars of the dispute including, if appropriate, references to documents and provisions of the Contract which relate to the dispute ("Notice of Dispute").

A copy of this Notice of Dispute and all subsequent correspondence between the Parties on that matter must be supplied to the Supervising Officer at the same time it is issued to the other Party.

### **13.3 Further Information**

A Party who receives a Notice of Dispute pursuant to Clause 13.2 may, within five (5) Business Days after such receipt, reasonably require the Party who served the Notice of Dispute to provide further or more detailed information relating to the dispute.

### **13.4 Negotiation**

Upon receipt of a Notice of Dispute and, if applicable, the provision of further or more detailed information in relation to the dispute under Clause 13.3, the Parties must negotiate to resolve the dispute as follows:

- (a) One or more representatives of each Party in dispute will meet, within ten (10) Business Days of the receipt by a Party of a Notice of Dispute or the further information, if any, required pursuant to Clause 13.3 (whichever be the later), to discuss and attempt to resolve the dispute; and,
- (b) If those representatives do not resolve the dispute within five (5) Business Days of their first meeting then within ten (10) Business Days of that first meeting the Principal, Chairperson and Manager of the Parties in dispute must meet to discuss and attempt to resolve the dispute.

### **13.5 Appointment of Mediator**

If a dispute is not resolved within ten (10) Business Days of the meeting of the General Managers of the Parties in dispute pursuant to Clause 13.4 (b), then the dispute must be referred to a mediator.

The Parties in dispute must agree upon the selection and appointment of a mediator who will act in respect of the dispute. The Parties in dispute may agree to appoint a different mediator at any time.

If no agreement is reached between the Parties in dispute on the selection and appointment of the mediator within fifteen (15) Business Days of the meeting of the General Managers pursuant to Clause 13.4 (b), then any Party in dispute may request the chief executive of the Australian Commercial Disputes Centre Limited to appoint a mediator, and any mediator so appointed shall be the mediator for the dispute pursuant to this Clause 13.

### **13.6 Initial Mediation Meeting**

The Parties in dispute must as soon as practicable after notification of the dispute to the mediator, confer in the presence of the mediator to:

- (a) Identify the subject matter of the dispute;
- (b) Identify the provisions of this Contract relevant to the dispute;
- (c) Discuss each other's position in relation to the dispute;
- (d) Listen to any comments made by the mediator; and,
- (e) Attempt to resolve the dispute by mutual agreement.

### **13.7 Mediation**

The mediation will be conducted by the mediator at a time, place and in a manner agreed between the Parties in dispute or otherwise in accordance with the rules of the Australian Commercial Dispute Centre Limited in force at the time of the service of the Notice of Dispute pursuant to Clause 13.2.

With the consent of the Parties in dispute, the mediator may appoint a neutral expert of the mediator's choice to provide assistance in relation to the mediation.

The Parties agree that the mediator will act as an aid to assist them to resolve the Dispute and not as an arbitrator or decider of any matter.

The Parties in dispute will share equally the costs of the mediation and any neutral expert appointed by the mediator unless otherwise agreed by the Parties.

### **13.8 Arbitration or Litigation**

If the mediation does not commence within twenty (20) Business Days after appointment of the mediator or is not completed within thirty (30) Business Days of such date then:

- ( a ) any Party in dispute may terminate the mediation proceedings by written notice to the other Party;
- ( b ) that written notice must identify the matters that are still in dispute; and,
- ( c ) the service of that notice is a condition precedent to the commencement of arbitration or litigation proceedings.

### **13.9 Time Limits**

The Parties in dispute may agree to extend any of the time limits in this Clause 13.

### **13.10 Continuing Provision of Services**

Despite the existence of a dispute under this Contract the Contractor must continue to perform the Services in accordance with this Contract.

## **14. TAXES AND TAX PAYMENTS**

### **14.1 Contracts Sum Includes All Tax**

The Service Rates include all sales tax, excise duties, consumption tax, value added tax and GST and other like imposts or taxes presently imposed.

### **14.2 The Principal May Recover Excess Tax Payments**

The Principal shall have the right to recover as a debt from the Contractor the following amounts:

- ( a ) any tax or impost paid by the Contractor and charged to the Principal for the Services where an exemption concession or rebate applies; and,
- ( b ) any tax or impost incorporated into payments made by the Principal under the Contract which may be subsequently recovered by the Contractor from the Australian Taxation Office or any other person.

### **14.3 Survival of Clause**

This Clause 14 shall survive termination or expiration of the Contract.

## **15. FORCE MAJEURE (EVENTS AND INTERRUPTIONS OF SERVICES)**

### **15.1 Claim of Force Majeure**

If by reason of a Force Majeure Event occurring, any Party is wholly or partially unable to carry out its obligations under this Contract that Party must, as soon as it becomes aware of the Force Majeure Event, give to the other Parties written notice of the Force Majeure Event together with full particulars of all relevant matters including:

- (a) Details of the Force Majeure Event;
- (b) Details of the obligations affected;
- (c) Details of the action that the Party has taken to remedy the situation and details of the action that the Party proposes to take to remedy the situation;
- (d) An estimate of the time during which the Party will be unable to carry out its obligations due to the Force Majeure Event;
- (e) An estimate of the costs the Party will incur to remedy the situation and the proposed funding arrangements; and,
- (f) Details of all insurance monies which the Party will be able to rely on in making good damage caused by the Force Majeure Event.

### **15.2 Suspension of Rights and Obligations**

Once a Party notifies the others of a Force Majeure Event, the notifying Party's obligations under this Contract (other than its obligations to make payments already owing) will, to the extent only that such obligations are affected by the Force Majeure Event, be suspended.

### **15.3 Provision of Further Information**

Upon the notice under Clause 13.2 having been given the Party giving such notice must provide the other Party promptly with all further relevant information, pertaining to the Force Majeure Event, that the other Party requests.

### **15.4 Duty to Mitigate**

Following a notification pursuant to Clause 13.2, the Parties will promptly meet to identify alternative viable means of providing the Services affected and to mitigate the effect of the Force Majeure Event.

All reasonable efforts to mitigate the Force Majeure Event must be implemented promptly.

### **15.5 End of Period of Force Majeure**

Subject to the Clause 13.2, the suspension of one or more obligations of a Party pursuant to Clause 13.2 ends when that Party is able to recommence fulfilment of each such obligation. At such time that Party must issue a notice to that effect to the other Party, and immediately recommence the performance of each such obligation.

### **15.6 Termination after Extended Force Majeure**

If a Party is rendered wholly or partially unable to carry out its obligations in relation to this Contract due to a Force Majeure Event for a period of more than five (5) consecutive Business Days, the Parties must meet in an endeavour to identify any alternative viable means to provide the suspended Services. Failing an alternative means being agreed upon within ten (10) Business Days of the start of the Force Majeure Event any Party may terminate this Contract immediately by written notice to the other party.

In the event of a termination of this Contract under this Clause 13.2, the provisions of this Contract relating to termination set out in Clause 11.2 and Clause 11.4.2 apply.



### **15.7 Interruption of Service**

Should the performance of Services under this Contract become interrupted by reason of industrial disputes or any other cause then, subject to Clause 2.1, the Principal may have that work carried out by other persons and, without prejudice to any other right or remedy available to it, call upon the Contractor to reimburse it for any cost or expense in carrying out any of such work or deduct the amount of any such cost or expense from money payable under this Contract to the Contractor.

### **16. ACKNOWLEDGMENT**

The Contractor acknowledges that:

- ( a ) it has relied on its own enquiries and independent Legal and Financial and other advice in preparing its Tender; and,
- ( b ) this Contract constitutes the entire agreement between the Principal and the Contractor.

### **17. STAMP DUTY AND COSTS**

- ( a ) The Contractor must pay all stamp duty on or arising in connection with this Contract and any other related documentation.
- ( b ) Each Party will bear its own legal and other costs and expenses arising directly or indirectly with respect to the preparation, execution, completion and performance of this Contract and any other related documentation.

### **18. CUMULATIVE RIGHTS**

The rights or remedies conferred on any Party by this Contract are in addition to all rights and remedies of that Party at law or in equity.

### **19. FURTHER ASSURANCE**

#### **19.1 Further Documents**

Each Party will sign, execute and complete all further documents necessary to effect, perfect or complete the provisions of and the transactions contemplated by this Contract.

#### **19.2 Councils' Statutory Functions**

Nothing in this Contract shall fetter the Councils in their exercise of their discretions in the exercise of any consent function imposed upon the Councils by any law and no compensation shall be payable by the Councils to the Contractor for any loss or damages suffered by the Contractor arising from the valid exercise by the Councils of any such function.

### **20. SPECIAL CONDITIONS**

The Parties have agreed to adopt the special conditions, if any, set forth in the Schedule.

**SCHEDULE**  
**(Special conditions)**

**21. REGIONAL ARRANGEMENTS AND COMPETITION AND CONSUMER ACT 2010**

The tenderer acknowledges that the Principal provides waste recovery services for a number of regional Councils. The exercise of the Principal's rights and obligations under this Contract do not constitute a breach of the anti-competitive practice provisions under the Competition and Consumer Act 2010 and the Principal is not liable for any loss or damage suffered by the Contractor arising from the regional arrangements for waste recovery services as conducted by the Principal.

**22. OBTAIN ALL NECESSARY APPROVALS**

The Contractor must at its own cost obtain all approvals, authorities, licences and permits that are required from the relevant Authority, except where the Principal has advised otherwise.

**23. CONFLICT OF INTEREST**

The Contractor warrants that it does not hold any office or possess any property, is not engaged in any business, trade or calling and does not have any obligations by virtue of any contract or any family relationship whereby, directly or indirectly, duties or interests are or might be created in conflict with or might appear to be created in conflict with its duties and interests under this Contract. The Tenderer must inform the Principal of any matter which may give rise to an actual or potential conflict of interest at any time during the term or the duration and any extension beyond the term of this Contract and the Principal may regard a conflict of interest as a breach of a fundamental term of this Contract and elect to terminate the Contract.

**24. STANDARD OF CARE**

The Contractor must:

- (a) Perform all its obligations by the Contract in a diligent manner and to the standard of skill and care expected of a competent Contractor;
- (b) Exercise reasonable care during any activity to avoid damage to any utility service whether gas, water, sewer, electric power, telephone. The Contractor shall be liable for any damage caused by it directly or indirectly including loss of profits or income arising from such damage; and
- (c) Not cause any undue interference with the use of the Site or any building or public place in the vicinity of the Site by the Principal and all persons lawfully entitled to have access including other activities to be carried out concurrently on the Site.

**25. PERSONNEL**

The Contractor warrants that all personnel engaged by it are appropriately qualified, competent and experienced in the provision of the type of activities connected with the Contract.

The Principal may direct the Contractor to immediately and permanently remove from any activity connected with the Contract any person who in the opinion of the Principal is incompetent, negligent or otherwise unacceptable.

## **26. GOODS AND SERVICES TAX (GST)**

The Contractor must have an Australian Business Number (ABN), be registered for GST under the GST law and comply with the requirements of a "valid tax invoice", "adjustment note" or RCTI as defined under this law.

The price or fees may be varied based upon the net financial impact of the GST and any future GST related taxation reform during the period of the Contract.

If the Contractor fails to provide an ABN on any tax invoice or adjustment note, the Principal may be required to withhold from the payment an amount of tax calculated in accordance with the relevant taxation act or regulation.

## **27. DIRECT BANKING**

All payments by the Principal to the Contractor shall be made by Electronic Funds Transfer to the bank, building society or credit union account nominated by the Contractor. No payments shall be made by the Principal until the Contractor has confirmed in writing details of the nominated account (name of institution, account name and account number). The Contractor must promptly notify the Principal in writing of any change to the nominated account but the Principal shall not be responsible for any payments made into the previous nominated account prior to notification of such change being received by the Principal.

## **28. PAYMENTS ON ACCOUNT**

Any payment is not evidence of any value or an admission of liability or that the Service is satisfactory but is a payment on account only; nor shall it amount to a waiver of any right or action, which the Principal may have at any times against the Contractor.

## **29. TERMINATION BY THE PRINCIPAL – PRINCIPAL'S CONVENIENCE**

The Principal may, for its convenience and without the need to give reasons, terminate the Contract or that portion of the Contract which relates to a service to be provided to one or more of the Councils at any time by giving written notice to the Contractor. The Contractor must, on receipt of such notice, immediately cease all activities under this Contract or under the relevant portion which is terminated and take all appropriate action to mitigate any loss or prevent further costs being incurred. The Principal must pay the reasonable fees and expenses of the Contractor for the extent of the Service performed based upon agreed service rates to the earlier of:

- (a) The date of cessation; or
- (b) The date the contractor was required to cease work.

In no circumstances must the Contract Sum payable for the terminated Service include any loss of prospective profits or exceed the Contract Sum that would have been paid had the relevant portion of the Contract been completed.

Upon termination of this Contract by the Contractor under this Clause 29, without prejudice to the accrued rights or remedies of the Parties or the other liabilities of the Parties under this Contract which may have accrued prior to termination, the Principal will, after taking into account amounts previously paid under this Contract, make payments to the Contractor in respect of the cost of materials or goods properly ordered for the performance of the Services by the Contractor for which the Contractor has paid, or for which the Contractor is legally bound to pay, provided that such goods and materials will, on the making of the payment by the Principal, become the property of the Principal and be transferred to the Principal's ownership and possession by the Contractor and provided further that these costs are limited to the value of the goods and materials transferred to the Principal or to the cost of such goods paid by the Contractor whichever is the lesser.

### **30. LATENT FACILITY CONDITIONS**

If the Contractor discovers that the conditions on, about or below the Facility (if provided by or on behalf of the Principal) differ from what ought to have been reasonable anticipated at Tender time the Contractor must inform the Principal immediately and, where possible, before the conditions are disturbed.

The Contractor is not entitled to any extra costs for the different facility conditions unless the difference conditions are such that the Principal directs the Contractor to carry out a variation.

### **31. CONFIDENTIALITY AND PRIVACY**

The Contractor, its employees, agents, directors, partners, shareholders or consultants must not disclose to any third party, any Information including by way of media interviews or releases relating to the Principal or the affairs of others which may have come to its or their knowledge as a result of the Contract.

The Contractor agrees to comply with the provisions of the *Privacy & Personal Information Protection Act 1998 NSW*, as if it were included in the definition of 'public sector agency' under that Act, the Privacy Code of Practice for Local Government and the Principal's Privacy Management Plan.

### **32. INTELLECTUAL PROPERTY**

The Contractor warrants that it is entitled to use any Intellectual Property which may be used by it in connection with this Contract. The Contractor indemnifies and must at all times keep the Principal indemnified against any action, claim, suit or demand, including a claim, suit or demand for, or liability to pay compensation or damages and costs or expenses arising out of or in respect of any breach of any third party's Intellectual Property rights relating to the scope of activities under the Contract.

The Contractor grants to the Principal a non-exclusive licence to use the Contractor's Intellectual Property rights in relation to the Service and must execute an agreement giving effect to this sub-clause if requested by the Principal.

The ownership of all Intellectual Property in all Information created under this Contract shall vest with the Principal. The Contractor must assign ownership of all Intellectual Property rights to the Principal and will ensure that its employees, subcontractors and agents execute all documents necessary to assign such rights to the Principal.

### **33. ENVIRONMENTAL REQUIREMENTS**

#### **33.1 Ecologically Sustainable Development**

As required by the *Local Government Act 1993*, the Principal is committed to Ecologically Sustainable Development (ESD) – competitiveness through environmental, as well as social and economic aspects. The Contractor, where required, shall comply with these environmental requirements, in addition to all statutory requirements relating to environmental protection.

#### **33.2 Environmental Control**

The Contractor must comply with the *Protection of the Environment Operations Act, 1997* NSW at all times with respect to pollution from noise, air, water, land and waste sources.

The Contractor must respond immediately to any situation where environmental harm has, or is likely to take place. Any pollution incident that causes, or is likely to cause harm to the environment shall be reported to the appropriate regulatory authority immediately and to the Principal as soon as possible. Any fines imposed a result shall be borne by the Contractor.

### 33.3 Final Clean Up

The Contractor shall restore and clean up any Site disturbed by it to the satisfaction of the Principal, including repairing or making good any damage caused by the Contractor.

## 34. GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (NSW)

### 34.1 Consultation Clause (*GIPA Act*, s. 54)

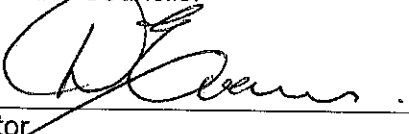
- (a) As a delegate of each of the Councils, the Principal is governed by the *GIPA Act*. The Principal will take reasonably practicable steps to consult with the Contractor before providing any person with access to information relating to the Contract, in response to an access application under the *Government Information (Public Access) Act 2009 (GIPA Act)*, if it appears that:
- (i) the information:
    - (1) includes personal information about the Contractor or its employees;
    - (2) concerns the Contractor's business, commercial, professional or financial interests; or
    - (3) concerns research that has been, is being, or is intended to be, carried out by or on behalf of the Contractor; or
    - (4) concerns the affairs of a government of the Commonwealth or another State (and the Contractor is that government);
  - (ii) the Contractor may reasonably be expected to have concerns about the disclosure of the information; and
  - (iii) those concerns may reasonably be expected to be relevant to the question of whether there is a public interest consideration against disclosure of the information.
- (b) If, following consultation between the Principal and the Contractor, the Contractor objects to disclosure of some or all of the information, the Contractor must provide details of any such objection (including the information objected to and the reasons for any such objection) within 5 days of the conclusion of the consultation process.
- (c) In determining whether there is an overriding public interest against disclosure of government information, the Principal will take into account any objection received by the Contractor.
- (d) If the Contractor objects to the disclosure of some or all of the information but the Principal nonetheless decides to release the information, the Principal must not provide access until it has given the Contractor notice of the Principal's decision and notice of the Contractor's right to have that decision reviewed.
- (e) Where the Principal has given notice to the Contractor in accordance with sub-clause (4), the Principal must not provide access to the information:
- (i) before the period for applying for review of the decision under Part 5 of the *GIPA Act* has expired; or
  - (ii) where any review of the decision duly applied for is pending.

## ANNEXURE

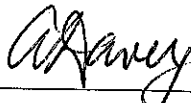
- Item 1** The Principal is:  
Hunter Resource Recovery Pty Ltd, of 45 Fieldsend Street, East Maitland NSW 2323.
- The facsimile number of the Principal is:  
(02) 4934 4674.
- The Contractor is:  
Solo Waste Pty Ltd ACN 110 584 159 AS TRUSTEE FOR THE SOLO WASTE TRUST TRADING AS "SOLO RESOURCE RECOVERY", of 86-88 Chinderah Bay Drive, Chinderah NSW 2487.
- The facsimile number of the Contractor is:  
(02) 6674 7657.
- Item 2** Contract Documents:
1. The Principal's letter of Acceptance of Tender;
  2. Conditions of Contract;
  3. The Specification;
  4. The Tenderer's submitted Tender Return Schedules;
  5. The Performance Security (if in the form of a Bank Guarantee);
  6. Any and all associated subcontracts managed pursuant to this Contract.
- Item 3** Services Commencement Date:  
(Clause 2.2.1) 1<sup>st</sup> July 2013.
- Item 4** Initial Contract Term:  
(Clause 2.2.2) Ten (10) years from the Services Commencement Date.
- Item 4 (a)** Minimum Extension Period:  
(Clause 2.2.3) One (1 ) year.
- Item 4 (b)** Maximum extension:  
(Clause 2.2.3) Two (2) years.
- Item 4 (c)** Notice of Intention:  
(Clause 2.2.3) Three (3) months.
- Item 5** Fees, charges and costs for which the Contractor is not to be responsible:  
(Clause 2.3) NONE.
- Item 6** The hours each day when the Contractor's Representative is to be available:  
(Clause 2.5.2) Between 8:00 am and 5:00 pm Monday to Friday.
- Item 7** The minimum amount of coverage under the Public Liability Policy is  
(Clause 9.2) Twenty Million Dollars (\$20,000,000) (or such other amount as the Principal may nominate from time to time).
- Item 8** Interest rate on overdue payments.  
(Clause 10.5) The interest rate payable at the time of the default under the NSW Supreme Court Rules relating to interest on unpaid judgement debts.
- Item 9** The amount of the Performance Security is:  
(Clause 12.2) \$1.5million.

**Executed as an Agreement**

**Executed** by Hunter Resource Recovery  
ACN 071 432 570 in accordance with s.127  
of the *Corporations Act 2001* as delegate of  
each of the Councils:

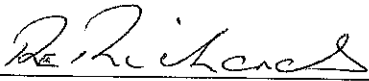
  
\_\_\_\_\_  
Director

DAVID EVANS  
\_\_\_\_\_  
Print name

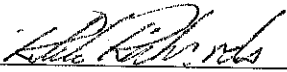
  
\_\_\_\_\_  
Director

A. DAVEY  
\_\_\_\_\_  
Print name

**Executed** by Solo Waste Pty Limited ACN  
110 584 159 ATF The Solo Waste Trust  
in accordance with s.127 of the  
*Corporations Act 2001*:

  
\_\_\_\_\_  
Director/Secretary

ROBERT RICHARDS  
\_\_\_\_\_  
Print name

  
\_\_\_\_\_  
Director

RYSZ RICHARDS  
\_\_\_\_\_  
Print name



**HUNTER**  
Resource Recovery

## **Section F**

# **Tender Return Schedules**

**CONTRACT NO: HRR001A**

**CONTRACT FOR:**  
**Kerbside Collection of Domestic and**  
**Commercial Recyclables**

Enquiries on the contents of this document should be directed to:

Hunter Resource Recovery

Telephone: (02) 4934 4674

Facsimile: (02) 4933 3745

Email: rogerlewis@ozemail.com.au

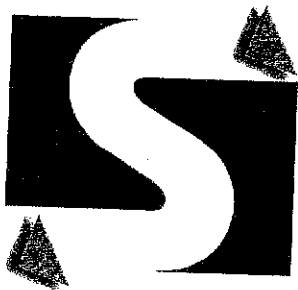


# TABLE OF CONTENTS

## INTRODUCTORY LETTER

1. TENDER SCHEDULES
2. COMPANY PROFILE
3. SUPPORTING DOCUMENTATION

Waste Management is Our Business



**Solo**  
Resource  
Recovery



**Solo**  
Resource  
Recovery

Tuesday, April 24<sup>th</sup>, 2012

The General Manager  
Hunter Resource Recovery  
45 Fieldsend Street  
EAST MAITLAND NSW 2323

Attn: Mr Roger Lewis - Manager

Dear Mr Lewis,

Re: Recyclables Collection Contract

We have great pleasure in submitting a tender for the Hunter Resource Recovery Recyclables Collection contract.

### Tender Introduction

As the current contractor to Hunter Resource Recovery for Recyclables Collection, we would welcome with enthusiasm the opportunity to continue to provide these services in the Hunter Region and extending the service to the Singleton Council.

We are proud of our contract achievements since 1997 and the service standards that have been continually improved throughout the last 15 years. The HRR contract is very important to Solo and we are committed to providing the member Councils with a service that delivers the contract objectives and improves continually during changing times in the recycling industry.

### Our Service – Reliable, experienced, innovative and sustainable

Throughout our tenures with all Councils we have been contracted to, we have not missed one day in 80 years of waste collection to industrial dispute or otherwise. This record of reliability is sought by many but attained by few.

We utilise our experience, knowledge and dedication to meeting Council's expectations when new contract services are implemented. Our managers and drivers have extensive knowledge of all areas and streets in the Hunter Region through our local experience of over 15 years. Our **one driver, one truck, one run policy** is one feature that will continue to provide for a successful continuation of the contract services.

In developing a service structure for the new contract, we have used existing suppliers and partners to provide several of the new and updated features. We have existing relationships with suppliers of mobile bins and in-vehicle data systems to record and report collection information.

*Richard Hawley*  
*R. Hawley*

25-27 Oakdale Road  
PO Box 2347  
Gateshead NSW 2280  
Phone: 02 4947 8511  
Fax: 02 4947 8512  
Email: solohunt@solo.com.au  
ABN: 12 035 577 136

181 Morphett Road  
North Plympton SA 6037  
Phone: 08 8295 6077  
Fax: 08 8295 5778  
Email: solomar@solo.com.au  
ABN: 62 398 515 816

47 Tova Drive  
PO Box 8236  
Cerrum Downs VIC 3201  
Phone: 03 9770 8040  
Fax: 03 9770 8015  
Email: frankston@solo.com.au  
ABN: 62 398 515 816

47 Camfield Dr, Heatherbrae 2324  
PO Box 806  
Raymond Terrace NSW 2324  
Phone: 02 4987 7693  
Fax: 02 4987 6092  
Email: solohunt@solo.com.au  
ABN: 62 398 515 816

2 Fowlers Lane  
PO Box 342  
Bangalow NSW 2479  
Phone: 02 6687 0455  
Fax: 02 6687 1008  
Email: byron@solo.com.au  
ABN: 62 398 515 816

SOLO WASTE AUSTRALIA PTY LTD  
ABN 62 398 515 816  
TRUSTEE





Our Company has grown through innovation with our goal being to introduce proven technology that delivers an efficient, safe and sustainable service.

### **Our Company – Local, Well Resourced, Advanced and Service Oriented**

For the Hunter Resource Recovery Recyclables Collections contract, Solo's regional office and depot is located on Oakdale Road, Gateshead, perfectly situated to provide the collection services. This depot is established and ready to commence with the contract. As a result, the local knowledge, skills and experience of all Gateshead staff, as well as key staff from our Head Office, can be directed towards the contract commencement and ongoing services. Should we be selected as the successful tenderer, the service will have at its immediate disposal our Fleet Manager, Administration Manager, IT Manager, Compliance and Contracts Manager. Combined with our four board members, there will be over 200 years of waste industry Senior Management experience committed to the new contract. This is arguably the most experienced waste management team in Australia.

Solo's vehicles are guaranteed to perform collections on every day as required, with spare vehicles always available. The vehicles can also be brought in for upgrades, adjustments and routine maintenance with no impact on the service schedule.

Our commitment to the local region is significant. This provides HRR with a guarantee that Solo will be strengthening our local operations, which can only enhance the Hunter services with further plant resources, staff, infrastructure and innovation.

We are the current Contractors in the local region to:

- **City of Lake Macquarie, NSW**
- **City of Cessnock, NSW**
- **City of Maitland, NSW**
- Port Stephens Council, NSW

Our experience extends to servicing:

- City of West Torrens, SA
- City of Marion, SA
- City of Onkaparinga, SA
- City of Holdfast Bay, SA
- City of Adelaide, SA
- City of Charles Sturt, SA
- City of Tea Tree Gully, SA
- City of Murray Bridge, SA
- Mid Murray Council, SA
- Light Regional Council, SA
- Tweed Shire Council, NSW
- Byron Bay Council, NSW
- Ballina Shire, NSW
- Kyogle Shire, NSW
- Baw Baw Shire, VIC
- City of Frankston, VIC
- City of Monash, VIC
- Mornington Peninsula Shire, VIC



As Domestic Collection Contractor to the City of West Torrens we also designed, built and currently operate the Adelaide Waste & Recycling Centre located at North Plympton. In Tweed and Mornington Peninsula Shires we operate the landfill and transfer stations for Council. We also are contracted to provide MRF recycling and organics processing services. Our Commercial Trade Waste operation provides services to over 5000 commercial customers, offering trade waste bins and skips, MGB services, organics and recyclables collection and processing, liquid waste collection and security destruction / confidential services.

Although Solo operates in more than one region of Australia, our regional operations are locally focused. We provide support in kind and by way of cash donations to many sporting clubs and community organisations. When purchasing or recruiting, we endeavour to support the local business community and have supported many grass roots organisations during our past 15 years in the Hunter.

With service continuity at the core of our efforts, HRR can be assured that the residents will always have their bins collected to schedule. Excellence in customer service is a goal that we strive for. We aim to be courteous, flexible, proactive and thorough when it comes to service.

This culture permeates throughout the Company from the drivers to the Directors. All of the people working at Solo are accessible to HRR, including the owners. These features of our Company and our tender submission bring the following benefits to HRR:

- **Knowledge of all streets and properties** within the Hunter Region.
- Conforming tender built with **thoroughly researched costs** to "Best Value Principles".
- Proven **ability with transitions** between contracts, including bin rollouts.
- Proven ability to **incorporate new technology** and systems.
- Commitment to **upgrading the service** to one that caters for the future needs of the Councils.
- Proven ability, systems and **pride** in delivering excellent customer service.
- **Financial capacity** to perform the Contract is certain.
- NCS International certified **Integrated Management System**.
- Management **experience unrivalled** in the Australian Waste Industry.
- Plant and equipment designed and manufactured by Solo that is guaranteed to provide Council with a reliable, innovative, **economically and environmentally sustainable** service.

### **Our Collection Vehicles – Proven Technology and Low Carbon Footprint**

Solo's engineering workshop has a culture of innovation. In addition to fuel advances, where we expect to incorporate Bio-Diesel into the fleet, we will incorporate lighter, roadway friendly vehicles that have a lower environmental impact. Combined with what our research tells us is the best proven set of systems for GPS, video and driver real time data transfer from in-vehicle management systems; we plan to continue to deliver the most advanced and reliable waste vehicles in Australia.



**For the Hunter Resource Recovery contract services we propose to provide Council with 100% offset of our carbon emissions. This will be provided free of charge to Council and result in over 10 thousand tonnes of carbon emissions being neutralised over the initial contract term.**

### **Current and Previous Relevant Experience**

To date, during our history spanning 80 years, we have not defaulted on any contracts, nor have we had any terminated. We currently service 22 councils Australia wide; a customer base achieved not through rapid growth but by building the business steadily with regard for the resources applied to existing customers, as well as those applied to future development.

We believe three types of experience are required to successfully perform the contract services:

1. Experience in providing collection services with the primary objective of satisfying the customer.
2. Experience in the equipment and the systems that will be required to deliver the service.
3. Experience in the local area.

#### 1. Experience in providing services with a view to satisfying the customer

As mentioned previously, our Company has grown on the ethic of customer service, something the larger companies have been unable to maintain. Our Owners, Directors and Senior Managers have an excellent understanding and focus on the contract objectives, on occasions getting involved in the actual bin collections to experience the service first hand. This attitude of premium customer service is conveyed to all staff.

#### 2. Experience in the equipment and systems that will be required to deliver the service.

Over the past 3 years Solo has implemented four in-vehicle management systems, which has brought a wealth of knowledge with it. We believe this puts us in the position to implement this new technology without the numerous pitfalls others are experiencing. In addition, we are industry leaders with regards to safety, bin preservation, collected material preservation as well as being streetscape friendly.

#### 3. Experience in the local area

Our drivers, local managers and Head Office Management have a thorough knowledge of the Hunter Region, developed over 15 years. This experience will manifest itself as service with attention to detail during the critical transition and bin rollout period and the remaining years of the contract. No disruption will be experienced between the old and new contract with all drivers and supervisors knowing street and individual property details.



## Integrated Management System

Our Integrated Management System covers the following 3 areas:

Quality                      Safety                      Environment

This System is certified to the Quality Management Standard AS/NZS ISO 9001:2008. Solo were the first privately owned and operated waste collection and resource recovery company in Australia to achieve this accreditation and the System has been audited and upgraded as recently as November 2011 with zero non-conformances reported.

Solo is also currently working towards Safety and Environment Certification (Standards AS/NZS 4801:2001; and ISO 14001:2004 respectively) with final auditing in **August, 2012**. All sites are internally audited to this Standard on a minimum annual basis by the Company's Safety and Environment Officer.

The current contract operations has an industry leading safety record with no injuries in the last 12 months and an average of less than 1 injury per 10 million hours worked for the first 14 years of the contract.

## Transition Plan

Solo have recent experience in contract commencements, with five (5) new contracts started in the past 12 months. Several of these included distribution programs at commencement. The Councils can be sure that Solo's current management have **recent invaluable contract start up experience** over a variety of bin and collection systems, collection vehicle specifications and operational specifics.

We are confident that our research and experience will provide HRR with:

- A guaranteed vehicle transition plan with existing vehicles available should the lead times see new vehicles available after the commencement date. Solo are the only company that HRR can be sure of having collection trucks available from the commencement date, although we believe in this case there is sufficient time for preparing new vehicles for commencement.
- Guidelines for all staff during the contract implementation that instil confidence amongst residents in the new service.
- Education and promotion of the new service as required.
- Clear and cooperative communications between HRR and Solo during the transition period.
- Regular feedback to HRR during contract implementation and regularly during the term.
- Staff with knowledge of each street and individual property

## CONTENTS

### Tender Return Schedules

SCHEDULE 1	TENDER FORM - FORMAL OFFER.....	3
SCHEDULE 2	TENDER PRICES.....	ERROR! BOOKMARK NOT DEFINED.
SCHEDULE 3	STATEMENT OF CONFORMITY.....	1
SCHEDULE 4	COLLUSIVE TENDERING - STATUTORY DECLARATION.....	2
SCHEDULE 5	FINANCIAL DETAILS.....	4
SCHEDULE 6	FINANCIAL CAPACITY.....	5
SCHEDULE 7	INSURANCES.....	8
SCHEDULE 8	MANAGEMENT, STAFF AND TECHNICAL RESOURCES.....	9
SCHEDULE 9	SUBCONTRACTORS.....	13
SCHEDULE 10	VEHICLES, PLANT AND EQUIPMENT.....	14
SCHEDULE 11	PAYMENT FOR TRANSPORT TO ALTERNATIVE FACILITY.....	17
SCHEDULE 12	PERCENTAGES FOR RISE AND FALL CALCULATION.....	18
SCHEDULE 13	DEPOT DETAILS.....	19
SCHEDULE 14	MOBILE BINS.....	19
SCHEDULE 15	CONTAMINATION MANAGEMENT STRATEGY.....	21
SCHEDULE 16	CONTRACTOR NOMINATED FACILITIES FOR RECYCLABLES.....	25
SCHEDULE 17	EDUCATION CAPACITY, EXPERIENCE AND PROPOSAL.....	31
SCHEDULE 18	CUSTOMER SERVICE.....	39
SCHEDULE 19	REFEREES.....	42
SCHEDULE 20	PREVIOUS EXPERIENCE.....	43
SCHEDULE 21	CURRENT COMMITMENTS.....	45
SCHEDULE 22	QUALITY ASSURANCE.....	45
SCHEDULE 23	OCCUPATIONAL HEALTH AND SAFETY.....	47
SCHEDULE 24	PROPOSED METHODS OF SERVICE DELIVERY.....	49
SCHEDULE 25	INDUSTRIAL RELATIONS.....	54
SCHEDULE 26	ADDITIONAL INFORMATION/INNOVATION.....	56
SCHEDULE 27	CONTRACT PROGRAM.....	60
SCHEDULE 28	ECOLOGICALLY SUSTAINABLE DEVELOPMENT.....	61
SCHEDULE 29	COMPLIANCE WITH REGULATION 170 OF THE LOCAL GOVERNMENT (GENERAL) REGULATION 2005.....	32
SCHEDULE 30	SINGLETON LGA STOCK TRANSFER PROPOSAL.....	33

**SCHEDULE 1 TENDER FORM - FORMAL OFFER**

(Page 1 of 2)

<b>CONTRACT No.:</b> <u>HRR001A</u>	<b>PROJECT:</b> <u>Kerbside Collection of Domestic And Commercial Recyclables</u>
<b>Tenderer:</b> <u>Solo Waste Pty Ltd ATF The Solo Waste Trust T/As Solo Resource Recovery</u> (full trading name)	
<b>Registered Office Address:</b> <u>86 – 88 Chinderah Bay Drive</u> <u>Chinderah, NSW, 2487</u>	
<b>Business Address:</b> <u>25 – 27 Oakdale Road</u> <u>Gateshead, NSW, 2290</u>	
<b>Telephone:</b> <u>02 6674 7656</u>	<b>Facsimile:</b> <u>02 6674 7657</u>
<b>Email:</b> <u>scott.geer@solo.com.au</u>	

**LEGAL STATUS**

All Tenderers are required to complete the following table:

Legal Structure	Name	Australian Company Number (ACN)	Australian Business Number (ABN)
Company			
Trust *	Solo Waste Pty Ltd ATF The Solo Waste Trust T/As Solo Resource Recovery	110 584 159	12 035 577 136
Individual			
Partnership			

\* Include details of both the trust and its trustee




The Tenderer named above, hereby offers to provide Goods, Works and/or Services in accordance with:

- a) Conditions of Tendering;
- b) Conditions of Contract;
- c) The Specification;
- d) Any addenda to the above;
- e) This Tender including all its schedules relating to the above Contract.

The Tenderer also acknowledges that if it is the successful tenderer, the documents listed above shall form part of the contract and agrees to be bound by the contract conditions.

The Tenderer warrants and represents that:

- a) It has fully acquainted itself with all of the documents referred to in the Tender and all matters relating there to;
- b) Agrees to be bound by the *Conditions of Tendering*;
- c) All of the information provided in its tender is true and correct;
- d) It has made its own enquires and investigations and has obtained professional advice and all other relevant information so as to inform itself of all risks and contingencies which may affect its tendered price;
- e) It has allowed for all such risks and contingencies in its tender price.



**AMENDMENTS TO TENDER DOCUMENTS**

Tenderer to sign and return any amendments issued during the tender period in confirmation of their receipt.  
Please refer to Tender Section 3 – Supporting Documentation, Attachment 1 for a copy of the signed and returned amendments issued during the tender period as confirmation of their receipt.

Tenderer confirms amendments have been signed and returned:

Signature: Re Richards

**CONFLICTS OF INTEREST**

The Tenderer shall confirm whether there exists any interests, relationships (including those of family members and employees) or clients that may or do give rise to a conflict of interest:

<input type="checkbox"/>	<input checked="" type="checkbox"/>
Yes ✓	No ✓

If "Yes", as an attachment to this declaration, the Tenderer shall detail the area in which that conflict or potential conflict does or may arise and provide details of strategies for preventing conflicts of interest.

**Executed by Authorised Officer of Tenderer who has delegated authority to enter into a contract:**

Signature: Re Richards

Name and Title: Robert Richards - Director

Date: 24<sup>th</sup> April 2012

Signature of Witness: [Signature]

Name of Witness: Scott McGuren

Date: 24<sup>th</sup> April 2012

**CONTACT PERSON FOR ENQUIRIES ABOUT THIS TENDER**

Name:	<u>Scott Geer</u>
Position:	<u>Contracts Manager</u>
Address:	<u>C/O Solo Resource Recovery</u> <u>25 – 27 Oakdale Road Gateshead NSW 2290</u>
Telephone:	<u>02 6674 7656</u>
Mobile:	<u>0418 286 851</u>
Facsimile:	<u>02 6674 7657</u>
Email:	<u>scott.geer@solo.com.au</u>

## SCHEDULE 2 TENDER PRICES AND SUPPORTING INFORMATION

These Pricing Schedules shall be read in conjunction with all other parts of the contract.

### ADDITIONAL SERVICES

Solo propose to provide the following services to HRR at no additional cost:

- 1) Solo provide 2x30m skips and fund staff attendance at ~~Second Hand~~ Saturdays for 5 hours at the event plus transport time involved with bulk bin transfers.
- 2) Solo provide further support by funding costs associated with hook lift truck hire.
- 3) Solo will provide funding on a quarterly basis of \$50,000 per annum for E-waste processing.
- 4) Solo agrees to supply 3 x 20ft shipping containers = 1 per waste management site for the storage of E-waste by councils and provide appropriate signage approved by HRR for the correct public use of these units.
- 5) In relation to E- waste recycling in general, we would be willing to provide other in-kind services as required on a case by case basis subject to our capability to do so and affordability.

ALTERNATIVE TENDERS

ALTERNATIVE TENDER 1

This Alternative tender involves the use of the existing MGBs in the field. Prior to the new contract, Solo would remove the dividers and apply a vinyl sticker to the front of the bin to cover the Solo stamp providing HRR with the opportunity to brand the bins. As with the new contract, as MGBs required repair or replacement Solo would undertake this work.

Price per scheduled service (conforming rise and fall):	\$1.11
Price per scheduled service (alternate rise and fall):	\$1.10

ALTERNATE TENDER 2

This Alternate Tender is based on using a standard Waste Industry Rise and Fall Formula. Please refer to the Price Schedule for prices and Schedule 12 for formula details.

ALTERNATE TENDER 3

This Alternate Tender is based on the possible establishment of an additional MRF in the Maitland area. Our proposed MRF subcontractor proposes to investigate establishing another MRF in this area. In the event this occurs, our tender prices would reduce by \$0.05 per scheduled service.

**Schedule 2 Tender Prices Part B Over 10 years**

**CESSNOCK, LAKE MACQUARIE AND MAITLAND LGA'S**

Public Place Recycling 240 Ltr Co-Mingled	Weekly: Same day as normal collection, when operating within 10km radius	\$3.50
	Off week outside 10km radius	\$20.00
	On demand 48hrs notice within 10km radius	\$20.00
	On demand 48hr notice outside 10km radius	\$24.00
Special Events Bulk Bins	240Ltr Co-Mingled	\$22.00
	3 Cubic Mtrs	\$100.00
	5 Cubic Mtrs	\$120.00
	30 Cubic Mtrs	\$400.00
Bulk Bins Landfill	15 Cubic Mtr: All inclusive Charge	\$400.00
	30 Cubic Mtr: All inclusive Charge	\$450.00

**NOTES:**

1. The total number of Services provided by the Principal does not include additional or New Services over the Contract Term.
2. The total Cost (excluding GST) provided by the Tenderer must be based on the estimated total number of Services provided in this Schedule by the Principal. The Total cost must not include any estimated review of Service Rates as specified under Clauses 10.7 and 10.8 of the Conditions of the Contract. The Total Cost must be calculated based on the Contract Term and not include any extension to the initial Contract Term as specified under Clause 2.2.3 of the Conditions of Contract.

**(Attach extra page(s) if insufficient space)**

**Schedule 2 Tender Prices Over 10 Years  
SINGLETON**

**This Schedule should be read in conjunction with all other parts of this Contract  
All Units are Fully Co- Mingled**

	240Ltr	Fortnightly	\$1.57	Weekly	Conforming		Alt Rise and Fall
					\$1.57	\$1.56	
Undivided 240Ltr	240Ltr	Fortnightly	\$1.57	Weekly	\$1.57	\$1.56	
2 <sup>nd</sup> 240ltr Bin opt	240Ltr	Fortnightly	\$1.57	NA	\$1.57	\$1.56	
Undivided 360ltr Up to 10% users	360Ltr	Fortnightly	\$1.67	NA	\$1.67	\$1.66	
Undivided 360Ltr Up to 20% Users	360Ltr	Fortnightly	\$1.73	NA	\$1.73	\$1.72	
Undivided 360ltr Up to 30% Users	360Ltr	Fortnightly	\$1.79	NA	\$1.79	\$1.78	
Undivided 140Ltr Up to 10% Users	140Ltr	Fortnightly	\$1.61	NA	\$1.61	\$1.60	
Undivided 140Ltr Up to 15% Users	140Ltr	Fortnightly	\$1.61	NA	\$1.61	\$1.60	
Bulk Bins	660						
MUD's MOD's	1100	Fortnightly	\$68.00	\$63.00	\$1.61	\$1.60	
Commercial	1.5mtr	Fortnightly	\$73.50	\$68.50			
Commercial	3 mtr	Fortnightly	\$73.50	\$68.50			
Cost per MGB Wheel Out Wheel Back Option	240Ltr	Fortnightly	\$90.00	\$80.00	\$2.50	\$2.50	

**Schedule 2 Tender Prices Part B Over 10 Years  
SINGLETON**

				Singleton LGA
Public Place Recycling 240 Ltr Co-Mingled	Weekly: Same day as normal collection, when operating within 10km radius	\$		\$4.00
	Off week outside 10km radius	\$		\$20.00
	On demand 48hrs notice within 10km radius	\$		\$20.00
	On demand 48hr notice outside 10km radius	\$		\$24.00
Special Events Bulk Bins	240Ltr Co-Mingled	\$		\$25.00
	3 Cubic Mtrs	\$		\$130.00
	5 Cubic Mtrs	\$		\$150.00
	30 Cubic Mtrs	\$		\$600.00
Bulk Bins Landfill	15 Cubic Mtr: All inclusive Charge	\$		\$600.00
	30 Cubic Mtr: All inclusive Charge	\$		\$600.00

**NOTES:**

1. The total number of Services provided by the Principal does not include additional or New Services over the Contract Term.
2. The total Cost (excluding GST) provided by the Tenderer must be based on the estimated total number of Services provided in this Schedule by the Principal. The Total cost must not include any estimated review of Service Rates as specified under Clauses 10.7 and 10.8 of the Conditions of the Contract. The Total Cost must be calculated based on the Contract Term and not include any extension to the initial Contract Term as specified under Clause 2.2.3 of the Conditions of Contract.

**(Attach extra page(s) if insufficient space)**

**Schedule 2 Tender Prices Over 10 Years  
CESSNOCK, LAKE MACQUARIE AND MAITLAND LGA'S**

This Schedule should be read in conjunction with all other parts of this Contract

All Units are Fully Co-Mingled

Undivided 240Ltr	240Ltr	Fortnightly	\$1.23	\$1.22(AlternateR&F)
2 <sup>nd</sup> 240ltr Bin opt	240Ltr	Fortnightly	\$1.23	\$1.22(AlternateR&F)
Undivided 360ltr Up to 10% users	360Ltr	Fortnightly	\$1.32	\$1.31(AlternateR&F)
Undivided 360Ltr Up to 20% Users	360Ltr	Fortnightly	\$1.38	\$1.37(AlternateR&F)
Undivided 360ltr Up to 30% Users	360Ltr	Fortnightly	\$1.44	\$1.43(AlternateR&F)
Undivided 140Ltr Up to 10% Users	140Ltr	Fortnightly	\$1.23	\$1.22(AlternateR&F)
Undivided 140Ltr Up to 15% Users	140Ltr	Fortnightly	\$1.23	\$1.22(AlternateR&F)
Bulk Bins	660	Fortnightly	\$48.00	\$43.00(Weekly)
MUD's MOD's	1100	Fortnightly	\$53.50	\$48.50(Weekly)
Commercial	1.5mtr	Fortnightly	\$53.50	\$48.50(Weekly)
Commercial	3 mtr	Fortnightly	\$70.00	\$61.00(Weekly)
Cost per MGB Wheel Out Wheel Back Option MOD's MUD's	240Ltr	Fortnightly	Existing \$1.23 New \$2.50	\$1.22(AlternateR&F) \$2.50

31-98

1420

**Supporting information for tendered price**

In relation to the tender prices over 10 years for Cessnock, Maitland and Lake Macquarie LGAs, the following information forming the basis of the Price is to be supplied:

Item	Item description	Tender response												
<b>Collection Vehicles</b>														
<b>Capital cost per Collection Vehicle(\$/vehicle)</b>	Comprises of the total cost of a collection vehicle, ready for operation, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>\$316,130</b>												
<b>Number of Collection Vehicles (No.)</b>	Number of collection vehicles to be held in the fleet at any time during the period of the contract to service the expected volumes of waste to be collected under the Contract.	<b>12</b>												
<b>Effective life for Collection Vehicles (years)</b>	The estimated effective life of the collection vehicles to be used on the contract. If the nominated effective life is to deviate from the Australian Taxation Office's gazetted effective life of garbage compactor trucks of 10 years, please detail rationale for difference.	<b>10</b>												
<b>Branding cost (\$)</b>	Comprises of the total cost of re branding each Collection Vehicle every 5 years.	<b>\$5,000</b>												
<b>Mobile Garbage Bins (MGB)</b>														
<b>Capital cost per MGB (\$/MGB)</b>	Comprises of the expected total cost of a mobile garbage bin, ready for use, exclusive of GST and net of rebates/incentives available that could be claimed.	<table border="1"> <tr> <td>140I</td> <td>240I</td> <td>360I</td> </tr> <tr> <td>34.80</td> <td>36.80</td> <td>91.95</td> </tr> <tr> <td>660I</td> <td>1,100I</td> <td></td> </tr> <tr> <td>315.00</td> <td>500.00</td> <td></td> </tr> </table>	140I	240I	360I	34.80	36.80	91.95	660I	1,100I		315.00	500.00	
140I	240I	360I												
34.80	36.80	91.95												
660I	1,100I													
315.00	500.00													



Hunter Recovery Resources – HRR001A – Contract for Collection of Recyclables

<b>Number of MGB's (No.)</b>	Expected number of MGB's to be acquired by the Contractor under the terms of the Contract at commencement.	140I	240I	360I
		0	128,000	0
<b>Annual replacement/addition of MGB's (No. per year)</b>	Expected number of MGB's to be acquired by the Contractor under the terms of the Contract per year.	660I	1,100I	
		0	0	
		140I	240I	360I
		0	2560	0
		660I	1,100I	
		0	0	
<b>Cost of MGB changeover</b>	Expected service cost for delivery of new bin where the customer wishes to change the volume of the bin		20.00	
<b>Annual R&amp;M cost - MGB (\$/year)</b>	Comprises of the total cost per year to repair and maintain MGB's at each service entitles premise to an acceptable standard.		90,000	
<b>Labour</b>				
<b>Number of Full Time Equivalents (FTES) required (No.)</b>	Number of full-time equivalent personnel employed directly or indirectly by the tenderer, who will be providing their services in relation to the contract.		27	
<b>Average annual salary per FTE (\$)</b>	Average remuneration of personnel employed directly or indirectly by the tenderer, who will be providing their services in relation to the contract.		60,000	

**Other costs comprising tender price**

<b>Annual diesel fuel consumption (L)</b>	The expected annual consumption of diesel fuel by collection vehicles in the operation of the contract.	<b>308,000</b>
<b>Cost per Litre of fuel(\$)</b>	The expected cost per litre (at the Base Date) of diesel fuel to be consumed in the operation of collection vehicles for the contract.	<b>1.14 net</b>
<b>Annual machinery R&amp;M (\$)</b>	Comprises of the total cost to maintain the collection vehicles and other equipment, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>1,500,000</b>
<b>Annual Administration costs (\$)</b>	Comprises of the total cost (excluding labour) to maintain the administration of the business associated with the contract, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>200,000</b>
<b>Funding</b>		
<b>Capital funding- equity (\$)</b>	Comprises of the total equity/share capital (i.e. cash received and committed) to fund the performance of the contract, net of funding costs.	<b>4,200,000</b>
<b>Capital funding - debt (\$)</b>	Comprises of the total debt and hybrid financial instruments (i.e. cash received and committed) to fund the performance of the contract, net of funding costs.	<b>4,904,000</b>
<b>Debt interest rate (%)</b>	The annual effective interest rate that would apply to the proposed debt facility / hybrid financial instruments to be drawn down to fund the operation of the contract.	<b>6.17</b>

In relation to the tender prices over 10 years for **Singleton LGA**, the following information forming the basis of the Price is to be supplied:

Item	Item description	Tender response
<b>Collection Vehicles</b>		
Capital cost per Collection Vehicle(\$/vehicle)	Comprises of the total cost of a collection vehicle, ready for operation, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>316,130</b>
Number of Collection Vehicles (No.)	Number of collection vehicles to be held in the fleet at any time during the period of the contract to service the expected volumes of waste to be collected under the Contract.	<b>1</b>
Effective life for Collection Vehicles (years)	The estimated effective life of the collection vehicles to be used on the contract. If the nominated effective life is to deviate from the Australian Taxation Office's gazetted effective life of garbage compactor trucks of 10 years, please detail rationale for difference.	<b>10</b>
Branding cost (\$)	Comprises of the total cost of re branding each Collection Vehicle every 5 years.	<b>5,000</b>
<b>Mobile Garbage Bins (MGB)</b>		
Capital cost per MGB (\$/MGB)	Comprises of the expected total cost of a mobile garbage bin, ready for use, exclusive of GST and net of rebates/incentives available that could be claimed.	140l
		240l
		360l
		500.00

Hunter Recovery Resources – HRR001A – Contract for Collection of Recyclables

<b>Number of MGB's (No.)</b>	Expected number of MGB's to be acquired by the Contractor under the terms of the Contract at commencement.	140I	240I	360I
		0	8500	0
		660I	1,100I	
<b>Annual replacement/addition of MGB's (No. per year)</b>	Expected number of MGB's to be acquired by the Contractor under the terms of the Contract per year.	0	0	
		140I	240I	360I
		0	170	0
		660I	1,100I	
<b>Cost of MGB changeover</b>	Expected service cost for delivery of new bin where the customer wishes to change the volume of the bin	0	0	
<b>Annual R&amp;M cost - MGB (\$/year)</b>	Comprises of the total cost per year to repair and maintain MGB's at each service entitles premise to an acceptable standard.		30.00	
			10,000	
<b>Labour</b>				
<b>Number of Full Time Equivalents (FTES) required (No.)</b>	Number of full-time equivalent personnel employed directly or indirectly by the tenderer, who will be providing their services in relation to the contract.		2	
<b>Average annual salary per FTE (\$)</b>	Average remuneration of personnel employed directly or indirectly by the tenderer, who will be providing their services in relation to the contract.		60,000	

**Other costs comprising tender price**

<b>Annual diesel fuel consumption (L)</b>	The expected annual consumption of diesel fuel by collection vehicles in the operation of the contract.	<b>47000</b>
<b>Cost per Litre of fuel(\$)</b>	The expected cost per litre (at the Base Date) of diesel fuel to be consumed in the operation of collection vehicles for the contract.	<b>1.14 net</b>
<b>Annual machinery R&amp;M (\$)</b>	Comprises of the total cost to maintain the collection vehicles and other equipment, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>105,000</b>
<b>Annual Administration costs (\$)</b>	Comprises of the total cost (excluding labour) to maintain the administration of the business associated with the contract, exclusive of GST and net of rebates/incentives available that could be claimed.	<b>10,000</b>
<b>Funding</b>		
<b>Capital funding - equity (\$)</b>	Comprises of the total equity/share capital (i.e. cash received and committed) to fund the performance of the contract, net of funding costs.	<b>653,000</b>
<b>Capital funding - debt (\$)</b>	Comprises of the total debt and hybrid financial instruments (i.e. cash received and committed) to fund the performance of the contract, net of funding costs.	<b>803,000</b>
<b>Debt interest rate (%)</b>	The annual effective interest rate that would apply to the proposed debt facility / hybrid financial instruments to be drawn down to fund the operation of the contract.	<b>6.17</b>

**SCHEDULE 3 STATEMENT OF CONFORMITY**

The Tenderer is to signify whether or not its Tender conforms in all respects to the requirements of the Tender Documents by indicating below:

Does the Tender conform?	<input checked="" type="checkbox"/> Yes ✓	<input type="checkbox"/> No ✓
--------------------------	--	----------------------------------

If the Tender does not conform with all the requirements of the Tender Documents, the Tenderer must list below all areas of non-conformity and the reasons therefore, and must value each area of non-conformity so that, in the event such non-conformity is deemed unacceptable, the comparative tender price can be adjusted accordingly. If any non-conformity is not priced and/or is determined to be unacceptable, the Tender may not be further considered.

AREA OF NON-CONFORMITY AND REASON	VALUE OF NON-CONFORMITY (\$)
No areas of non-conformity	

## SCHEDULE 4 COLLUSIVE TENDERING - STATUTORY DECLARATION

(Page 1 of 2)

I, **Robert Richards** (Full name), **Director** (Position)  
Of **Solo Resource Recovery** (Name of Tenderer)  
**25 – 27 Oakdale Road Gateshead NSW 2290** (Address of Tenderer)

do solemnly and sincerely declare that:

### 1. DEFINITIONS

In this Statutory Declaration:

"**Bidders**" means any tenderers for the Contract and includes the Tenderer;  
"**the Contract**" means the Contract to which this Tender and Statutory Declaration pertains;  
"**Industry Association**" means any organisation of which bidders are members;  
"**the Tenderer**" means (insert name of company, other body corporate, firm, or individual)  
**Solo Resource Recovery;**

"**Tender Price**" means the amount or amounts indicated by a Bidder as the lowest amount or amounts for which that Bidder is prepared to perform the Contract.

### 2. INTRODUCTION

2.1 I hold the position of (insert title)  
**Director**

of the Tenderer and am duly authorised to make this declaration on its behalf.

2.2 I make this declaration on behalf of the Tenderer and on behalf of myself.

### 3. NO KNOWLEDGE OF TENDER PRICES

Prior to the Tenderer submitting its tender for the Contract, neither the Tenderer, nor any of its employees or agents, had knowledge of the Tender Price, or proposed Tender Price, of any Bidder (other than the Tenderer) who submitted, or proposed to submit, a tender for the Contract.

### 4. DISCLOSURE OF TENDER PRICE

Neither the Tenderer, nor any of its employees or agents has disclosed nor will they disclose prior to the Closing Date the Tenderer's Tender Price to:

- 4.1 any other Bidder who has submitted or will submit a Tender for the Contract;
- 4.2 any other person, company, body corporate, or firm proposing to submit a Tender for the Contract;
- 4.3 any person or organisation connected or associated with a Bidder, person, company, body corporate, or firm of a kind referred to in Clauses 4.1 or 4.2.

### 5. PROVISION OF INFORMATION

Except as stated herein, neither the Tenderer, nor any of its employees or agents, has provided or will provide information to:

- 5.1 any other Bidder who has submitted or will submit a Tender for the Contract;
- 5.2 any other person, company, body corporate, or firm proposing to submit a Tender for the Contract; or
- 5.3 any other person, company, body corporate, or firm for the purpose of assisting in the preparation of a tender for the Contract.

EXCEPTIONS:

There are no exceptions

### 6. GENUINE COMPETITION

The Tenderer is genuinely competing for the Contract.

**7. INDUSTRY ASSOCIATION AGREEMENTS**

Neither the Tenderer, nor any of its employees or agents, has entered into any contract, agreement, arrangement or understanding, other than as disclosed to the Council in the Tenderer's Tender, that the successful Bidder for the Contract will pay any money to, or provide any other benefit or other financial advantage to, an Industry Association in respect of the Contract.

**8. UNSUCCESSFUL TENDERERS' FEES**

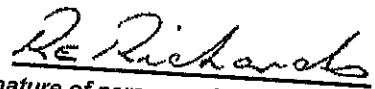
Neither the Tenderer, nor any of its employees or agents, has entered into any contract, agreement, arrangement or understanding that the successful Bidder for the Contract will pay any money to, or provide any other benefit or other financial advantage to, any other Bidder who unsuccessfully tendered for the Contract.

**9. QUALIFICATIONS TO TENDERS**

Neither the Tenderer, nor any of its employees or agents, has entered into any contract, agreement, arrangement or understanding that Bidders for the Contract would include an identical or similar condition or qualification in their Tenders for the Contract if any such condition or qualification is included in the Tenderer's Tender.

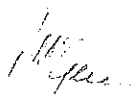
AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Oaths Act, 1900.

Declared at ..... Gateshead,)  
in the State of ..... New South Wales,)  
this ..... 24<sup>th</sup> day of ..... April 2012 ,)  
before me: .....



(Signature of person making the declaration)

Signature:



Full Name:

Scott McGuren

Address:

26 Daintree Close  
Banora Point, NSW, 2486

Qualification:

(Insert details of basis on which entitled to witness a Statutory Declaration)

JP 111673



**SCHEDULE 5 FINANCIAL DETAILS**

**1. TENDERER'S BANK:**

Full Trading Name: Commonwealth Bank of Australia  
Branch: Broadbeach  
Address: 16 – 18 Albert Avenue, Broadbeach, QLD, 4218  
Contact Person: Nicola Lim Title: Relationship Executive, Top Tier  
Telephone: 07 5570 8347 Facsimile: 07 5570 8352  
Bank Code (BSB): 062 611 Account Number: 194640  
Title of Account: Solo Waste Aust Pty Ltd

**2. FINANCIAL CAPACITY REFERENCE**

The Tenderer shall provide a letter from its Banker's verifying that it has the financial capacity to provide an irrevocable Bank Guarantee for the security amount stated in the contract.

Please refer to the letter from the Commonwealth Bank in Tender Section 3 - Supporting Documentation, Attachment 2 verifying the Company's financial capacity to provide a Bank Guarantee for the amount of \$1.5 million.

**SCHEDULE 6 FINANCIAL CAPACITY**

(Page 1 of 2)

To provide evidence of financial viability, the Tenderer shall furnish copies of financial information covering the last three (3) financial years for itself. **If a member of a group of Companies, the same details are required for each member of the group.** In the column headed "Supplied with Tender" indicate whether the information accompanies the submission.

**Note:** Financial Information should be submitted in a separate sealed envelope clearly endorsed; "Financial Information for attention of Mr Roger Lewis", together with the project title and Contract number. If the tenderer would like clarification on the requirements of the following please call Mr Roger Lewis on 02 4934 4674.

Solo is a private Company and as such our financial information is confidential. We respectfully request that the Councils' officer assessing our financial viability make contact with our Financial Controller, Allen Travers, on 02 6674 7656 to discuss Solo's financial position and provide necessary information.

**SUPPLIED WITH TENDER**

		YES	NO
1.	Financial Statements for the last three (3) years for the entity under consideration, including: <b>NOTE: Consolidated accounts of a parent organisation or group to which the entity belongs are not acceptable unless the entity is covered by a Class Order (Deed of Cross Guarantee).</b> Where a company is covered by a Class Order, in addition to the accounts of the parent, the entity under consideration will also be required to provide its own financial statements in the form of Trading Statements and Profit and Loss Accounts for the last three (3) years.		
	i. Statements of Financial Position		✓
	ii. Statements of Financial Performance		✓
	iii. Statement of Cash Flows		✓
	iv. Notes to and Forming Part of the Accounts		✓
	v. Accountant's Report		✓
	vi. Where existing, Auditor's Report		✓
2.	Where latest financial statements are more than six (6) months old, the latest management report showing:		
	i. Statement of Financial Position		✓
	ii. Statement of Financial Performance		✓
3.	Where the company is required to lodge audited financial statements with the ASIC, copies of these statements for the last three (3) years.		✓
4.	Where any financial statements supplied are not audited, copies of the entities income tax returns for the last three (3) years.		✓
5.	Current and projected cash flows for all work on hand.		✓
6.	Forecast budget for forthcoming financial year including Revenue and Profit/Loss.		✓

7. Names and contact numbers of:

i. Five (5) major suppliers

- |                               |  |                |
|-------------------------------|--|----------------|
| 1. Iveco (vehicles)           | Lloyd Reeman   | (03) 9238 2200 |
| 2. Caltex (fuel)              | Daniel Bush  | (02) 9280 2296 |
|                               | Mr Bush brokers the fuel contract for Economic & Energy Analysis |                |
| 3. Sauer Danfoss (hydraulics) | Kevin Ford   | 0418 103 633   |
| 4. Sulo MGB (bins)            | Christine Gillespie  | (07) 3725 5000 |
| 5. Mastec (bins)              | Michael Brixton  | (08) 8447 2500 |

ii. Five (5) major subcontractors

- |   |                |                |
|---|----------------|----------------|
| 1. Papertrade (recycling)                       | Greg North     | (03) 9794 1010 |
| 2. JR Richards (collection services/ transport) | Greg Turner    | (02) 6539 7007 |
| 3. Earthcare (recycling)                        | Mark Nelson    | (02) 4340 2188 |
| 4. Peats Soils (green organics)                 | Peter Wadewitz | (08) 8556 5295 |
| 5. Wasteaway (large skip bins)                  | David Eames    | 0407 008 700   |

8. Details relating to the Tenderer's history and Directors Profiles.

Solo Resource Recovery forms part of an Australian owned and operated family business empire which has operated since 1932. Established locally in 1990, Solo Resource Recovery offers a range of waste and resource recovery services to industry, commerce and homes throughout New South Wales, South Australia and Victoria. These services include domestic, recycling and green waste services, industrial bins, liquid and medical waste transfer as well as other customised waste management solutions.

Robert Richards - Commercial Director, has served with the Company since 1984. He holds a Bachelor of Business (Accountancy) degree from the University of Southern Queensland. He has continued to operate Solo as an innovative, reliable waste contractor providing high quality services to both local government and the business community. Robert has successfully introduced the SCORR® and SPARRC® divided truck systems into South Australia and New South Wales; systems that have proven to be the most cost effective and user friendly of all kerbside collection systems.

Rhys Richards - Engineering Director, has served with the Company since 1979. He holds an Associate Diploma in Engineering (Distinction) from the Queensland University of Technology. Rhys has continued to develop the methods by which waste and recycling is collected in Australia, working towards higher levels of recycling yield, more efficient trucks and collection systems, safer conditions for collection staff and ultimately a state of the art collection system for Shire residents based on proven technology.

Gillian Richards - Administration Director, has served with the Company since 1976. Gillian dedicates herself to ensuring that accurate records are kept and that the intention of contracts is followed with regards to the administration. She has extensive experience in WH&S procedures, GST, insurances, rise and fall calculations, staff management and databases. Gillian is committed to the staff and customers.

Please refer to Tender Section 2, Company Profile for further information on Solo's history and its directors.

(Page 2 of 2)

**ACCOUNTANT/AUDITOR:**

Name of Practice: Moore Stephens (Gold Coast) Pty Ltd

Business Address: 1 Lawson Street

Southport QLD 4215

Telephone: 07 5519 1055

Facsimile: 07 5519 1098

**SCHEDULE 7 INSURANCES**

Tenderer to provide details of insurance currently held by you and any proposed subcontractor which would be extended to provide cover for work under the Contract.

INSURANCE TYPE	POLICY NO.	EXTENT OF COVER		EXPIRY DATE	NAME OF INSURER
		Per Incident \$A	In Aggregate \$A		
Public Liability	SG0250CGL	\$30 million	Unlimited	1st December 2012	Epsilon Underwriting Agencies
Vehicles Plant and Equipment	24F 0191335	\$30 million	Unlimited	1st December 2012	CGU Insurance Limited -- 100%
Workers Compensation	1LF0074460G WC154	N/A	N/A	30th June 2012	QBE

(Attach Certificates of Currency or other verification of the above insurances)

Please refer to Tender Section 3 – Supporting Documentation, Attachment 3 for copies of the Insurance Certificates of Currency.

## SCHEDULE 8 MANAGEMENT, STAFF AND TECHNICAL RESOURCES

(Page 1 of 2)

Provide a management organisation chart plus indicate below key personnel who will have prime responsibility and accountability for the performance of the contract.

Note: Attach a résumé (CV) for each key person nominated.

**NAME 1:** Sean Clayton  
(Council's contact for collections, bin maintenance and other operations issues) Position: Branch Manager

Reporting to: Scott McGuren Years of relevant experience: 15 years

Line responsibilities: Sean will manage the day-to-day operations of the collection vehicles and drivers in conjunction with Craig Lyons (Operations Supervisor). Sean will also oversee the interaction between the customer service staff and operations staff. Sean will be active in ensuring bin maintenance requests are actioned as required and driver performance is to Council and resident expectations.

**NAME 2:** Craig Lyons  
(Council's contact for collections) Position: Operations Supervisor

Reporting to: Sean Clayton Years of relevant experience: 14 years

Line responsibilities: Craig will be responsible for the day-to-day operations of the collection vehicles and drivers. He will ensure that all scheduled collections are completed in a professional and timely manner as well as monitor vehicle maintenance, driver training requirements, safety and environmental issues and bin maintenance. Craig will also monitor daily customer jobs to be completed and provide feedback to Council on collection performance.

**NAME 3:** Janeen Houghton  
(Council's contact for customer service) Position: Customer Service Manager

Reporting to: Sean Clayton Years of relevant experience: 35 years

Line responsibilities: Janeen will lead the Customer Service Centre staff and manage the incoming calls, emails and faxes to ensure that every job is completed correctly and in the required timeframe. Janeen will also manage the entry, recording and reporting of collection, vehicle and recyclables processing data to Council and internally to Solo staff.

**NAME 4:** Scott Geer  
(Council's contact for contract administration issues) Position: Contracts Manager

Reporting to: Robert Richards Years of relevant experience: 10 years

Line responsibilities: Scott will manage the contract administration including invoicing, reporting and other document requirements such as Management Plans. Scott will also serve as Council's contact for contract related items or queries that require Head Office input.

**NAME 5:** Scott McGuren  
 (Council's contact for escalated operations issues) Position: Associate Director

Reporting to: Robert Richards Years of relevant experience: 30 years

Line responsibilities: Scott will oversee the performance of the contract, in particular the operation of the collection vehicles and the management of the drivers. Scott will also assist Sean with the effective and efficient operation of our depot for the Hunter services. Scott has three decades of experience in all aspects of waste management; from driving to staff and depot management.

**NAME 6:** Robert Richards  
 (Council's contact for significant issues) Position: Director

Reporting to: Solo Board Years of relevant experience: 28 years

Line responsibilities: Robert will be responsible for ensuring on the Board's behalf that the Hunter recyclables collection service is performed to the highest standard. Robert has almost three decades of experience in all aspects of waste management; from driving to customer service, to staff management. He has ensured Solo's track record for service to our clients has been based on excellence, cooperation and courtesy.

(Attach extra page(s) if insufficient space together with the organisation chart and résumés)

Please refer to Tender Section 3 – Supporting Documentation, Attachment 4 for a copy of Solo's Organisational Chart as it would relate to HRR and résumés for the above mentioned staff.

(Page 2 of 2)

**STAFF RESOURCES:**

Tenderer to provide details of number of staff which would be utilised to perform the Services.

Description of Services	Numbers of Drivers (One Man Operated Vehicles)	Numbers of Drivers (Crewed Vehicles)	Number of Off-Siders	Supervisors
Recyclables Collection	12 + spare drivers (LMCC, CCC, MCC – 11, Singleton – 1)	0	0	2 (shared)
Customer Service Centre Staff	3			2 (shared)
Mechanics	5			2 (shared)
Depot hand	1			2 (shared)
Recycling Facility	7			2 (shared)

**DESCRIPTION OF TECHNICAL RESOURCES:**

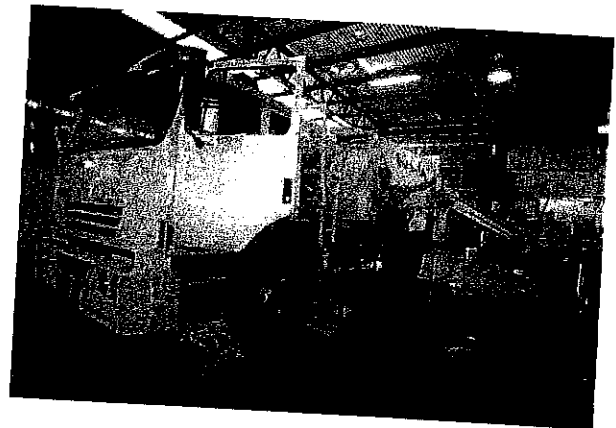
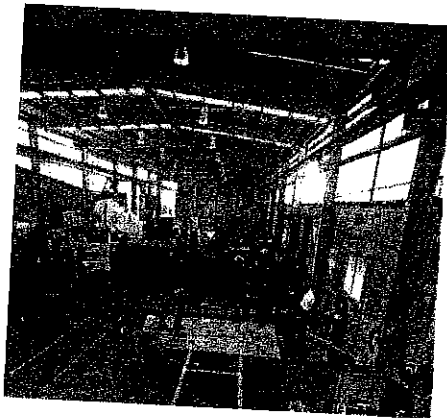
The technical resources (such as technical personnel, workshop personnel, design and engineering staff, surveyors, training staff, manuals, training aides etc) proposed to be used to perform the contract:

Solo's achievements in waste service innovation include the invention of the side loading waste vehicle, the invention of the front loading waste vehicle and the invention of the divided bin garbage/recycling collection system. Our application of proven, industry leading technology, in conjunction with a dedicated customer service ethic has been unrivalled.

Technical Personnel

As Solo develop and manufacture our own vehicles, most technical personnel are employed by Solo. Following are some key positions relating to the manufacture of vehicles for a new contract:

Rhys Richards	Engineering Director
Dave Hancock	Fleet Manager
Rodger Heijgen	Engineering Manager
Christian Gray	Design Draftsman
Wayne Curtis	GPS / RFID / Load and Bin Weighing Specialist
Colin Lee	Vehicle Testing



Additional external technicians are used for:

- Radio and video communications – Truck Rearvision Systems, Comgroup Aust.
- GPS systems - Navman, 3 Logix
- Safety Systems - SEGESCO
- In vehicle computer systems – Tramanco, 3 Logix, Auto Control Systems
- RFID systems – Tramanco, Auto Control Systems
- Load and bin weighing systems integration – Pacific Scales, Accuweigh
- Bin lifter manufacture – MacDonald Johnston,
- Vehicle sign writing – Heyden Signs

Workshop Personnel:

Solo's truck manufacturing facility is a complete engineering facility, manufacturing state of the art waste equipment for over 80 years. Solo manufacture vehicle compactors and other waste equipment for our own municipal contracts and commercial operations, as well as other



Australian and International waste companies. The Workshop employs boilermakers, fitter machinists, spray painters, diesel mechanics, auto-electricians and hydraulic fitters.

Our Gateshead Workshop is also capable of all servicing and major repairs, currently maintaining a fleet in excess of 30 trucks. The staff include mechanics, boilermakers and other mechanical and workshop assistants.

Gateshead Workshop	
Jason Sheldon	Supervisor
Bed Keegan	Mechanic
Jarryd Jones	Mechanic
Jonathan Sheldon	Mechanic Apprentice
Chad Hackney	Mechanic/Boilermaker
Donald Griffis	Mechanic
Grant Beahan	Mechanic
Brendan Price	Workshop assistant

All work is carried out using our independently certified Quality Management System procedures. These procedures also include a complete vehicle maintenance system. This has recently been supplemented with entry into the Cleanfleet Vehicle Management System, aimed at reducing emissions.

#### Design & Engineering:

Solo's history of innovation has required substantial investment in local design and engineering staff. Our staff includes an industrial designer, design draftsman, automotive engineer, electrical engineer and engineering manager. One of our directors, Rhys Richards, is also an engineer with decades of experience in waste management equipment. Externally we utilise plastics engineers and vehicle systems engineers for aspects of the service such as load weighing, vehicle data management systems, bin quality management and video monitoring.

#### Training staff:

Solo employ a Heavy Vehicle Driver Trainer, OH&S Coordinator and Customer Service Trainer. In addition, staff regularly attend external issue specific, general industry or occupation training. Where required specialist trainers attend our offices, depots and workshops to provide specific training such as First Aid, confined spaces, upgraded computer programs, customer service or fleet management.

#### Training Aides:

Solo utilise the Montie safety training program whereby we have licenced access to a range of 75 training DVDs as required. Solo will use these titles to implement the HRR services.

In addition, Solo have some standard training tools that staff complete dependent on position. Courses include Manual Handling, Safety Awareness, Fire Extinguisher Usage, Fatigue Management, Alcohol & Drug Policy and Certificate III in Transport and Distribution.

Manuals – Included in Solo's Quality Management System; Code of Conduct Manual, Driver Handbook and Fleet Unit Manuals. External Manuals include Certificate III Transport & Distribution and Collection of Domestic Waste Draft Code of Practice.

Equipment – Includes DVD, Television, Overhead Projector, Laptops, conference calling, internet meetings (all portable).

**SCHEDULE 9 SUBCONTRACTORS**

The names of subcontractors (including consultants and subconsultants) proposed to be engaged for the contract.

- Note: 1. *Written approval of all subcontractors is required before commencement of the contract.*  
 2. *The nomination of alternatives is acceptable.*  
 3. *The Contractor shall be required to provide evidence that the subcontractors are registered and/or licensed (as required by law) in the work which is to be subcontracted and have the relevant policies of insurance.*

NAME AND ADDRESS OF SUBCONTRACTOR	DESCRIPTION OF WORK PROPOSED TO BE SUBCONTRACTED	ESTIMATED WORK VALUE \$
<p>Sulo MGB, Mastec Australia or Superior Pak</p> <p>Sulo 123 Wisemans Ferry Road Somersby NSW 2250</p> <p>Mastec 25 Temple Court Ottoway SA 5013</p> <p>Superior Pak 80 Harnett Drive Seaford VIC 3198</p>	<p>Mobile Garbage Bin manufacture, assembly and distribution services for the contract commencement. Solo will assemble and distribute bins throughout the contract term.</p> <p>Please refer to Tender Section 3 - Supporting Documentation, Attachment 5 for further information on the Mobile Garbage Bins to be supplied.</p>	<p>Approx \$5m</p>
<p>Polytrade</p>	<p>Recyclables Processing and Marketing</p>	<p>Approx \$6m</p>
<b>TOTAL</b>		<p>Approx \$11m</p>

**SCHEDULE 10 VEHICLES, PLANT AND EQUIPMENT**

Tenderers are required to provide detail on all Collection Vehicles and additional information, if relevant, on Vehicles, Plant and Equipment to be used to perform the contract.

**DESCRIPTION OF COLLECTION VEHICLES:**

Description of Services	Make and Model of Cab/Chassis (Indicate whether New or Used)	Number	Make and Type of Body (Include Capacity and Compactor Maximum Noise Level, also indicate whether New or Used)	Reason for Selection and Suitability (For Recyclables Collection, include Vehicle Design features to optimise Material Quality and Compaction Rates)
Recyclables Collection	New Iveco Acco 2350G	LMCC, CCC, MCC – 11 + 1 spare  Singleton - 1	Side Loader Richards Compactor 30m3 68dB max noise level New	Suitable payload for axle configuration, safety for driver and community, vehicle life and consideration of streetscape infrastructure. Material delivered suitable for recyclables processing.

NOTE: If used Collection Vehicles, provide year of manufacture and odometer reading.

Figure 1 – Solo vehicles will be brand new Euro V Iveco Acco 2350G compactors with Solo designed and manufactured body and MJE grab lifter.



Figure 2 – Collection Vehicles will be sign written with a design approved by HRR

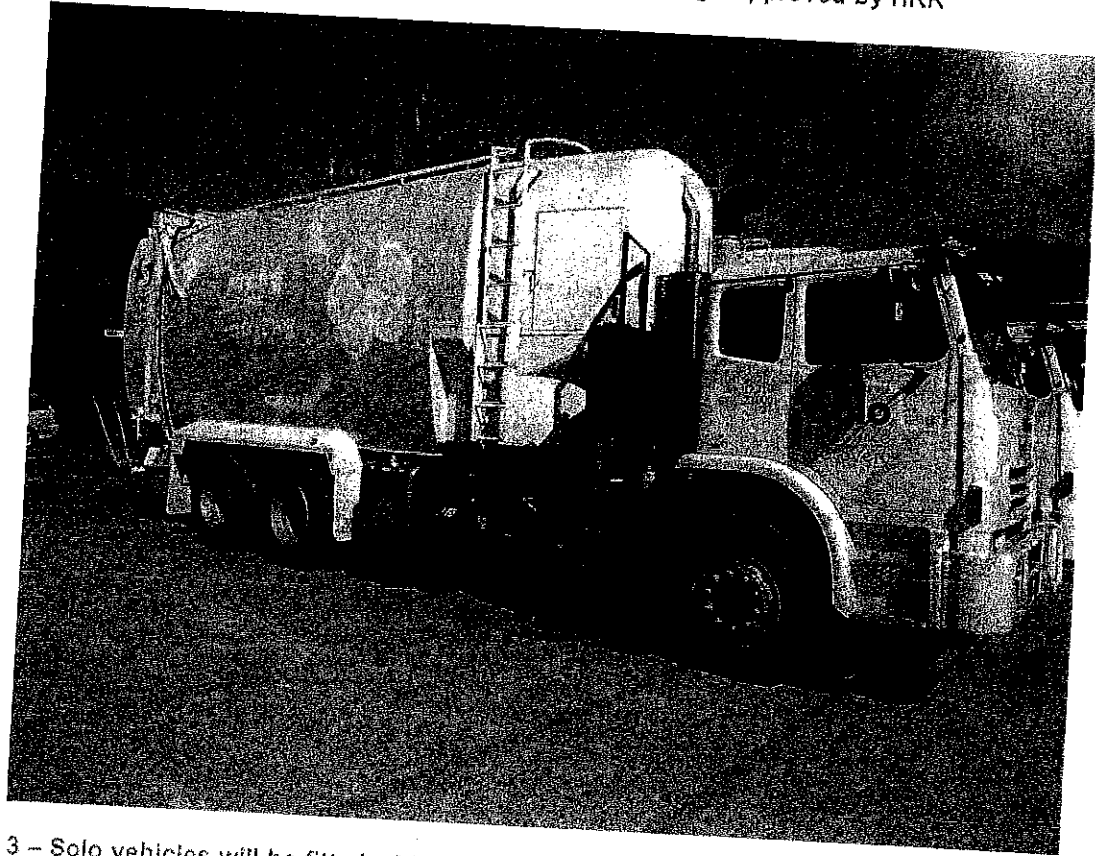


Figure 3 – Solo vehicles will be fitted with the required safety equipment as well as GPS tracking and collection monitoring.



Figure 4 – Solo vehicles will have their carbon emissions 100% neutralised offset through the purchase of accredited offsets as well as being registered with the Cleanfleet program.



Please refer to Tender Section 3 – Supporting Documentation, Attachment 6 for further Collection Vehicle Information.

**DETAILS OF OTHER VEHICLES, PLANT AND EQUIPMENT (if relevant):**

Bin deliveries and repairs will be conducted using a Holden Rodeo utility or similar.

Mechanics will have access to a utility for on road truck maintenance.

Solo's 2 supervisors will have utilities for service checks, meetings with HRR officers and other duties as required.

**SCHEDULE 11 PAYMENT FOR TRANSPORT TO ALTERNATIVE FACILITY**

Tenderers are required to provide the Alternative Facility Payment Rate, for use in the calculation of payment, for transport to Alternative Facilities as detailed in the Specification.

DESCRIPTION OF SERVICES	VEHICLE DESCRIPTION	ALTERNATIVE FACILITY PAYMENT RATE \$ PER TONNE/KM
All services	All vehicles	\$0.46 per tonne per return trip kms

**SCHEDULE 12 PERCENTAGES FOR RISE AND FALL CALCULATION**

Alternative Rise and Fall Formula

Under this Alternative Tender the price adjustments would occur quarterly as specified however a formula using the 4 components below would be used.

There are 4 components to the rise and fall review; labour, fuel, vehicles and profit return. These components amount to 35%, 15%, 40% and 10% respectively.

INDEX	PERCENT COMPONENT
Labour	35.00
Fuel	15.00
Vehicle Costs	40.00
Costs and Profit Return	10.00
TOTAL	100%

The labour component would use the Waste Management Award 2010.

The fuel component would use the Caltex gate price at the time of adjustment.

The vehicle costs component would use the CPI Table 5, Transportation Sydney.

The costs and profit return component would use the CPI Table 1, All Groups Sydney.

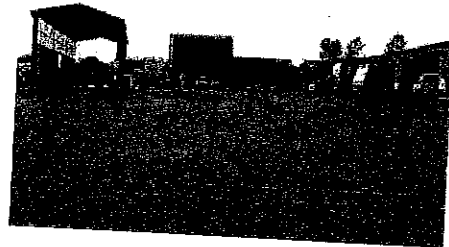
Please refer to the pricing in Schedule 2 for the discount available using this alternative.

### SCHEDULE 13 DEPOT DETAILS

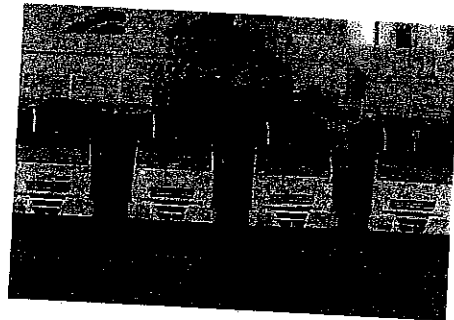
Tenderers are required to provide detail on Contractor's Depot for the housing of Collection Vehicles, Collection Vehicle wash-down bay(s) and amenities for employees.

Solo's depot will be situated at 25-27 Oakdale Rd, Gateshead. This depot is EPA compliant with approved wash down facilities, full amenities for employees and complete engineering and mechanics workshop. Please also refer to Schedule 16.

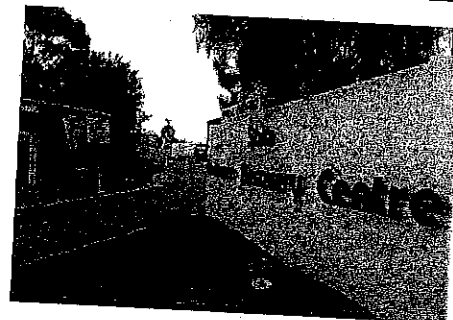
Solo's depot has capacity for any increase in fleet size. It is situated in an industrial area with vehicles parked, washed and maintained with no impact on surrounding residents or businesses.



Solo's Customer Service Centre at our Gateshead depot has been operating for 15 years. With all administrative staff and management also based here, communication between the various departments is simple and effective.



Our workshop is capable of all servicing, major mechanical repairs and boilermaker work.





## SCHEDULE 14 MOBILE BINS

This schedule must include specifications on the mobile bins to be used for the Contract, including supplier, country of origin, warranty, key design features, ease of access to spare parts and post consumer recycled content.

Sulo, Mastec and Superior Pak bins are made in Australia, have a 10 year warranty and are designed to be used with grab lifters. Although the warranty period is 10 years we would expect that under normal use by residents that most bins would be in good condition beyond the initial contract term. Spare parts are readily available from Mastec, Superior Pak and Sulo with any orders for replacement bins having a general lead time of between 1 and 4 weeks. The Post Consumer Recycled Content is up to 30% for all bin brands.

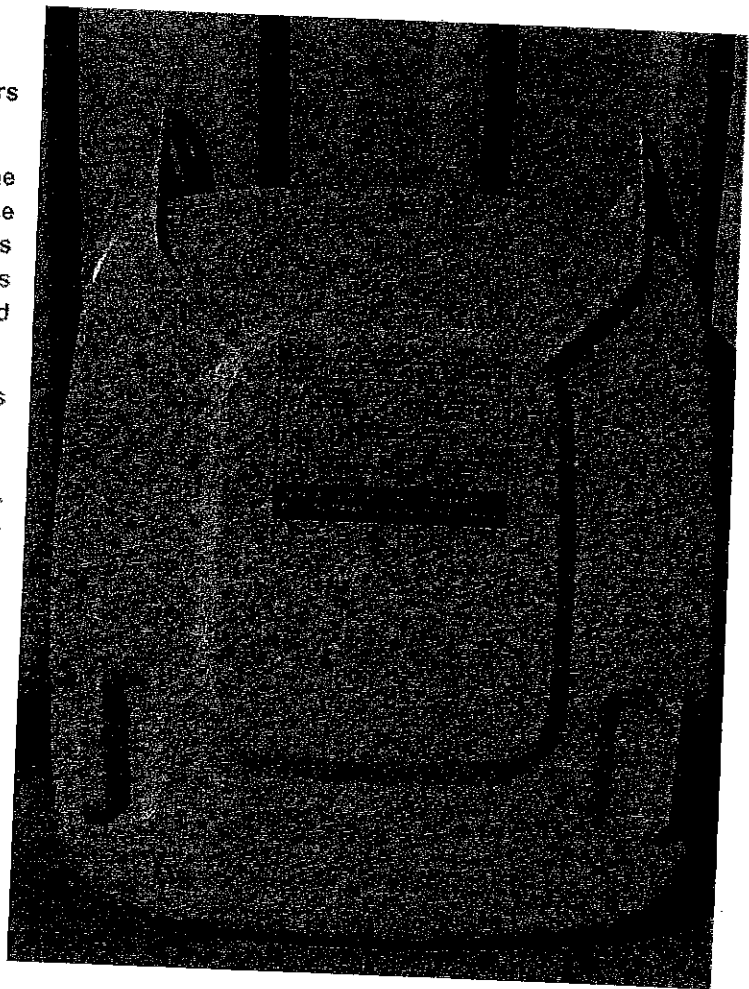
Solo's tender involves the use of a lid hot stamp in lieu of an underlid sticker. Solo were one of the first to use this innovation and now have several contracts where a hot stamp is applied on top of the lid instead of a sticker being applied under the lid.

The benefits of hot stamping include:

- Indefinite life, whereas stickers perish and peel off.
- Visibility before the resident lifts the lid. Research has shown that once an MGB lid is lifted the sticker is rarely referred to, as the resident is quick to deposit the waste and reclose the lid.
- Customisable to Council's specification.

Please refer to Tender Section 3 - Supporting Documentation, Attachment 5 for information relating to the mobile garbage bins for use in this contract.

Solo propose to use either Sulo, Superior Pak or Mastec bins depending on the final contract specifications and taking into consideration any preferences HRR may have.



## **SCHEDULE 15      CONTAMINATION MANAGEMENT STRATEGY**

Tenderers are required to provide a description of the strategy and operations to minimise contamination in Recyclables.

Please refer to Tender Section 3 – Supporting Documentation, Attachment 7 Quality Management Plan (Attachment D) for a copy of Solo's Contamination Management Plan.

Partnering with the Company we believe to be New South Wales' best recyclables processor and marketer is our first step in contamination management for recyclables. The three steps we see as crucial to minimising contamination and increasing yields for the recyclables service are:

1. Providing residents with a user friendly recyclables system.
2. Ensuring that the contract is commenced with a clear and attractive message to residents regarding the updated collection system; for example the new bin, allowable contents, collection schedule, etc.
3. Using the expertise of Solo staff and systems to further educate residents to reduce the amount of waste deposited in the recyclables bin and reduce the amount of recyclables deposited in the garbage/residual waste bin.

More detail on Solo's proactive approach to contamination management follows:

### Contamination Management Strategy

#### *Step 1 – Providing residents with a user friendly recycling system*

We believe that the new 240L recyclables mobile bin will continue to provide a user friendly service, with the optional 360L being valuable for properties generating higher volumes. By encouraging the education of residents in regards to household recycling, diversion of this component of the waste stream from landfill can significantly reduce Council's landfill disposal costs. As part of our Contamination Management Program we aim to target this fact and encourage people to transfer all recyclables into the recyclables bin.

Where recyclables bins are being continually overfilled, our drivers will alert our customer service team of the relevant address. We propose that Council and Solo discuss a procedure to correspond with these households to suggest, for example, ordering an additional or larger mobile bin. This service is enhanced by our one truck, one driver, one run policy.

Of critical importance to the success of the new dedicated recyclables collection system will be the Householder Introductory Package. This will assist residents with effective contamination management during the first weeks of collections. Solo propose to ensure that residents commence the service well informed and aware of any changes affecting their service. This will be achieved by immediate, comprehensive and helpful kerbside contamination management at contract commencement to be carried out in conjunction with the introductory package supplied to residents.

*Step 2 – Ensuring that the contract is commenced with a clear and attractive message to residents regarding the new collection system; for example the new bin, allowable contents, collection schedule, etc.*

The start-up of any new contract provides opportunity to reinvigorate community involvement in waste management and resource recovery initiatives through clear communication and education.

The Householder Introductory Package provides for the perfect opportunity for this and shall include all information relevant to the new collection services including the new bin, collection times and dates, acceptable materials and the impacts of contaminants on the recycling process. A letter should also be included with the Householder Introductory Package to introduce the new collection and processing service to residents. The Introductory Package should be delivered with the new bins.

The Education Program to support the new bin and Information Package will be comprehensive and a great opportunity to increase the community's interest in recycling and resource recovery. Please refer to Schedule 17 for more information on Solo's proposal for the education and promotion program. We intend to use internal staff as well as waste education organisations like Envirocom and Out Of The Square to develop the strategy and content of the education and promotion program and deliver it effectively to the community.

*Step 3 – Using the expertise of Solo staff and systems to further educate residents to reduce the amount of waste deposited in the recyclables bin and reduce the amount of recyclables deposited in the garbage/residual waste bin.*

Solo intend to implement the following initiatives to direct recyclables and waste into the correct bin:

- a) Where the driver determines a bin is contaminated, a sticker / tag will be placed on the bin to alert the resident to the contamination issue. The sticker / tag will provide information to the resident as to why their bin was not collected (should the driver determine contamination visible at the kerbside) and how to prevent future contamination issues.

The driver will also register the contamination as an 'event' on the in-vehicle data management system.

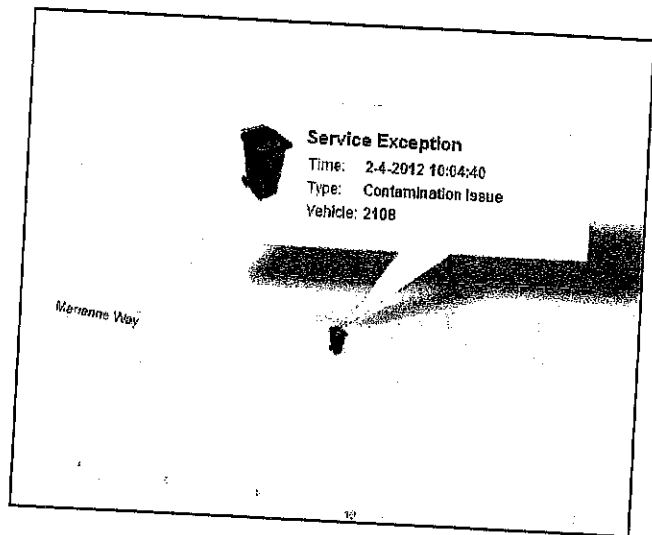
Where the contamination occurs at a Multi Unit Dwelling, the property manager or all residents will be notified of the contamination and how to prevent future contamination issues. In addition, Solo proposes the use of a sticker / tag for the offending bin or bins so that whilst offending residents maintain anonymity, the contaminated bin/s in question are still addressed and the contamination issue brought to their attention.

Our Education Program would also propose the use of bin auditing as a method for identifying bins to be tagged in areas or streets that can improve, or addressing individual properties. The bin auditing can also assist to encourage residents to direct recycling from the garbage MGB to the recycling MGB.

- b) Once the driver records the 'event', the information will be relayed to Council and the Solo Customer Service Centre (CSC) (please see the example on the following page of the in-vehicle data system showing a recorded event).
- c) If three or more contamination occurrences take place, Solo will work to agreed Council guidelines regarding whether the bin should be rejected and establish the period of monitoring required for the offending household.

- d) Solo also propose, as part of the Education Plan, that 'Excellent Recycling' stickers be used to encourage residents that have sorted their recyclables well.
- e) All stickers / tags used in the contract will have the CSC number clearly listed. This will provide residents with the ability to contact the CSC should they have any questions regarding the sticker / tag. CSC staff have received comprehensive training on contamination management and will be willing and able to assist all residents with their enquiries.

Contaminated bins are recorded on the GPS System. Date and time details are recorded and reports can be generated.



Contaminated bins will have a sticker / tag applied to inform the resident how they can better use their bin by excluding banned contents, presenting the bin correctly or avoiding overfilling.

**TO THE HOUSE HOLDER**  
**Your bin was not emptied today because:**

**It was contaminated with:**

<input type="checkbox"/> Non recyclable items	<input type="checkbox"/> Building products/Concrete
<input type="checkbox"/> Garbage	<input type="checkbox"/> Soil
<input type="checkbox"/> Plastic bags	<input type="checkbox"/> Wood
<input type="checkbox"/> Green waste	<input type="checkbox"/> Other _____

---

Your bin was too heavy

Your bin is not a council bin

Your bin was too far from the kerb

Your bin is damaged. Please contact us to arrange emptying and a replacement bin

Your bin is overfull and likely to spill. The lid must be fully closed with no material overhanging the bin

Your bin must be one metre away from any object including poles, trees and vehicles

Your bin must be out by 6:00am on collection day

Your bins must be placed at least 30cm apart

Please leave your bin here for future collections as your street is collected from this side only

Please leave your bin here for future collections

Sample tag – would be customised for the Hunter contract.

Solo has found that these procedures are successful in encouraging residents to reduce household waste contamination. Residents have responded well to the provision of information when their bin has been identified as contaminated, with a customer service telephone number clearly displayed to enable contact with the CSC should residents have any further questions.

In two recent contract implementations, these procedures were used to great affect, significantly reducing the contamination levels permanently from the start of the contract. Residents were also happy with the informative and effective communication from the drivers and CSC staff.

As part of the Contamination Management Plan, we have found that it is effective to inform residents of the progress they have made with their recycling efforts. For example, advertising in the local paper or Council newsletters detailing the amount of diversion of recyclables from landfill or the number of plastic containers, aluminium cans or glass bottles they have recycled and what that could produce or what resources they have saved. This type of initiative allows residents to see the results of their actions.

## **SCHEDULE 16 CONTRACTOR NOMINATED FACILITIES FOR RECYCLABLES**

Tenderers are required to provide details on the Contractor Nominated Facilities for the Recyclables Collection Service. At a minimum, information on the following must be provided:

- Copy of the formal or informal agreement between the Contractor and the Contractor Nominated Facility(s);
- Location;
- Current Rates of Contamination;
- Age of Infrastructure;
- Owners;
- Destination of material rejected from the Contractor Nominated Facility(s);
- Existing Markets for Materials.

### **Questions from Annexure 2 of General Specification**

**1. Do you propose to construct a materials recycling facility within the Service area?**

Yes Solo proposes to construct a MRF at our Gateshead depot. Solo has an existing transfer station at this depot which will be used to transport HRR recyclables to Polytrade's Somersby MRF whilst the current MRF shed at our the depot is upgraded and the new MRF installed, although we would expect the new MRF to be operational by the July, 2013 commencement date.

**2. What is the proposed location?**

As mentioned in point 1, the location of the MRF will be at our Gateshead depot at 25-27 Oakdale Road.

**3. What is the anticipated timeframe for the consent process?**

Should we be advised that we are the successful tenderer, we will submit a DA (Development Approval) and/or CC (Construction Certificate) as required for approval to the required Council. Council have advised that DA and CC approvals are currently being processed in up to 5 weeks from the date of lodgement, although we would estimate a longer approval duration. Once approval(s) are granted we expect the MRF will be commissioned within 6 months from the approval date and upon receipt of a Certificate of Occupancy. During construction and commissioning there may be delays that are unavoidable due to inclement weather, for example. Should the MRF not be ready by the July 2013 start date we propose processing the collected material at the Polytrade Somersby MRF using the transfer bays at our Gateshead depot currently in use, adjacent to the MRF shed. Regardless of the site construction progress and any unavoidable delays the recyclables will be sorted and recorded as per the contract requirements from the contract start date. Council will be kept fully informed throughout the MRF construction process.

**4. Will the scheduled start up commercial date be dependant upon the MRF's operational status?**

As mentioned in point 3 the scheduled start-up date will not be affected should the construction of the MRF not be completed on time. Solo can state with confidence that regardless of the site construction progress and any unavoidable delays, the recyclables will be sorted and recorded as per the contract requirements from the contract start date.

**5. Who will own the MRF?**

The MRF plant will be owned by Polytrade Recycling, with the shed and land owned by Solo.

**6. Who will operate the facility?**

The MRF will be operated by Polytrade Recycling.

**7. Will you seek consent for subcontractor approval?**

Yes, our tender submission proposes Polytrade as our subcontractor for recyclables processing.

**8. What will be the MRF's capacity in tonnes?**

The MRF's capacity is estimated at 100,000 tonnes per annum.

**9. Detail the MRF's functions**

a) The table below lists Solo's relevant industry experience in Materials Recovery Facility Management and Operations:

Council Name	Services Provided	Duration
HRR	Recyclables Processing	1997-current
Tweed	Recyclables Processing	2002-current
Byron	Recyclables Processing	2005-current
Kyogle	Recyclables Processing	2011-current
Baw Baw	Recyclables Processing	1995-current
Frankston	Recyclables Processing	2002-current
Marion	Recyclables Processing	1995-current
West Torrens	Recyclables Processing	1996-current
Holdfast Bay	Recyclables Processing	2007-current
Light	Recyclables Processing	2009-current
Mid Murray	Recyclables Processing	2007-current

b) What percentage of recyclable product do you expect to recover for the purpose of sale for recycling from the MRF's operation?

Approximately 95%

c) What will be the residual waste percentage?

Approximately 5%

d) Detail likely components of residual waste likely

Any item that is not glass, glass fines, metal, paper, cardboard or is a large unrecyclable item. The Polytrade MRF generates very low contamination rates and is able to accept recyclables coded from number 1 to 7.

**e) Detail Key Performance Indicators to be used**

The following KPIs will be used to monitor the MRF:

- Volumes and tonnes of material received by Council
- Volumes and tonnes of material processed by recyclable type
- Volumes and tonnes of residual waste
- Audited content of incoming recyclables and residual waste stream
- Operational KPIs such as hours, speeds and maintenance time
- Recyclables markets

**f) Detail current KPI results**

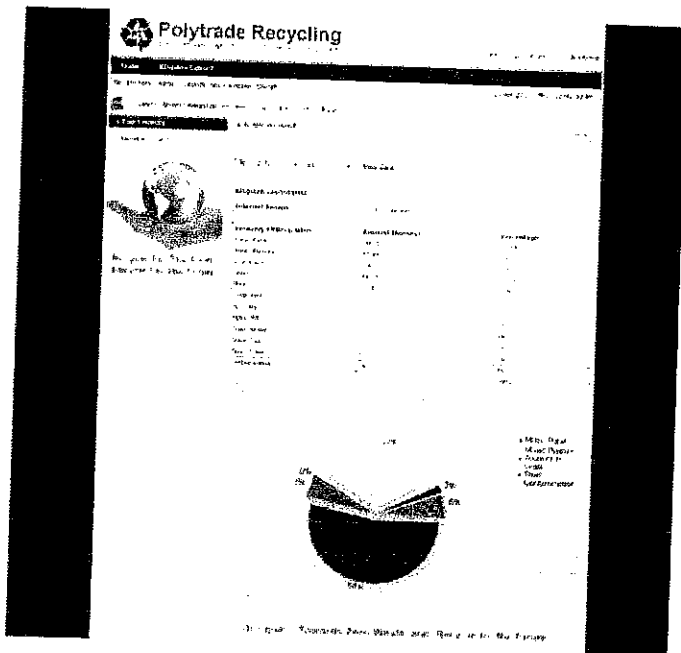
Polytrade and Solo utilising other recycling subcontractors conduct recyclables processing for many Councils in several states. Example but not exhaustive information is shown below:

Example 1 – Report on incoming loads from collection vehicles

Docket No.	Date	TimeIn	TimeOut	ClientID	Prod ID	Product Name	Rego	Gross	Tare	Nett
4037	01/02/2012	09:14:51	09:14:51	1927	1	IN-COMINGLE	BE02BK	18.92	12.82	6.10
4033	01/02/2012	08:30:59	08:30:59	1931	1	IN-COMINGLE	BE05BK	17.80	12.78	5.02
4034	01/02/2012	08:32:50	08:32:50	1928	1	IN-COMINGLE	BE03BK	20.10	12.74	7.36
4045	01/02/2012	12:44:47	12:44:47	1927	1	IN-COMINGLE	BE02BK	18.96	12.82	6.14
4046	01/02/2012	13:10:21	13:10:21	1928	1	IN-COMINGLE	BE03BK	17.82	12.74	5.08
4040	01/02/2012	11:12:15	11:12:15	1928	1	IN-COMINGLE	BE03BK	19.14	12.74	6.40
4043	01/02/2012	12:33:50	12:33:50	1931	1	IN-COMINGLE	BE05BK	19.90	12.78	7.12
4072	03/02/2012	08:39:55	08:39:55	1928	1	IN-COMINGLE	BE03BK	20.24	12.74	7.50
4073	03/02/2012	08:50:02	08:50:02	1927	1	IN-COMINGLE	BE02BK	20.70	12.82	7.88
4059	02/02/2012	12:50:34	12:50:34	1931	1	IN-COMINGLE	BE05BK	18.92	12.78	6.14
4060	02/02/2012	13:12:50	13:12:50	1928	1	IN-COMINGLE	BE03BK	20.04	12.74	7.30



Example 2 – report on material processed for market



g) The table below lists Solo's current Contracts that include a recyclables processing component:  
Please refer to the table in (a) above.

h) Have you undertaken an audit of residual waste from the sorting process? And if so what were the outcomes?

Audits of the residual waste show a majority of the material is organics, including food waste and garden waste. E-waste, ceramics and batteries form a smaller percentage and larger pieces of steel, plastic or batteries often contribute a high proportion of the residual waste by weight. Textiles are common but do not contribute much to the overall weight of the waste stream. Plastics are found but do not contribute much to weight and are generally accepted by the Polytrade system. The waste stream also can contain recyclable items presented in an unusual form, for eg, a plastic bottle full of liquid.

i) Detail current buyers/ markets of recyclables by-products

Glass, including fines is sold and reused domestically. Paper/cardboard, metals and plastics are marketed internationally. Markets vary with the fluctuations of recyclables prices.

10. List of all proposed structures, plant and equipment which will be used.

As mentioned above Solo propose to construct a new shed on the site of the existing MRF shed and install a new MRF within that shed. Please refer to Tender Section 3 – Supporting Documentation, Attachment 8 for further information on the proposed new MRF.

Associated equipment will include a forklift and wheel loader.

**11. Provide 3 copies of the site showing:**

- a. Site Layout
- b. Site Facilities
- c. Operation of the Facility
- d. Layout of plant and equipment

Please refer to Tender Section 3 – Supporting Documentation, Attachment 8 for the Site Layout, Site Facilities, Operation of Facility and Layout of Plant and Equipment.

**12. Do you intend to use MRF or grounds for any other purpose other than for the delivery of this service?**

Solo may wish to utilise the MRF or transfer bays for the processing or transfer of material from either other municipalities or commercial sources.

**13. If so what is the nature and extent of proposed use**

We envisage that possible additional uses for the MRF may be to process Port Stephens Council recyclables, to process Newcastle recyclables (should Solo be successful with that tender) and to process recyclables from commercial sources.

**14. If you intend to use the facility for private corporate services or financial gain, will you offer the Principal a financial concession on the service charge during the currency of the Agreement?**

We propose that no royalties be paid to HRR for any Port Stephens material, Newcastle material or commercial material up to 100 tonne per week. Over and above those Council's recyclables and commercial material up to 100 tonne per week we would be willing to negotiate a royalty payable to HRR for recyclables processed.

**15. If so what?**

As mentioned above, we are willing to negotiate a royalty payable to HRR for material from Councils other than Port Stephens and Newcastle and also commercial material over 100 tonnes per week.

**16. How is this calculated?**

By negotiation between HRR and Solo.

**17. Describe the education facilities and public viewing areas that will be available.**

The proposed education facility for the new MRF will use the education and viewing room currently in place. The room will be fully refurbished to include:

- The viewing window with step up
- Floor space to accommodate school class size groups
- Interactive whiteboard and projector screen for teaching and video viewing
- Interactive displays showing the collection, transport, sorting, marketing and recyclable reuse processes

- Monitors/TV showing CCTV images of various components of the MRF for detailed observation of the machinery
- Safety requirements to provide a visitor friendly facility

Please refer to Tender Section 3 – Attachment 9 for a draft layout of the education room. Any input from Council on the refurbishment of the education room would be welcomed.

**18. How many staff will be directly employed at the MRF?**

Approximately seven (7).

**19. List positions.**

1 x MRF supervisor

1 x Weighbridge operator and administration officer.

4 x Sorting staff

1 x Plant operator

In addition, Solo's Branch Manager and Operations Supervisor will oversee the MRF operations to ensure they are in keeping with the Contract requirements.

During commissioning of the MRF, during its first months and as required afterwards, additional Polytrade Management and engineering staff will be on hand to ensure its efficient operation.

**20. The Principal requires an office showing office of no less than 16sqm with telephone, air conditioning, desk and seating for 4 persons and adequate lighting and ventilation for the exclusive use by the principal.**

Solo propose to discuss the location of this office with HRR. The location can either be:

- Adjacent to the education room referred to above in the new MRF
- At an alternative location in the new MRF
- Adjacent to the Solo offices towards the south east corner of the property

**21. An education, viewing and teaching area is required to safely accommodate 30 students or visitors at any given time. This area is for the exclusive use of the education service and shall not be used for any other purpose.**

Please refer to point 17 for information regarding Solo's proposed education room. All HRR requirements in Annexure 2 will be incorporated into the Solo education room.

**22. Adequate parking for a coach/bus is to be provided at a point which allows the safe passage of visitors to the education centre.**

Coach parking will be available at the back left or North West corner of the site.

**23. Clear defined walkways shall be installed from the parking bay to the education facility.**

Walkways will be installed / marked to ensure safe and simple passage for MRF visitors to the education and viewing room.

## **SCHEDULE 17 EDUCATION CAPACITY, EXPERIENCE AND PROPOSAL**

*(Only relevant to Contractor if undertaking education option)*

Tenderers are required to provide detail on at least the following:

- Key personnel, their experience and salaries;
- Proposed initiatives, outcomes, expected costs and time frames.

Solo understand that HRR may determine that Solo will undertake the Community Education Programme or it may conduct the Programme internally. We advise HRR that Solo is cognisant of the responsibility the Community Education Programme carries with it and are able to conduct the Programme effectively and professionally.

To successfully conduct the Community Education Programme Solo proposes to use:

1. A Solo Education Officer to assist with the development of the Programme and its execution and to have someone available for community education and HRR consultation on a continual basis.
2. A waste education company such as Envirocom to develop the strategy and the education and promotional materials content.
3. A media company such as Out Of The Square Media to convey the education and promotional material through the media and direct sources to residents and businesses of Maitland, Singleton, Lake Macquarie and Cessnock.

### 1. Education Officer

Solo would employ an Education Officer to be HRR's first point of contact for any education/promotion/marketing related issues. Our Education Officer would perform the following duties (not an exhaustive list):

- Corresponding with, and informing HRR of the Community Education Programme progress.
- Coordination of development of the Community Education Programme and strategy with the Waste Education Company.
- Coordination of development of the content for education and promotional materials with the Waste Education Company.
- Assisting residents with bin education information.
- Kerbside bin auditing.
- Providing reports on recycling KPIs.
- Providing education and promotion information at periodic meetings between HRR and Solo.
- Monitoring the performance of the Waste Education Company and the media company.

### 2. Waste Education Company

To develop the Community Education Programme and produce content for education and promotional material Solo will engage a Waste Education Company such as EnviroCom.

EnviroCom specialises in integrated environmental education, research and training programs for State and Local Government and industry throughout Australia. EnviroCom has 29 staff and four offices nationally including in New South Wales.

With over sixteen years experience in design, implementation and evaluation of waste and environmental education programs, EnviroCom provide a strategic, measurable approach to educating the broader community about resource recovery and conservation through correct use of organics and recycling recovery systems, minimisation of waste at the source and responsible disposal of residual waste.

EnviroCom recognises environmental sustainability is a complex issue requiring multiple technical, political and economic solutions. As a result, all personnel are qualified and dedicated environmental practitioners with experience in the diverse disciplines of science, social interaction, training, statistical analysis, teaching, marketing and communications.

EnviroCom works in partnership with customers to assess needs and provide the most efficient, cost effective and environmentally sustainable solutions for each situation. Within the current kerbside collection contracts, EnviroCom have provided more than 50 Councils nationally with continual education development and outreach services.

Due to the depth and experience of EnviroCom's staff base, we can provide HRR with:

- Continuity of service delivery regardless of staff movements or circumstances.
- A stable management team with more than sixteen years experience in development, delivery, evaluation and reporting on broad waste and resource recovery education.
- On ground experience in new service education development and delivery.
- Proven ability to successfully develop and deliver programs while balancing the needs of all stakeholders and policy environments.
- An excellent understanding of both Council and contractor's operational requirements.
- Proven outcome based programs developed by community educators, teachers, social marketers and technical specialists.
- Provision of support and management for remotely based staff.
- Value for money and efficiency.
- Utilising an existing program base and intellectual property within a local context.
- Employing our own graphic and design personnel (this ensures no hidden costs or time delays are encountered).
- Existing project management procedures and quality standards; contract budget and expenditure maintenance systems.
- Staff who are continually trained and updated on the waste and resource recovery industry and sustainability education.

## EXPERIENCE

### Key Personnel

The following provides an outline of the qualifications, experience and roles of Key Personnel who may be involved in this contract.

#### *Management*

Paula Harrison – National Manager, EnviroCom Australia  
*Bachelor of Arts (Geography and Environmental Science)*

Paula was employed as Recycling Liaison Officer for the Logan City Contract. Since that time Paula has managed and been involved in the development, delivery and evaluation of waste and environmental education programs and resources for a number of Local Authorities throughout Australia.

Paula has considerable knowledge and understanding of the issues facing government, business and the broader community with regard to waste management, and in particular, the sustainability of waste minimisation and recycling programs.

In 1998, Paula established EnviroCom Australia® as an independent consulting company.

Stephanie Teston – Manager (New South Wales)  
*Bachelor of Science*

Stephanie has been employed by EnviroCom since 2005 as a Senior Consultant and is now Manager of the Sydney Office. Stephanie has been responsible for the coordination and delivery of recycling education programs for Baukham Hills Shire Council, Holroyd Council, Netwaste Regional Councils (nine Council areas), Bathurst, Burwood, Strathfield and Hawkesbury Shire Councils.

The programs delivered to these Council areas range from broad community outreach to specially designed projects for Multi Occupancy and Non-English speaking residents. Stephanie has also been involved in coordination of waste stream analysis projects for individual and regional Councils. Her experience and knowledge of waste education projects will add value to all education development and delivery within this contract.

#### *Other Personnel*

Support will be drawn from EnviroCom's New South Wales and National consulting base, including community educators, teachers, trainers and audit personnel.

### 3. Media Company

To communicate the Community Education Programme to the public broadly and target various segments of the member Councils' residents and businesses Solo propose using a Company such as Out Of The Square (OOTS) Media to translate the educational and promotional material into website content, radio advertising, newspaper and magazine advertising, direct mail, digital and new media and other promotions

OOTS have extensive experience delivering media solutions for the current HRR contract services and are further developing their waste expertise making them a good compliment to the Solo Education Officer and Waste Education Company.

Please refer to Tender Section 3, Supporting Documentation, Attachment 22 for information on OOTS' staff and experience.

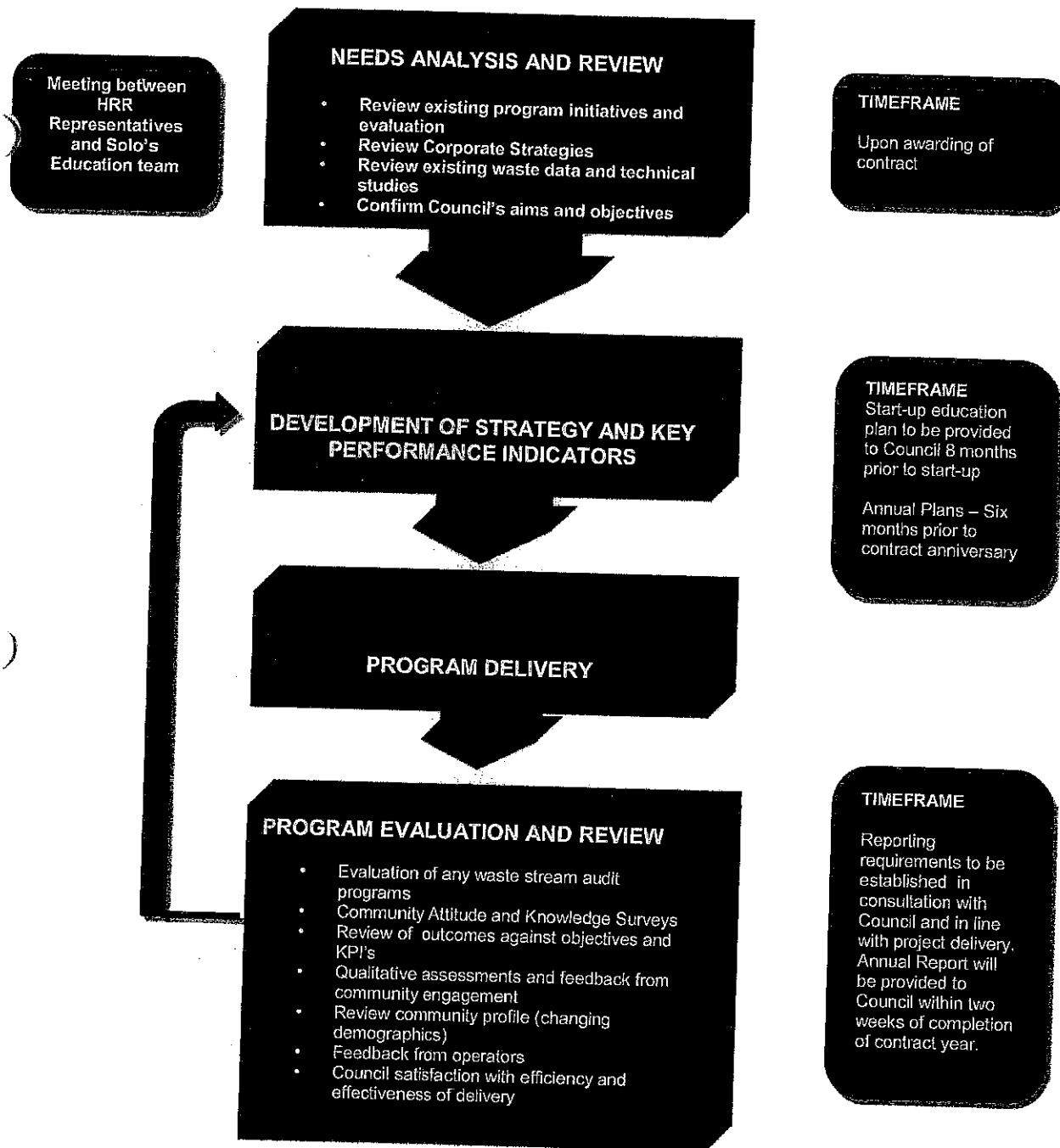
## EDUCATION OVERVIEW

A critical aspect of any successful community education program is planning.

On awarding of the contract, Solo and its education team will meet with HRR representatives to establish the start-up education phase, and to identify key elements of the project that will integrate with the current collection education and contamination management programs.

Our framework for undertaking education programs on behalf of Council customers and a non-exhaustive list of service capabilities is provided below.

## STRATEGIC EDUCATION FRAMEWORK





## PRE-SERVICE EDUCATION

The start-up of any new contract provides opportunity to reinvigorate community involvement in waste management and resource recovery initiatives through education, social marketing and media engagement.

Subject to initial planning meeting outcomes, the following initiatives would be undertaken in the start-up phase (please note this list is not exhaustive).

Householder Information Package is to include all information relevant to the new collection services including collection times and dates, acceptable materials and impacts of contaminants. A letter from the Mayor should also be included to introduce the new collection and processing service. The information Package should be delivered with the new bins.

Delivery of the information package also provides an opportunity to reach and involve every householder; Solo proposes:

- Bin stickers and stamping that entice residents and businesses to recycle right.
- New and interesting information about recycling in Cessnock, Maitland, Singleton and Lake Macquarie.
- Development of the HRR website as required to provide new content that aligns with the new Contract.
- An opportunity for residents to register for social marketing (via Facebook and/or Twitter) or direct email news.
- A competition, based on information in the package with an option for web or paper based responses.

Local radio and print media – develop a rolling media program to coincide with key aspects of the new service/project roll out. Liaise with Council's Communications team to establish the best means to reach the Community utilising mass media.

Displays – development of display materials for use in Council buildings (including libraries) and at community events.

Outreach and engagement – identification and marketing of community, business and school engagement programs that will be rolled out in the first year of the contract.

Following the establishment of pre-service education and promotion commitments and two months prior to contract start-up a three year education strategy will be developed with an annual plan for Year One delivery. Dependent on Council objectives and community need, the Strategy may incorporate the following, with annual plans targeting priority areas, establishing KPIs and incorporating evaluation mechanisms for each initiative.

## YEAR ONE ONWARDS

Within ongoing programs, it is essential key messages and activities move beyond operational compliance to place waste minimisation and resource recovery in a context that is relevant to people's lives and their concern for the local environment. Solo's team will develop and deliver programs related to the following topics for example:

- Diversion of waste from landfill.
- Smart shopping including 'closing the loop' and procurement.
- Waste minimisation in the home and at work.

- Resource diversion through resource recovery centres.
- Away from home waste minimisation (tourists, public places and business).

#### Methods and Mediums

##### *Broad Community Information Programs*

- Direct mail (such as new service brochures).
- Social marketing such as Facebook, Twitter and blogs.
- Community surveys – via mail and electronic.
- Rental and body corporate accommodation programs and packages.
- Written materials such as fact sheets.
- Newspaper advertising (including engagement of the local press).
- Community Service Announcements – Radio.
- Multi-media presentations and programs.
- Property Managers packs.
- Ongoing development and maintenance of materials for download onto Council's website.
- Advertising of a direct web link/social marketing opportunities in written correspondence.

##### *Targeted Household Information Programs*

- Home waste audits (working directly with residents).
- Targeted Bin Inspection Programs (contamination management and rewards).
- Neighbourhood programs (eg. compost communities; sustainability street).

##### *Broad Community Engagement Programs*

- Public place displays.
- MRF education centre tours and community open days.
- Library presentations.
- Social marketing – establishment of Facebook page and Twitter updates.
- Community workshops (recycling, waste minimisation, composting and worm farming).
- Community competitions.
- Presentations to established community organisations (Rotary; Lions etc).
- Special Events (Clean Up Australia Day; Compost Awareness Week; National Recycling Week; World Environment Day/Week and Local Government Awareness Week as examples).

##### *Education Sector Engagement and Outreach Programs*

- Development and delivery of New South Wales curriculum linked lessons (in line with National curriculum).
- Resource recovery education centre tours if applicable.
- Schools waste minimisation activities and projects (School Waste Management Plan assistance).
- School awards and forums.
- Teacher support programs.
- School competitions.

- Special Events (Clean Up Australia Day; Compost Awareness Week; National Recycling Week; World Environment Day/Week and Local Government Awareness Week as examples).
- Presentations and programs for tertiary organisations.

#### *Evaluation and Review*

To gauge the effectiveness of the Community Education Programme, Solo will use the following information:

- Resource recovery data.
- Driver feedback.
- Community Attitude and Knowledge Surveys.
- Direct feedback from community engagement activities including follow-up surveys.
- Response to social marketing initiatives.
- Waste composition audits (contamination and resource recovery rates.)
- Media coverage/uptake of articles/initiatives (via press releases).
- Targeted Bin Inspection Programs.
- Community involvement in competitions and events.
- Level of community involvement in outreach programs (workshops) and outcomes of involvement.
- School involvement in outreach programs including increase in resource recovery at schools (parent surveys where schools are involved).
- Business involvement in resource recovery programs (particularly real estate and body corporate managers).

Following analysis, the community, resident and schools programs should be carefully assessed to ensure continual improvement in education delivery and outcomes. Successful programs and strategies should be built upon over time, while programs identified as unsuccessful should be remodelled or removed.

This process will ensure education programs remain targeted and relevant to all residents and provides an opportunity to incrementally increase complexity and scope of waste minimisation and resource recovery information and outreach, resulting in a more educated and active community.

**SCHEDULE 18 CUSTOMER SERVICE**

Tenderers are required to provide detail on at least the following:

- Experience in establishing customer service and complaint rectification procedures for similar contracts;
- Number of staff who will provide this service, their experience and salaries;
- System for registering, categorising, tracking and reporting of complaints and enquiries;
- Telephone monitoring system;
- Staff education programs to ensure highest levels of customer service are attained and maintained;
- Indicative performance standards for handling of enquiries and complaints, including specific time scales;
- Location/s of enquiry and assistance points where enquiries and complaints will be managed;
- Hours of availability of customer service and supervisory staff.

*Experience in establishing customer service and complaint rectification procedures for similar contacts.*

At present Solo successfully provides first point of contact Customer Service Centres (CSC's) for seven (7) Councils fielding hundreds of calls per day including the delivery of new services for South Australian Councils where the garbage charge for households forms part of their Council rates. To ensure consistent receipt and follow-up of customer enquiries and complaints, a Customer Service Procedure customised to the relevant Council and a Company-wide Complaints Management Procedure has been developed and implemented successfully across our CSC's. Please refer to Tender Section 3 – Supporting Documentation, Attachments 10 and 11 for a copy of Solo's Customer Service and Complaints Management Procedure respectively.

*Number of staff who will provide this service, their experience and salaries.*

Position	Experience	Salary
Customer Service Manager	Over 30 years in customer service and 5 years with Solo	Negotiated with the individual
Customer Service Officer	Over 12 months with Solo and knowledgeable in the HRR contract operations	Negotiated with the individual
Customer Service Officer	Over 12 months with Solo and knowledgeable in the HRR contract operations	Negotiated with the individual

*System for registering, categorising, tracking and reporting of complaints and enquiries.*

The CSC will be equipped with the NetSuite Customer Service Software program, a Solo initiative which has been implemented across our CSC's with great success over the past 2.5 years. This program will be used to log and track all calls to our CSC. We currently use NetSuite for nine (9) Council contracts and have found it to be user friendly and reliable. The program is customisable to each Council contract, taking into account the service type and bin sizes, and we have in-house IT staff that can conduct support. NetSuite will log all calls and jobs such as bin repairs and replacements, monitor the job to ensure it is completed in the required timeframe and allow for reporting to Council for selected periods. KPI meters are also included to track performance during each month.

NetSuite keeps track of all jobs logged from resident or Council queries or driver identified work required such as bin repairs.

**NETSUITE CRM Solo Resource Recovery**

Home | Council Reporting | Operations | Properties | Support

**Action / Collection**

Action Type:  DELIVERY

Assessment Number: 1006268160-0000

Address: 1123 ADELAIDE TERRACE, ASCOT PARK

Bin Number: [Field]

Run Date: [Field]

Run Day: [Field]

Run Time: [Field]

Driver: [Field]

Truck Number: [Field]

Comments: [Field]

Notes: [Field]

ACTING Council: MARION

NetSuite maintains a record for each property on the Council database and the bins associated with that property including serial numbers.

**NETSUITE CRM Solo Resource Recovery**

Home | Council Reporting | Operations | Properties | Support

**Address**

Select Form: Address Form - Marion

Council: MARION

Assessment Number: [Field]

Property Type: [Field]

Unit Number: [Field]

Street Number: [Field]

Street Type: [Field]

Suburb: [Field]

State: [Field]

Post Code: [Field]

Address (Auto): [Field]

Save | Reset

Garbage: Run Day Frequency Cycle Next Collection

Green Waste: Run Day Frequency Cycle Next Collection

Recycling: Run Day Frequency Cycle Next Collection

Notes: [Field]

Inactive:

Office (Hidden Field): ADELAIDE

NetSuite has a record of all work performed relating to bins at each property including repairs, replacements, new, additional and cancelled bins.

**NETSUITE CRM Solo Resource Recovery**

Home | Council Reporting | Operations | Properties | Support

**Bin**

Date Requested: 04/2009

Time Requested: 2:52 pm

Staff Member: [Field]

Council: MARION

Address: 1123 ADELAIDE TERRACE, ASCOT PARK

Assessment Number: 1006268160-0000

Bin Type: [Field]

Service: [Field]

Bin Number: [Field]

Don't include in claim:

Save | Reset

Inactive:

BINS Council Additional:

**Telephone monitoring system.**

Solo's telephone system will be answered by our Customer Service Centre staff during the hours of 8.00am and 4.30pm as a minimum by experienced staff. Outside of these hours an answering machine will be available with a message notifying the caller of emergency contact numbers.

No monitoring software is proposed however we are open to discussion of this matter with HRR.

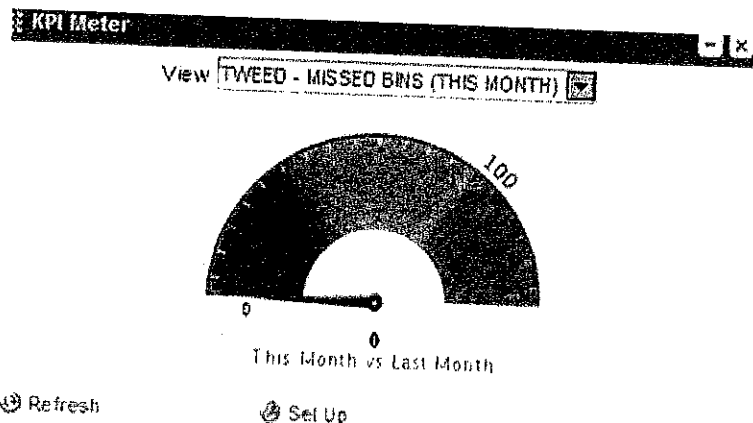
**Staff education programs to ensure highest levels of customer service are attained and maintained.**

All Solo customer service staff will be reinducted and trained in the new contract specifications before the new contract bin rollout programme. They will be provided with flow charts for each job type including such queries as bin repairs, missed services, new properties, etc.

Staff will be provided with ongoing training and be trained in the recyclables processing aspect of the contract so that they can support the Community Education Programme.

**Indicative performance standards for handling of enquiries and complaints, including specific time scales.**

Customer Service Centre staff can monitor the progress of various KPIs during the month by looking at the NetSuite dashboard KPI Meter. The Meter can be customised to show the statistics required for each particular Council.



**Location/s of enquiry and assistance points where enquiries and complaints will be managed.**

The Customer Service Centre will be located at our Gateshead Depot.

**Hours of availability of customer service and supervisory staff.**

Customer service staff will be available to accept calls between the hours of 8.00am and 4.30pm as a minimum, Monday to Friday not including Public Holidays. Supervisory staff will be on site during operational hours; generally between 6.00am and 5.00pm.

**SCHEDULE 19 REFEREES**

Provide at least three (3) referees who can attest to the Tenderer's capabilities in undertaking the contract.

Note: *The Principal reserves the right to make its own independent enquiries.*

**FIRST REFEREE**

Company Name: Port Stephens Council

Address: 116 Adelaide Street

Raymond Terrace, NSW, 2324

Contact Person: Mr Steve Bernasconi

Telephone: 02 4980 0255

Facsimile: 02 4987 3612

**SECOND REFEREE**

Company Name: Holdfast Bay City Council

Address: 24 Jetty Road

Brighton, SA, 5048

Contact Person: Mr Steve Hodge

Telephone: 08 8229 9999

Facsimile: 08 8298 4561

**THIRD REFEREE**

Company Name: West Torrens City Council

Address: 165 Sir Donald Bradman Drive

Hilton, SA, 5033

Contact Person: Ms Robyn Butterfield

Telephone: 08 8416 6333

Facsimile: 08 8443 5709

## SCHEDULE 20 PREVIOUS EXPERIENCE

(Page 1 of 2)

Describe the organisation's experience in projects of a similar nature to the contract COMPLETED in the last three (3) years.

Note: *The Principal reserves the right to make its own independent enquiries.*

### PROJECT 1

Name: Waste Management Services

Client: Tweed Shire Council

Contact: Mr Adam Faulkner

Telephone: 02 6670 2400

Total Project Value \$ 5 million p.a.  
per year:

Duration: 1932-2009

Description of the project or task:

This contract involved the collection of garbage, recycling and organics as well as management of a waste facility and processing of recyclables. The contract was renewed in 2009 with a new bin rollout and new MRF.

### PROJECT 2

Name: Garbage Collection Services

Client: Fleurieu Region Waste Authority

Contact: Marina Wagner

Telephone: 08 8555 7401

Total Project Value \$ 2 million p.a.  
per year:

Duration: 2005-2011

Description of the project or task:

This contract involved the collection of garbage and recycling for four (4) Councils. The contract finished in 2011 with the four Councils forming a regional authority and performing the service in-house.

### PROJECT 3

Name: Garbage, Recycling and Organics Collection Services & Recyclables Processing

Client: Baw Baw Shire Council

Contact: Mr Shekar Atla

Telephone: 03 5624 2464

Total Project Value \$ 2 million p.a.  
per year:

Duration: 2003-2012

Description of the project or task:

This contract involves the collection of garbage, recycling and organics and processing of recyclables. The contract term finished in 2011 and Council extended the contract for 1 additional year.



**PROJECTS OR SERVICES TERMINATED FOR REASONS OTHER THAN CONTRACT EXPIRY**

		YES	NO
1.	Has the tenderer had an appointment terminated on a project in the last five (5) years? (If yes, please provide brief details of each case)		✓
2.	Has the tenderer terminated a project in the last five (5) years? (If yes, please provide brief details of each case)		✓
3.	Has the tenderer refused to continue providing services under a contract in the last five (5) years unless the terms or payments are changed from those which were originally agreed? (If yes, please provide brief details of each case)		✓

(Attach details, as required)

**SCHEDULE 21 CURRENT COMMITMENTS**

Describe the organisation's current commitments in projects of a similar nature to the contract.

Council Name	Services Provided	Value per year	Contact	Duration
Lake Macquarie New South Wales	Recyclables Collection & Processing	\$2m	Mr Roger Lewis 02 4920 6566	2013
Cessnock New South Wales	Recyclables Collection & Processing	\$1m	Mr Roger Lewis (HRR)	2013
Maitland New South Wales	Recyclables Collection & Processing	\$1m	Mr Roger Lewis (HRR)	2013
Port Stephens New South Wales	Garbage & Recyclables Collection, Recyclables Processing and Bulk Transport	\$2m	Mr Steve Bernasconi 02 4980 0180	2015
Marion South Australia	Garbage, Recycling & Organics Collection, Recyclables & Organics Processing	\$4m	Mr Colin Heath 08 8375 6600	2013
Tweed New South Wales	Garbage, Recyclables and Organics Collection, Street Tidies, Bulk Waste Collection, Landfill, Transfer Station and Resource Recovery Centre Operation, Recyclables Processing	\$5m	Mr Adam Faulkner 02 6670 2400	2016
West Torrens South Australia	Garbage, Recycling & Organics Collection, Recyclables & Organics Processing, Management of Transfer Station & Resource Recovery Centre	\$3m	Ms Robyn Butterfield 08 8416 6324	2013
Holdfast Bay South Australia	Garbage, Recycling & Organics Collection, Recyclables & Organics Processing	\$2m	Mr Steve Hodge 08 8229 9999	2014
Adelaide South Australia	Garbage and Cardboard Collection	\$0.5m	Mr David Bland 08 8203 7203	2015
Onkaparinga South Australia	Recycling & Organics Collection	\$3m	Mr Norm Bergmann 08 8384 0708	2012
Light South Australia	Garbage, Recycling & Organics Collection	\$0.3m	Mr Richard Dodson 08 8525 3200	2013
Mid Murray South Australia	Garbage Collection	\$0.4m	Mr Jon Fry 08 8540 0060	2012
Baw Baw Victoria	Garbage, Recycling & Organics Collection, Recyclables Processing	\$2m	Mr Shekar Atia 03 5624 2464	2012
Frankston Victoria	Garbage, Recycling & Organics Collection, Recyclables Processing	\$5m	Mr Rod Tanner 03 9708 7500	2016
Monash Victoria	Garbage, Recycling & Organics Collection,	\$6m	Mr Joe Lunardello 03 9518 3416	2018
Ballina New South Wales	Organics Collection	\$0.7m	Mr Rod Dawson 02 6686 1226	2018
Kyogle New South Wales	Garbage & Recyclables Collection, Recyclables Processing and Bulk Transport	\$0.3m	Mr John Hession 02 6632 0216	2021
Byron New South Wales	Garbage & Recyclables Collection, Street Tidies Collection, Recyclables Processing, Management of Landfill & Transfer Station and Bulk Transport	\$1m	Mr Warren Burgess 02 6626 7156	2015

**SCHEDULE 22 QUALITY ASSURANCE**

Demonstrate commitment to quality outcomes and understanding and acceptance of the principles of Quality Assurance ("QA").

Note: Further Information may be required to be submitted as substantiation.

SUBJECT		YES	NO
1.	Does the organisation have a Quality Assurance management system as part of its overall management system?  A sample of the Quality Management Plan for this contract is attached: please refer to Tender Section 3 – Supporting Documentation, Attachment 7. The Quality Management Plan will be customised to the Hunter Resource Recovery contract services.	✓	
2.	Is the QA System currently accredited to an ISO Standard?  Please refer to Tender Section 3 - Supporting Documentation, Attachment 12 for a copy of Solo's Quality Certificate.  Solo's accreditation is certified by NCS International to the quality standard AS/NZS ISO 9001:2008. The last certification took place during November 2011, with zero non-conformances recorded.	✓	

If answered "yes" to Q1 and Q2 the organisation is **not** required to complete Questions 3 to 11.

3.	Does the organisation have a quality policy? If yes, then does it: <ul style="list-style-type: none"> <li>• Have the documented support and commitment of the General Manager and senior management?</li> <li>• Demonstrate that it relates to the organisation's activities, products and services?</li> <li>• Demonstrate that it reflect the organisation's values and guiding principles?</li> <li>• Provide a guide to the setting of quality objectives and targets?</li> <li>• Include a guide towards the monitoring of appropriate management practices?</li> </ul>		
4.	Is there a management representative responsible for ensuring that the quality principles are implemented and maintained?		
5.	Is the organisation able to provide documented evidence to demonstrate its understanding and acceptance of the philosophy of quality systems? If yes, is it by: <ul style="list-style-type: none"> <li>• Minutes of management review?</li> <li>• Internal audit reports?</li> <li>• A typical Quality Plan?</li> </ul>		
6.	Are details of the quality principles included in the organisation's training and induction program?		
7.	Are there documented procedures for control of quality from subcontractors and suppliers?		
8.	Are there documented procedures for corrective action that include investigation into the cause of quality non-conformances and determination of the corrective action needed?		
9.	Is there evidence that the General Manager and senior management have reviewed the quality principles of the organisation to ensure continuing applicability and effectiveness?		
10.	Are these reviews regular?		
11.	Is there any follow-up to the reviews?		

(Attach details, as required)

**SCHEDULE 23 OCCUPATIONAL HEALTH AND SAFETY**

Demonstrate commitment to Occupational Health and Safety (OH&S) and understanding and acceptance of the principles of OH&S.

Note: Further information may be required to be submitted as substantiation.

SUBJECT		YES	NO
1.	Does the organisation have an OH&S Management Plan as part of its overall management system?  Please refer to Tender Section 3 - Supporting Documentation, Attachment 13 for a sample of Solo's Work Health and Safety Management Plan. This Plan would be customised to the Hunter Councils' contract.	✓	
2.	Is the OH&S Management Plan accredited by a NSW Government agency or an accredited third party?  Solo has a Work Health and Safety Management Plan that forms part of the Company's overall Integrated Management System. The Work Health and Safety Management Plan is audited to the relevant safety standard AS/NZS 4801:2001. Solo will be undertaking final accreditation in August this year to gain certification of both the Company's Work Health and Safety and Environmental Management Plans. Phase one of this process took place earlier in the year when a successful Gap Analysis was performed.	✓	
3.	Has the organisation prepared safe Work Method Statements (or Standard Operation Procedures) for all of its work activities?  Solo prepares Operating Procedures for most activities, with 227 on our master Document Register. For higher risk activities, Risk Assessments are prepared, examples of which can be found in Tender Section 3 - Supporting Documentation, Attachment 14.	✓	
4.	Has your organisation an OH&S Induction program for employees?  Solo undertakes a thorough and in-depth induction process for all employees as part of the General Induction procedure. The Company's Code of Conduct Manual (which is received by all staff members during their General Induction) provides the Company's general safety policies and procedures. As part of the General Induction process, the policies and procedures are read and discussed before understanding is tested.  Following the General Induction, both Department and Job specific inductions are performed during which further detailed safety expectations specific to the employees' Department and position are provided.  Please refer to Tender Section 3 - Supporting Documentation, Attachment 15 for a copy of Solo's employee induction information.	✓	
5.	Does your organisation assess the OH&S capabilities of your subcontractors?  Our Subcontractor Engagement procedures check for the safety capabilities of our subcontractors. Please refer to Tender Section 3 - Supporting Documentation, Attachment 16 for copies of these procedures and associated forms.	✓	
6.	Has WorkCover NSW issued the organisation with any Prohibition Notices, Improvement Notices or fines in the past two (2) years?  (If yes, give details)		✓
7.	Has the organisation been prosecuted under any Occupational Health and Safety Law in the last five (5) years?  (If yes, please provide brief details)		✓

8.	Is the organisation able to provide documented evidence that within its organisation, there are people or resources nominated to:		
	• Define OH&S management policies and objectives, priorities and targets?	✓	
	• Define the responsibilities of personnel for OH&S matters?	✓	
	• Identify system verification requirements and allocating human, technical and financial resources adequate to meet those requirements?	✓	
	• Ensure compliance with OH&S legislation and regulations?	✓	
	• Keep abreast of changes in legislation and regulations?	✓	
	• Acquire and disseminate OH&S management information?	✓	
	• Plan and conduct training in OH&S management, including inducting new employees?	✓	
	• Oversee the development and implementation of OH&S procedures?	✓	
	• Assess subcontractors' and suppliers' abilities to comply with OH&S requirements?	✓	
• Ensure compliance with safe work practices and procedures?	✓		

## **SCHEDULE 24 PROPOSED METHODS OF SERVICE DELIVERY**

---

Tenderers are required to provide detailed descriptions of proposed methods of service delivery. This should include, but is not limited to, proposed plans as detailed in the specification Section D specific to the Services to be delivered under this contract:

- Quality Assurance Plan
- Work Health and Safety Plan
- Industrial Relations and Workforce Plan
- Environmental Management Plan
- Transition Plan
- Contingency Plan

The tenderer must demonstrate how they will manage any performance issues of subcontractors and include relevant detail for initial bin storage and roll-out, collections and bin repairs and replacements due to breakage and at customers request.

Solo Resource Recovery operates under a Quality Management System certified to AS/NZS ISO 9001:2008 with the organisation audited as recently as November 2011 with zero non-conformances recorded. A copy of the quality certification certificate can be seen in Tender Section 3 – Supporting Documentation, Attachment 12.

Solo first achieved third party accreditation in 1994 and was the first privately owned and operated Australian waste and resource recovery collection operator to achieve this milestone.

Since this time, Solo has worked hard to promote continuous improvement of the Company's policies and procedures to ensure that Solo is at the forefront of the industry; providing innovative products and services to our customers.

For Hunter Resource Recovery, the sample Quality, Work Health and Safety and Environmental Management Plans in Tender Section 3, Supporting Documentation (Attachments 7, 13 and 17 respectively) would be customised to the final contract specifications and direct service methodology for day to day operations, customer service and administration.

From the dot points above, the following sample Plans can be found Tender Section 3 - Supporting Documentation:

- Quality Assurance Plan (Quality Management Plan) – Attachment 7
- Work Health and Safety Plan (Safety Management Plan) – Attachment 13
- Industrial Relations and Workforce Plan – Attachment 18
- Environmental Management Plan – Attachment 17
- Transition Plan – Attachment 19
- Contingency Plan (Business Continuity Plan) – Attachment 20

In addition we have included:

- Emergency Plan (Gateshead Site Emergency Management Plan) – Attachment 13 (Work Health and Safety Management Plan – Attachment E)
- Subcontractor Engagement Information – Attachment 16
- Bin Distribution Plan – Attachment 21

### Collections

Solo understand the proposed contract variations between the service currently offered and that which is proposed. We are experienced at changing the service structure during contract renewals and well as during a contract term and can assure Council that we will be flexible, cooperative and proactive to ensure this is implemented successfully.

### Collection Schedules

Solo prefer to maintain the existing collection schedules so that residents are not confused by bin collection time changes during a period of introduction of the updated service.

Should Solo identify any possible schedule changes during the contract term, for example, for safety reasons, we will discuss those with HRR and decide on the outcome cooperatively.

### Implementation

Should Solo Resource Recovery be selected as the successful tenderer, preparations for contract commencement will begin immediately.

Our focus will be on hiring additional staff as required, re-training staff, acquiring plant and equipment and assisting with information to residents on the new service. As is the case with all contract operations, our change management will be conducted under the guidelines of our Certified Quality Management Plan.

Once new cab chassis' are received, custom designed and manufactured, compactors and bin lifters are installed at our engineering workshop. All collection vehicles are on strict production timetables to ensure testing, livery and delivery are all completed to allow time for final checks and reporting to HRR prior to commencement.

Bins will be ordered and delivered to distribution depots for an organised rollout by experienced bin distributors in conjunction with Solo staff with their knowledge of the affected Council's road networks and individual properties.

For more detailed information, please also refer to the transition programs included in Tender Section 3 – Supporting Documentation, Attachment 19.

### Management and Administration of the Service

Selecting Solo as the contractor for this collection service allows the continuity of a management team that is experienced and competent, a clear advantage to HRR. Sean Clayton would continue on as the Branch Manager, in charge of contract implementation and ongoing operations with assistance from Scott McGuren, our Associate Director and National Operations Manager, Scott Geer, our Contracts Manager and Sean's Operations Supervisor, Craig Lyons.

During contract commencement it is "all hands on deck" as our Fleet Manager, IT Manager, Compliance Manager, Driver Trainer and Commercial Director are also at hand to ensure that Council's expectations for a professional contract implementation are met.

Importantly Solo's Management staff have recent experience with contract implementations, with 5 new contracts started in the past 12 months with 2 of those contracts involving bin roll outs; and contract services to over 150,000 households and 300,000 bins per week.

As current contractor to HRR for the kerbside recycling services, Sean and his team have excellent knowledge of the Council; and in developing our prices for this tender submission, all existing runs have been re-evaluated considering distances, topography, bin presentation and conditions.

All daily management and administration will be conducted at the depot and Branch Office. Monthly invoicing and reporting, as well as liaison with Solo's Senior Management can be conducted either by telephone, letter, facsimile or email, depending on HRR's preferences. Regular meetings and /or conference calls would also be held between Sean, his Management team and HRR.

Director and Senior Management involvement extends to making regular site visits to each municipality. It is important to note that Solo are flexible as to the management and administration of the contract. As is the case with other Councils, we tailor invoices, reports, meetings and communications to suit Council's needs.

#### Operations and Resource Allocation

As mentioned above, to minimise disruption to residents, we propose to continue the existing service timetable for implementation of the service. Should we see opportunities to reduce the impact of the service on the Councils' infrastructure or community, by, for example, reducing distances travelled or avoiding schools at start and finish times, we will consult with Council on whether the changes are worthwhile.

If at any time the Operations Supervisor or Branch Manager believe additional resources are required to adhere to contract specifications and meet Council and resident expectations, they will organise in conjunction with the appropriate Head Office staff resources as required. Our excellent industrial relations record and rapport with existing customers is evidence that we apply sufficient resources to meet the expectation of all interested parties.

Solo have put significant effort into implementing a one run, one truck, one driver policy. This has resulted in each driver taking responsibility for his / her own run and its associated issues. This has resulted in a significant reduction in the amount of issue reported including missed services, bin damage and motor vehicle or third party property accidents. Customer service at the kerbside is also increased with drivers building a rapport with residents.

#### OHS and Operational Constraints

Our established OHS Management System includes procedures for collection of recyclables from challenging sites. It is important to note that solutions are always developed in consultation with the residents and/ or Council if necessary. Where a problem is ongoing, we will seek to come to a mutually beneficial solution with the residents and/ or Council. If and when a challenging situation arises where Council notification is deemed appropriate Solo will do so promptly.

Challenges may include:

- Narrow streets and courts.
- Large open drains.
- Dense vegetation and environmentally sensitive areas .
- Road construction works.
- Parked cars.
- Areas in which the collection vehicle cannot use the side arm loader .
- Multiple tenement addresses.



### Customer Service

Our objective is to exceed customer expectations. As previously discussed, Solo have already established a Customer Service Centre (CSC) staffed by fully trained customer service personnel. CSC staff are equipped with the resources to handle all customer service inquiries with minimal fuss to the resident or Council staff. For the services to be provided in this contract, Solo will have at least 4 staff at the CSC that will be experienced and well-versed in the contract operations, with one of those four being the primary contact person and the other three available for relief during busy periods, lunches or annual leave. Additional staff will also be used during the bin distribution program and contract commencement to efficiently manage any additional calls. Existing staff will be used during contract implementation, along with local staff, trained and inducted as required in line with our Quality Management System induction procedures.

In addition, Solo drivers are offered the opportunity to complete the Roads & Traffic Authority (NSW) Certificate I, II and III in Transport and Distribution, which has a module in Customer Service.

Solo views drivers as the front line representatives of the Company. We endeavour to maintain the one run, one truck, one driver policy because we know from experience that the result is a safer, more efficient service with a high quality collection (no missed services and regular pick up times) and a driver that knows the idiosyncrasies of the run.

### Collections

Solo currently perform collection services in 22 municipalities.

Drivers ensure that collection vehicles are mechanically sound by way of our documented procedure for Pre-start Checks and Vehicle Defect Reporting. Our recruiting process also ensures that we hire staff that show pride in their equipment, leading to well presented collection vehicles and in-turn resident satisfaction.

We place importance on consistency of service so that residents are able to establish a routine with their bin presentation and retrieval.

With regards to the MGB, any matter spilt by the driver is cleaned up immediately. Missed services are also addressed to Council specification, regardless of whether they were genuinely missed or presented late. Solo also allows for appropriate resources to deal with emergency or urgent requests immediately.

Where required, schedules are developed to avoid obstacles to collection and disruption to the community. Commercial areas and high traffic roads are avoided during relevant peak hours. Care is also taken to ensure collection vehicles are not nearby school zones and other safety hazards during active times.

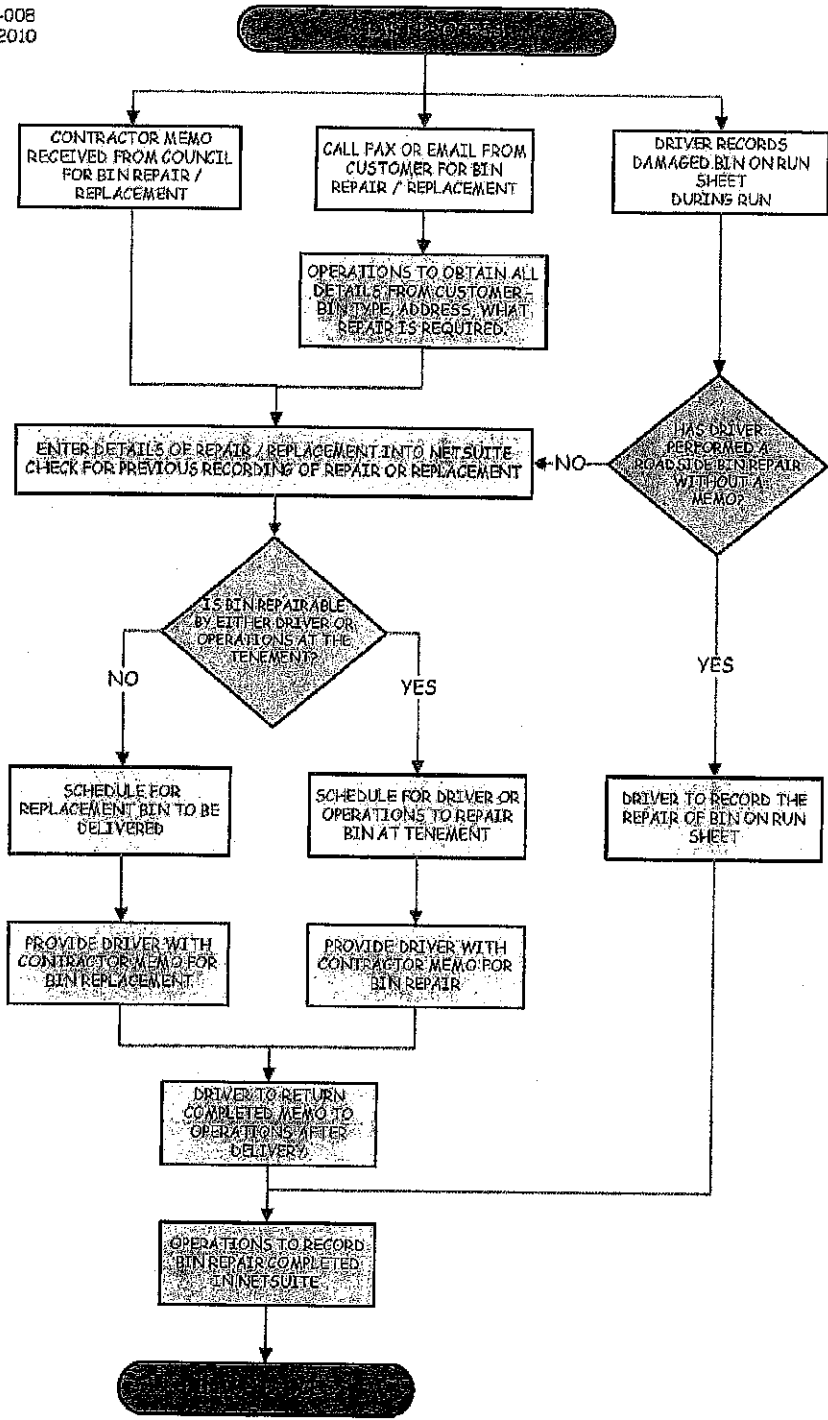
Drivers will be in direct contact with the Customer Service Centre (CSC) to allow immediate action of customer enquiries as required, through the in-vehicle data management system as well as 2way radio when more detail is required.

Solo has a reputation for working in conjunction with the Principal's Officers to ensure that the service meets the needs of the residents. Our cooperativeness and flexibility, combined with our application of resources, is one of the reasons that we have been successful in renewing contracts with various Councils on more than one occasion. We understand the staffing and equipment resource requirements that are necessary for successful implementation of contract services during the crucial commencement period. Solo are also experienced at servicing large household numbers that exist in HRR with our largest contract involving over 100,000 collections per week.

Please refer to our Bin Distribution Plan in Tender Section 3, Supporting Documentation – Attachment 21 for details of bin storage and roll out. Bin repairs and replacements will be conducted as per the contract specifications using a flow chart similar to that below:

**TSC - BIN REPAIRS & REPLACEMENTS**

QA Doc: SFC-008  
Issued: AUG 2010



**SCHEDULE 25 INDUSTRIAL RELATIONS**

The Principal shall seek to use Contractors who can demonstrate a commitment to maintaining sound industrial relations' principles and practices.

Note: Further information may be required to be submitted as substantiation.

SUBJECT		YES	NO
1.	Are employees paid under an award?  Solo's drivers are paid under the Waste Management Award 2010.	✓	

If the organisation has not more than ten (10) employees the Tenderer is **not** required to complete Questions 2 to 10.

2.	Does the organisation have an IR policy and procedures as part of its overall management system?  Please refer to Tender Section 3 - Supporting Documentation, Attachment 18 for a copy of Solo's Industrial Relations Policy Statement. Many of our procedures include steps to maintain good staff relations.	✓	
3.	Does the organisation have appropriately qualified and experienced personnel to deal with industrial relations matters?  Our Directors and Senior Managers have a working relationship with our staff based on mutual respect. Senior Management carry out regular visits to all depots and offices to ensure a consistent message is supported and promoted by local Management. Senior Managements' long tenure with Solo and the high value put on employing motivated staff provides an excellent basis for industrial relations management.  Our Compliance Manager and team are trained in the rules and guidelines of industrial relations and they are consulted on these matters to ensure the Company's actions are in line with legislative and other requirements.	✓	
4.	Does the organisation have work place Contracts or other arrangements to be used in the performance of the contract?  All Management and Administration staff are employed under workplace contracts or other similar arrangements.	✓	
5.	Does the organisation have contingency plans for maintaining the continuity of the contract in the event of industrial disruption?  Please refer to Tender Section 3 - Supporting Documentation, Attachment 20 for Solo's Business Continuity Plan. This would be customised to the Hunter Resource Recovery contract.	✓	
6.	Can the organisation provide details of its IR record in relation to the avoidance of and resolution of industrial dispute?  Solo has not lost 1 day to industrial dispute in 80 years.	✓	
7.	Does the organisation have procedures for assessing subcontractors' compliance with IR and employment obligations?  These are included in the subcontractor engagement information provided for in Tender Section 3 - Supporting Documentation, Attachment 16.	✓	

Hunter Recovery Resources – HRR001A – Contract for Collection of Recyclables

8.	<p>Does the organisation have effective measures to co-ordinate relationships between subcontractors, other contractors and unions?</p> <p>Our IR Policy together with Subcontractor Engagement documentation and other Management System documents guides Solo staff with relation to interaction with other contractors and unions.</p>	✓	
9.	<p>Have you had an IR dispute that has resulted in lost time in the last twelve (12) months?</p> <p>Solo has not lost 1 day to industrial dispute in 80 years.</p>		✓
10.	<p>Do you have a current IR dispute that may influence this contract?</p> <p>Solo has not lost 1 day to industrial dispute in 80 years.</p>		✓

(Attach details, as required)

## SCHEDULE 26 ADDITIONAL INFORMATION/INNOVATION

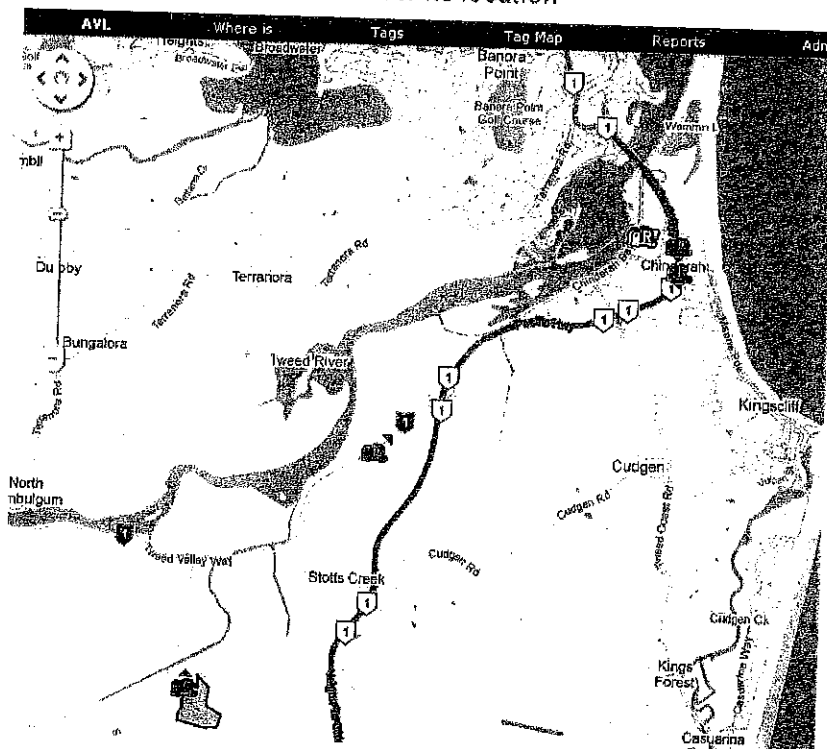
Detail any matters which have not been covered in the Schedules and which it is believed should be taken into consideration when the tender is being evaluated. Particularly, detail matters which will provide improved environmental or social outcomes or value for money.

As a part of the Principal's commitment to environmentally sustainable development, the Principal is interested in any aspects of the Contractor's Vehicles, Plant and Equipment which may have environmental benefits (such as the use of bio-diesel fuel or compressed natural gas).

Solo's tender submission provides Council with the following additional benefits:

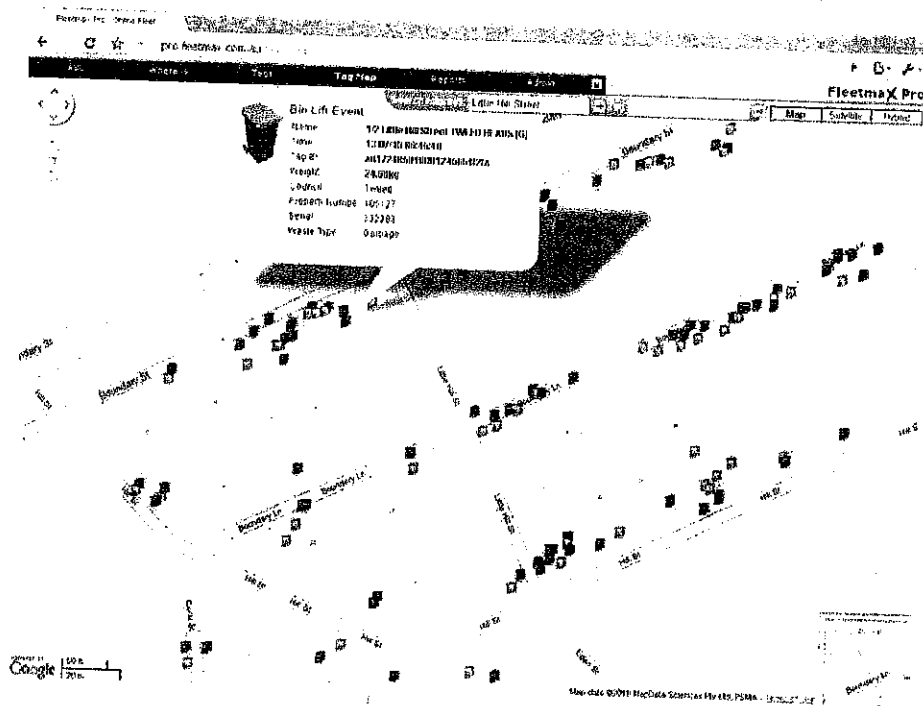
1. Carbon Neutral - As mentioned earlier in the submission the fuel carbon emissions from the Solo vehicles will be 100% offset for the term of the contract. This provides Council with an added dimension to the recycling service and confidence that Solo is doing its utmost to minimise the impact of the vehicles on the environment.
2. Bio-Diesel - Solo has actively sought out Bio-Diesel suppliers for use by our collection vehicles, including the use of Bio-Diesel in our Hunter operations in the past. Now that the Bio-Diesel market has stabilised and the focus shifted to fuel quality and ethical feedstock, we expect and hope to be able to use Bio-Diesel in our collection vehicles and shall do so as soon as it is practical.
3. GPS – Solo's collection vehicles will be fitted with GPS devices. This will allow Solo customer service staff as well as HRR staff the ability to logon via the internet to view maps showing trucks and collections and also to produce reports. Solo's GPS system is called Fleetmax and it is currently running in 4 contracts and has been proven over 3 years of operation.

Each vehicle can be tracked to monitor or discover its location

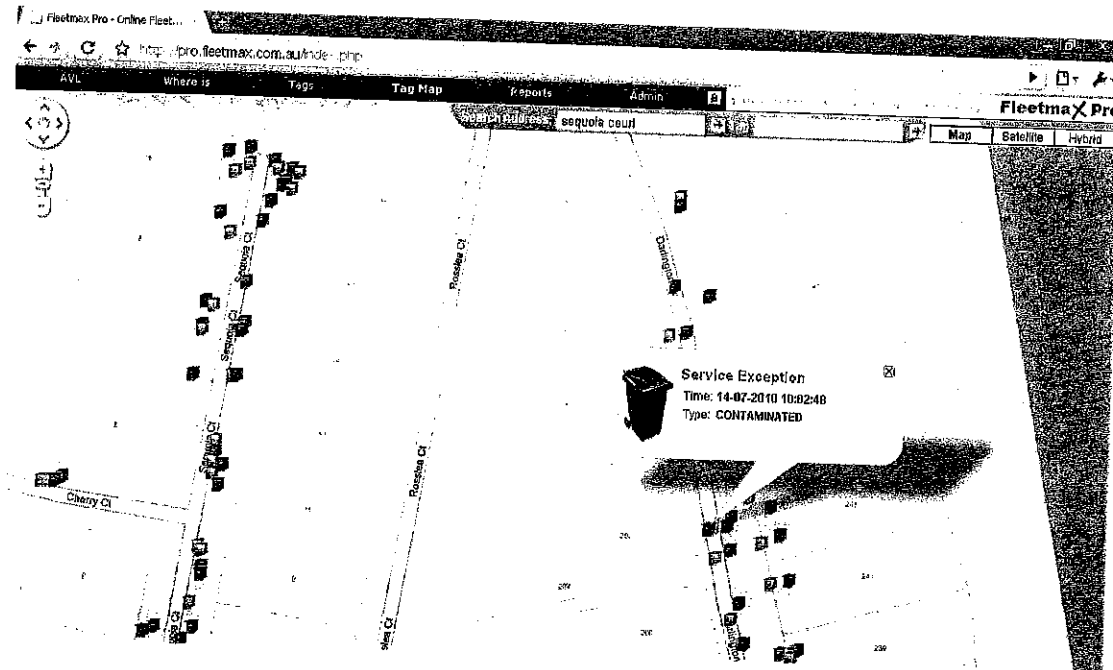


Hunter Recovery Resources – HRR001A – Contract for Collection of Recyclables

Each bin will appear on a Google Map screen at the location at which it was serviced. By clicking on each bin, a balloon expands to show the collection time and date and the type of bin. The example below includes weight readings which are not being specified for this contract.



Should illegal bins, damaged bins, wrongly presented bins or contaminated bins be found, the driver presses a button identifying the particular problem with the bin and that information is recorded in the Fleetmax system.



Information can be reported on to show collection data

Date/Time	Job No	Reports	Actuals
2010-07-16 09:25	41724650100012456401	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456402	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456403	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456404	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456405	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456406	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456407	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456408	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456409	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456410	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456411	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456412	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456413	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456414	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456415	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456416	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456417	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456418	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456419	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456420	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456421	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456422	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456423	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456424	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456425	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456426	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456427	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456428	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456429	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456430	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456431	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456432	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456433	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456434	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456435	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456436	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456437	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456438	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456439	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456440	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456441	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456442	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456443	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456444	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456445	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456446	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456447	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456448	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456449	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456450	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456451	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456452	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456453	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456454	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456455	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456456	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456457	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456458	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456459	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456460	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456461	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456462	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456463	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456464	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456465	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456466	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456467	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456468	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456469	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456470	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456471	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456472	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456473	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456474	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456475	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456476	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456477	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456478	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456479	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456480	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456481	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456482	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456483	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456484	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456485	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456486	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456487	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456488	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456489	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456490	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456491	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456492	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456493	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456494	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456495	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456496	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456497	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456498	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456499	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02
2010-07-16 09:25	41724650100012456500	146 Edgars Road DURABLE [G]	76.3835 375.8075 15.02

- Staff knowledge – Solo's staff have been operating in the HRR area for 15 years. Our Branch Manager and Operations Supervisor have driving experience also giving Solo a knowledge base of the Cessnock, Lake Macquarie and Maitland streets and individual properties that is unrivalled. This knowledge will be used to ensure bin distributions and collections at the contract start are completed to a high standard. Our supervisors and several staff also know the Singleton Council area and HRR can be confident that the contract implementation and ongoing services will be conducted successfully there also.
- Ethical tendering – With our knowledge of the area and further research during the tender period Solo have confidence in the sustainability of our tender pricing. We recognise the contract term and the risks that Council expect us to assess. Our corporate structure, financial position and Australian ownership is sound. We have never defaulted on a contract, nor have we had one terminated.
- Contract Flexibility - Solo always provide flexibility and cooperation when negotiating with Councils should they require variations to the contract. We have changed bin/collection systems during contracts where Councils have elected to. Also we have restructured contract finances to assist Councils with their cash flow.
- Outcome Oriented – With landfill gate fees and waste levies increasing, a Carbon Tax being introduced and reporting required to State Governments, Solo understand that Councils require continual improvement and results from their waste services contractor. We commit to working with Council to monitor Key Performance Indicators with a view to continually improving measures such as waste diversion and recyclables contamination and yields. Solo have managed to provide state leading rankings for its client Councils with regards to recyclables yields and waste minimisation.

8. A Trustworthy Partner - Solo have the resources and professionalism of a large company with the flexibility, director involvement and personal attention of a smaller company. This translates to a good working relationship with Council, a strong company culture of cooperation and good relations with customers. Not 1 day lost in 80 years to industrial disputes or otherwise.
9. Spare Resources - Solo have the resources and relationships in place to manage unforeseen events that may threaten the continuity of the service. Spare vehicles are immediately available, as are additional drivers, customer service staff and emergency management arrangements. Solo accept responsibility for the contract services and have the necessary resources in HRR to provide a reliable service.



### SCHEDULE 27 CONTRACT PROGRAM

Tenderer is to submit a "Gantt Chart" comprising at least the information detailed in the table, for each of the following three (3) stages:

- Activities prior to the Services Commencement Date
- Service Implementation (Activities undertaken during the first six (6) months after the Services Commencement Date)
- Ongoing Activities (Using a scale with six (6) monthly units)

Please refer to the 3 Gantt Charts in Tender Section 3, Supporting Documentation, Attachment 19.

#### PARAMETER

1.	Start and finishing dates.
2.	Sequence of work for major activities.
3.	Periods within which various stages or parts of the work are to be executed.
4.	Critical Paths of activities related to the work.
5.	Allowance for holidays.
6.	Restraints imposed by the contract documents.
7.	Significant milestones included separable portions, (if any).
8.	Activity inter-relationships, including those activities to be undertaken by subcontractors and suppliers, both on and off site.
9.	External dependencies including provision of access, document approvals and work by others.
10.	The estimated value of work completed for each month.
11.	(Other):

(Attach program)

**SCHEDULE 28 ECOLOGICALLY SUSTAINABLE DEVELOPMENT**

(Page 1 of 2)

The Principal is committed to the principles of Ecological Sustainable Development (ESD) as defined in the *Local Government Act 1993* and therefore competitiveness through environmental, as well as social and economic aspects.

An aim of the Contract is to fulfil the Principal's obligations under the Principal's charter in the *Local Government Act 1993* including to "properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible in a manner which is consistent with and promotes the principles of Ecologically Sustainable Development" and "have regard to the long term and cumulative effect of its decisions".

Note: Further information may be required to be submitted as substantiation.

**SUBJECT**

		YES	NO
1.	Does the organisation have an Environmental Management System (EMS) as part of its overall management system?  Solo has in place an Environmental Management Plan which is audited internally to the standard ISO 14001. Final independent accreditation is expected to be completed in August 2012. Please refer to Tender Section 3 - Supporting Documentation, Attachment 17 for a copy of Solo's Environmental Management Plan.	✓	

If the answer to Question 1 was "yes", the Tenderer is not required to complete Questions 2 to 15.

2.	Does the organisation have an ESD policy? If yes, then does it: <ul style="list-style-type: none"> <li>• Have the documented support and commitment of the General Manager and senior management?</li> <li>• Demonstrate that it relates to the organisation's activities, products and services?</li> <li>• Link to a similar policy of the parent company?</li> <li>• Demonstrate that it reflect the organisation's environmental values and guiding principles?</li> <li>• Provide a guide to the setting of environmental objectives, targets and outcomes?</li> <li>• Include a guide towards the monitoring of appropriate technology and management practices?</li> </ul>		
3.	Is there a management representative responsible for ensuring that the ESD principles are implemented and maintained?		
4.	Is the organisation able to provide documented evidence that the environmental impacts of each of the activities, services or products that it offers have been considered?		
5.	Are details of the ESD principles included in the organisation's training and induction program?		
6.	Does the management representative have resources to: <ul style="list-style-type: none"> <li>• Define environmental management policies and objectives, priorities and targets?</li> <li>• Ensure compliance with environmental legislation, regulations and licensing conditions and environmentally sound work practices?</li> <li>• Oversee the development and implementation of procedures?</li> <li>• Assess subcontractors' and suppliers' abilities to comply with organisation's principles?</li> </ul>		

**SUBJECT**

**YES NO**

7.	<p>Are there documented environmental procedures for:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities?</li> <li>• Purchasing?</li> <li>• Contracting?</li> <li>• Management of subcontractors?</li> <li>• Handling and storage of materials (hazardous or otherwise)?</li> <li>• Management of wastes?</li> <li>• Maintenance?</li> <li>• Reporting?</li> <li>• Emergency responses?</li> </ul>		
8.	<p>Are there records for:</p> <ul style="list-style-type: none"> <li>• Legislative and regulatory requirements?</li> <li>• Permits?</li> <li>• Monitoring/inspection reports?</li> <li>• Reports of environmental incidents, complaints and follow-up action (if any)?</li> <li>• Minutes of environmental management meetings?</li> <li>• Evidence of action taken as a result of such meetings/events?</li> <li>• Induction and training records?</li> <li>• Supplier and subcontractor information?</li> </ul>		
9.	<p>Are there documented procedures for corrective action? If yes, then does it cover:</p> <ul style="list-style-type: none"> <li>• An environmental management review?</li> <li>• Investigation into the causes of incidents and recording of the results?</li> <li>• Determination of the corrective action needed?</li> <li>• Analysis for evaluating further environmental risks?</li> <li>• Development and implementation of the corrective action?</li> </ul>		
10.	<p>Is there evidence that the General Manager and senior management have reviewed the ESD principles to ensure continuing applicability and effectiveness?</p>		
11.	<p>Are these reviews regular?</p>		
12.	<p>Is there any follow-up to the reviews?</p>		
13.	<p>Has the organisation ever been prosecuted for environmental offences? (If yes, give details)</p>		

(Attach details, as required)

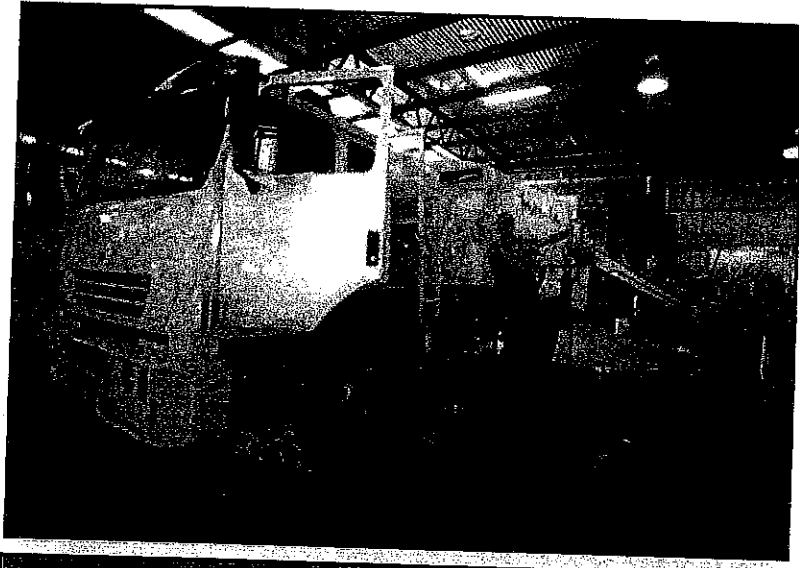
**SCHEDULE 29 COMPLIANCE WITH REGULATION 170 OF THE LOCAL GOVERNMENT  
(GENERAL) REGULATION 2005**

---

The Principal discloses the proposed Contract is for the performance of waste management services of the same kind as those performed under a contract in force immediately before tenders have been invited.

The Tenderer is to submit information about the existing workers (as defined in Regulation 170(1)(e)). The Tenderer must submit information in compliance with Regulation 170(1A) of the *Local Government (General) Regulation 2005*.

Solo intend to employ the staff involved in the existing contract for the new contract services. Re-inductions and training will take place with drivers, supervisors, customer service staff, mechanics and depot staff being briefed in the details of the new contract.



## COMPANY PROFILE

SOLO RESOURCE RECOVERY

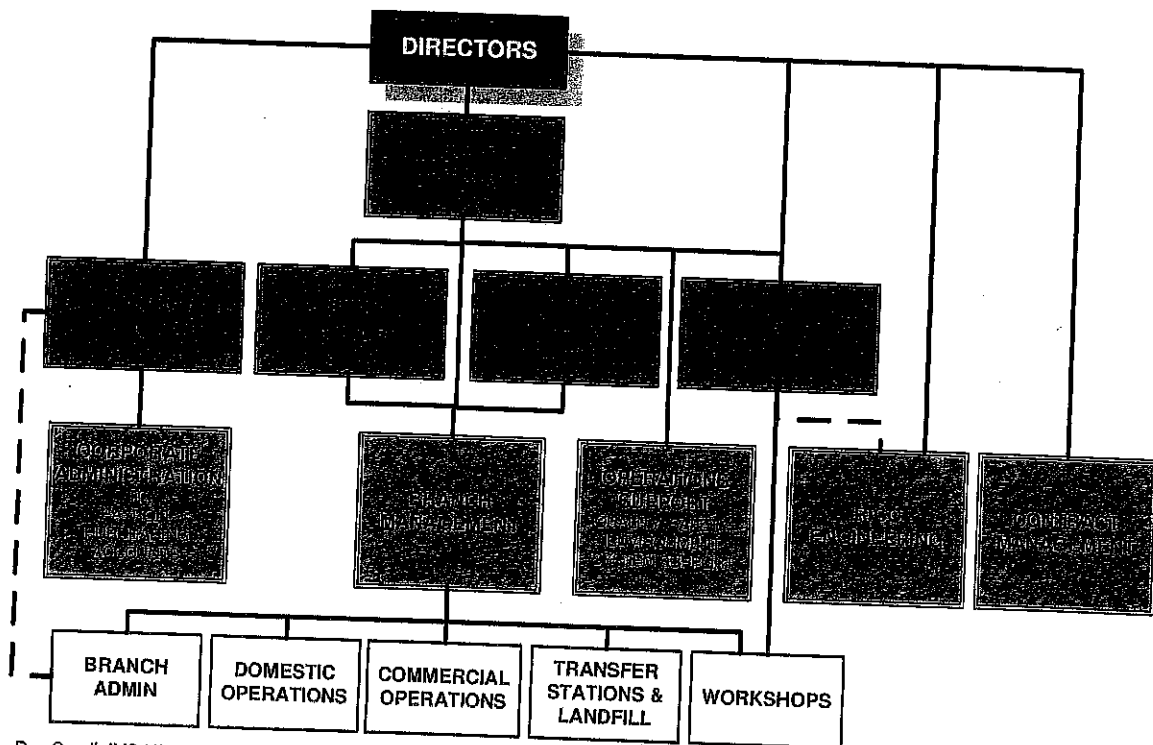
## Table of Contents

1.0	COMPANY PROFILE – SUMMARY.....	3
2.0	MISSION STATEMENT.....	4
3.0	DECLARATION OF AUSTRALIAN OWNERSHIP.....	5
4.0	LEGAL FORM.....	5
5.0	COMPANY HISTORY AND CURRENT STRUCTURE.....	6
5.1	Our Founder – Joseph John Richards.....	6
5.2	Company History and Background.....	6
6.0	NOTED ACHIEVEMENTS.....	8
7.0	MANAGEMENT AND STAFF.....	10
7.1	Management.....	10
8.0	SERVICES PROVIDED.....	11

**1.0 COMPANY PROFILE – SUMMARY**

Solo Resource Recovery forms part of an Australian owned and operated family business empire which has operated since 1932. Established locally in 1990, Solo Resource Recovery offers a range of waste and resource recovery services to industry, commerce and homes throughout New South Wales, South Australia and Victoria. These services include domestic, recycling and green waste services, industrial bins, liquid and medical waste transfer as well as other customised waste management solutions.

We pride ourselves on our ability to be innovative, enabling development with market demands and industry leadership by being customer focused, technologically advanced, self sufficient and service orientated. As the first Australian owned and operated private waste and recovery collection operator to achieve 3<sup>rd</sup> party accreditation for our Quality Assurance System based on AS/NZS ISO 9001 we show our dedication to these initiatives. It is our goal to maintain this standard by investing the time, effort and resources required to ensure that we are the best at what we do.



Doc Con #: IMS-HRPR-G-6088  
 Issue No: 3.0 Issue Date: 03/2012

Our team of Directors is second to none and has a combined experience of over 100 years in the industry. Head Office, which operates from Chinderah, in northern New South Wales, is made up of 4 senior managers and over 40 employees, with the Solo Waste Group of Companies boasting employee numbers of 420 in 12 Branch locations around Australia.

As a constantly growing company it is an exciting time for us and we look forward to building upon the success that we have already achieved.

## 2.0 MISSION STATEMENT

***'To be an industry leader in innovative, environmentally sustainable and service focused waste management solutions'***

Solo Resource Recovery is a proud family owned Australian Company with a long and distinguished history of service to the Community and waste industry.

Solo Resource Recovery is committed to:

- Striving for excellence in all that it pursues.
- Fostering the continued development of safety, technology, efficiency and productivity throughout the Waste Industry.
- The betterment of its staff through training programmes; recognising individual needs for development.
- Encouraging personal recognition of the value of staff, including for their effort and contribution to the Community.
- Fulfilling the aims and objectives of the mission through constant re-evaluation.

### Specific Objectives

- To interact in a positive way with the Community and Councils.
- To encourage greater Community awareness and participation in recycling and waste minimisation to conserve the earth's finite resources.
- To maintain integrity and the respect of the Company throughout the Community.
- To provide and facilitate a technically advanced and economically efficient waste collection and processing system to the Community.
- To maintain an unblemished industrial relations record.

**Solo is certified to the Quality Standard AS/NZS ISO 9001:2008 and will undergo certification to obtain Safety and Environment Certification to the Standards AS/NZS 4801:2001 and AS/NZS ISO 14001:2004 respectively in August 2012.**





Kerbside Collection of Domestic and Commercial Recyclables

### 3.0 DECLARATION OF AUSTRALIAN OWNERSHIP

Solo Resource Recovery is a wholly owned Australian business. All shareholders of Solo Resource Recovery are Australian citizens. All Directors of Solo Resource Recovery reside in Australia.



Solo Resource Recovery does not have any foreign investments and this does not channel any monies away from Australian shores. Where possible the Company strives to purchase and support **Australian Made** goods and services from **100% Australian Owned** Companies. Solo will work to ensure that the service, innovation and awareness unique to Australian Companies continue to be well represented.

Solo Resource Recovery is a member of the Australian Owned Companies Association (AOCA) and actively supports its philosophies and objectives.

Solo Resource Recovery is also a member of the:

- Victorian Waste Management Association
- Waste Contractors Association of QLD
- Waste Contractors Association of NSW
- Business SA
- Employers First NSW

### 4.0 LEGAL FORM

Corporation: Solo Waste Pty Ltd Trading As Solo Resource Recovery  
ACN 110 584 159  
ABN 12 035 577 136

Registered Address: 86 – 88 Chinderah Bay Drive  
Chinderah NSW 2487

Date of Incorporation (Solo): 1<sup>st</sup> July, 1990

Establishment of Business: May, 1932

Directors: R.W. Richards, R.E. Richards

Secretary: G.L. Richards

## 5.0 COMPANY HISTORY AND CURRENT STRUCTURE

### 5.1 Our Founder – Joseph John Richards

Joe Richards was one of eight children and at an early age worked in coal mines. In 1913 at the age of 19 he migrated to Australia and joined his uncle in Kalgoorlie.

Joe resolved to leave coal mining and took up a job in a slate quarry at Wallerawang near Lithgow. Here he met fellow Welshman, Arthur Webb, a builder and went to work with him.

In 1927, Webb won the contract to build Murwillumbah High School and Joe was given the job of driving a Reo truck from Wollongong to Murwillumbah, although his only previous driving experience was with a T-model Ford.

A little later he returned to the Tweed to rebuild the Imperial hotel which had been burnt down. It was then that he decided the Tweed was where he wanted to live. He brought his family from Thirroul to Murwillumbah, arriving on April 7, 1931.

In 1932, Murwillumbah Municipality called Tenders for the sanitary service contract. Joe Richards was successful in his Tender and on May 25, 1932 became the first contractor to Murwillumbah. With his price of five pence, one farthing (5c), he transformed the service from Council operated horse and dray to automotive vehicles.

On the amalgamation of Murwillumbah Municipality and Tweed Shire in 1939, Joe moved to Wommin Bay to open a new disposal depot for the Shire. At that time he was awarded both the sanitary and garbage collection contracts for the new Shire.

In 1949, he established his business workshops at Pacific Highway, Chinderah, New South Wales, where the family business continues to operate today, covering outlets from Cairns in the north to Melbourne in the south.

Over the next 10 years, Joe supported local groups such as the Chinderah Starlights Football Club, of which he was President; and the Kingscliff Bowling Club of which he was a founding member. Joe's death in December 1959 was mourned by a large cross-section of the local community.

### 5.2 Company History and Background

As Joe's family became increasingly involved in the business, a partnership was formed between Joe and his sons in the late 1950's. On the 30<sup>th</sup> of June, 1970 J.J. Richards & Sons Pty. Limited was incorporated.

**Solo Resource Recovery** came into being with a decision by the Richards family to distribute the holdings of **J.J. Richards & Sons Pty. Limited**, establishing Solo Resource Recovery in 1990.

Solo and its manufacturing arm **Rico Recovery Systems Aust. Pty. Limited** (formerly Jayrich Engineering) are still based at Chinderah, Northern New South Wales on Joe Richards' original workshop and depot site.

## Kerbside Collection of Domestic and Commercial Recyclables

**6.0 NOTED ACHIEVEMENTS**

- (a) 1932 - Founder Joe Richards was one of the first waste contractors to convert from Horse and Cart collection to the Automobile.
- (b) 1950s - Converted fleet from Open to Covered vehicles thereby eliminating the problem of waste being blown from the vehicle during transit.
- (c) 1960's - Introduced Bi-Weekly garbage services.
- (d) 1960's - Introduced Unlimited 55L bin policy for householders.
- (e) 1965 - Developed and introduced the first Automatic Compaction/Side Loading Vehicle. It was around this time the western world opted for rear loading collection vehicles. Our founders realised the inherent advantage in side loading vehicles (1 person operated) as against rear loaders (3-4 persons).
- (f) 1970 - Introduced Combination Packer. Capable of storing sanitary pans and a packing section for garbage.
- (g) Developed and constructed first Overhead Loader for Industrial Waste collection.
- (h) Introduced R.I.P. (Rubbish In Plastic) bags.
- (i) Designed, developed and introduced a utility "Be-Tidy" litter bin system.
- (j) 1978 - Designed and developed the Utility Packer. Capable of collecting Industrial, Domestic and Sanitary Waste.
- (k) Designed and developed a mechanised vehicle to facilitate collection for Clean-up campaigns.
- (l) Designed and developed Static compactors for large commercial premises.
- (m) 1984 - 1986. Revolutionised the Waste Industry in Australia (in association with Mr Steve Guest) with the design, development and implementation of the 1 Man S.O.L.O. system. Government Statutes, Regulations and Awards re-written to accommodate this system.
- (n) 1988 - Designed and developed the MGB L.O.D. (Lid Opening Device) as a means of signalling for periodic additional services for collection of recyclable material and which subsequently allows recycling collections to be conducted at other than weekly or fortnightly intervals.
- (o) 1991 - Designed and developed the Richards Simultaneous Collection of Recyclables and Refuse (SCORR®) system using a segmented bin system for simultaneous collection of either paper/cardboard and other co-mingled recyclables or garbage and co-mingled recyclables in a divided 240 litre MGB.
- (p) 1991 - Designed and developed the first bin divider in Australia. Traditional MGB bin manufacturers were approached to build a plastic divider to be inserted into a 240L MGB. Our initial requests were unsuccessful as the bin manufacturers at the time were pursuing a two (2) bin system throughout Australia, one for refuse and one for recycling. Therefore our first dividers were manufactured from light gauge steel at our factory in Chinderah NSW.

Kerbside Collection of Domestic and Commercial Recyclables

- (q) 1991 - Designed and developed a collection body (and bin divider for a 240L and 360L MGB) divided into three (3) compartments, refuse, paper/cardboard and glass/metals/plastics. A 200 household trial was carried out in Tweed Shire, location of our Head Office and Manufacturing Facility. At that point in time, traditional recycling markets preferred paper/cardboard to be separated from glass/metals/plastics.
- (r) 1992 - Designed and developed the first 'Single Pass' divided collection body (using a standard bin lifter) for the collection of a dedicated garbage bin and a dedicated recyclables bin into the respective compartment of the divided collection vehicle. Allowed for one divided collection body to empty two separate bins.
- (s) 1993 - Designed and developed the Richards CompuLift. This is a bin lifter used on divided collection bodies capable of emptying a dedicated garbage bin or a dedicated recycling bin into the respective compartment in the collection body.
- (t) 1993 - The first Australian Owned and Operated Private waste and resource recovery collection operator to achieve third party accreditation from NATA for our Quality Assurance System based on AS/NZS ISO 9002:1994.
- (u) 1997 - Developed bounce conveyors for MRFs. These improved separation, and the advent of a tri-separating conveyor allowed for division of glass, plastics and paper.
- (v) 2001 - Received accreditation from Work Directions Australia to take part in the WorkCover Premium Discount Scheme. This scheme requires an excellent standard of WH&S management, which is audited each year.
- (w) 2002 - Developed an improved design of the Paddle Packer, which provided a significant decrease in recyclables breakage and a more efficient use of the carrying capacity.
- (x) 2002 - Split bin system credited with being the best waste system in South Australia. Solo Resource Recovery is contracted to three of the four top Councils, including number 1, 2 and 4.
- (y) 2005 - Redeveloped the Single Pass System invented in 1992 for the newly won Port Stephens and Kangaroo Island contracts.
- (z) LifeCycle service introduced in the Hunter, NSW. Arguably the first contracted service of its type in the world.
- (aa) 2009 - Arguably the first carbon neutral contract in Australia.
- (bb) 2009 - One of the first waste companies in Australia to trial and shift permanently to Bio-Diesel at our Adelaide depot.
- (cc) 2012 - Celebrating 80 years of service.
- (dd) To date Solo has **not lost one working day due to industrial disputes since our inception in 1932.**
- (ee) To date Solo has not had any previous defaults or terminations since its inception in 1932.



## Chapter 2

### Waste management and recycling in Australia

2.1 Waste is defined as materials or products that are unwanted or have been discarded, rejected or abandoned. Waste includes materials or products that are recycled, converted to energy, or disposed. Materials and products that are reused (for their original purpose and without reprocessing) are not waste because they remain in use.<sup>1</sup> Waste typically arises from three streams:

- domestic and municipal—includes all household waste and waste collected in public places;
- commercial and industrial waste from all business and industrial activities and public institutions; and
- construction and demolition—includes all waste from the building and construction industry.

2.2 Waste can be classified by composition such as glass, paper, organic, metal and plastic. This report discusses solid waste rather than liquid or gaseous waste. Given the limitations of the committee, and the recent decisions by China relating to the import of recycled material, the inquiry and the report also generally focused on the flow of materials; rather than organics. As such there is only a summary examination of food waste and methane avoidance or collection. This is not to diminish this as an issue.

2.3 This chapter outlines: the waste management and recycling sector in Australia; and considers waste generation and the fate of waste; deficiencies in waste data; and the regulation of waste.

#### Waste hierarchy

2.4 The key framework underpinning waste management policy and practice in Australia is the waste management hierarchy, which ranks the ways of dealing with waste in order of preferences.<sup>2</sup>

2.5 The waste management hierarchy ranks strategies in order of preference from avoiding the creation of waste as the most desired outcome, and disposal as the least desired outcome.<sup>3</sup>

---

1 *National Waste Report 2013 – Frequently asked questions*, <http://www.environment.gov.au/protection/national-waste-policy/national-waste-reports/national-waste-report-2013/faqs>.

2 Waste Management Association of Australia, *Submission 52*, p. 2.

3 Waste Management Association of Australia, *Submission 52*, p. 2.

**Figure 2.1—Waste hierarchy**

Source: *Waste Management Association of Australia, Submission 52, p. 2.*

2.6 Waste avoidance includes actions to reduce the amount of waste generated by households, industry and government. This strategy is intended to maximise efficiency and avoid unnecessary use of virgin materials through changes in consumer behaviour.<sup>4</sup>

2.7 Where avoiding or reducing waste is not possible, the re-use of products is preferred. This avoids the costs of energy and other resources required for recycling. It includes initiatives such as items being re-sold or donated to charities.<sup>5</sup>

2.8 Recycling of materials to make the same or different products keeps materials in the productive economy and provides beneficial environmental outcomes through reducing the need for virgin materials and waste disposal such as landfill. Recycling includes re-processing where items are processed and used to produce new items of the same material (e.g. glass bottles being used to create new bottles) and processes where items are used to create new products (e.g. glass bottles being crushed and used as road-base). Not all recyclable materials are able to be reprocessed (e.g. construction and demolition material).<sup>6</sup> Where recycling or reprocessing is not feasible, it is sometimes possible to recover the energy from the material and utilise that energy in other initiatives.

---

4 New South Wales Environment Protection Authority, *The Waste Hierarchy*, <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/warr-strategy/the-waste-hierarchy>.

5 New South Wales Environment Protection Authority, *The Waste Hierarchy*, <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/warr-strategy/the-waste-hierarchy>.

6 It should be noted that though all reprocessing is classified as recycling, not all recycling is reprocessing, however the terms are sometimes used interchangeably in the evidence received by the committee.

**Figure 2.2—Construction waste recycling and glass reprocessing**



Source: Suez Australia and New Zealand<sup>7</sup>

2.9 Material which is unable to be re-used, recycled, reprocessed or recovered for energy should instead be treated to minimise environmental and health and safety impacts. The waste hierarchy also recognises that some types of waste such as hazardous chemicals or asbestos cannot be safely recycled or re-used and instead, direct treatment or disposal is the most appropriate management option.<sup>8</sup>

## The waste management and recycling sector

2.10 The four key areas of activity in the industry are:

- waste collection and transfer;
- sorting of waste;
- recycling (turning into new product) and reuse; and
- the final disposal of waste that cannot be recycled or reused into landfill.

2.11 The industry is comprised of private firms and government enterprises. Local government, for example, typically manages waste collection and transfer, and may provide landfill facilities. However, in many locations, local government has outsourced these activities to the private sector.

2.12 Recycling is dominated by the private sector. Some of the major companies undertaking recycling in Australia include Visy, ResourceCo, Cleanaway, and Suez.

7 <http://www.sita.com.au/commercial-solutions/resource-recovery-recycling/glass-recycling/> and <http://www.sita.com.au/commercial-solutions/resource-recovery-recycling/construction-demolition/>.

8 New South Wales Environment Protection Authority, *The Waste Hierarchy*, <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/warr-strategy/the-waste-hierarchy>.



The materials recycled and reused are extensive and range from organics, paper and glass to metals, electrical waste and building materials.

2.13 The Waste Management Association of Australia submitted that the waste and resource recovery industry employs 50,000 (full time equivalent) people and contributes over \$50 billion per annum to the Australian economy.<sup>9</sup> The size of the sector varies across the jurisdictions. The South Australian Government noted that the waste industry in South Australia has an annual turnover of about \$1 billion, contributing around \$500 million to Gross State Product and employs approximately 5,000 people.<sup>10</sup>

2.14 The Australian Council of Recycling stated that the recycling industry directly employs over 20,000 people and indirectly almost 35,000 people.<sup>11</sup> Employment rates vary with the type of materials being recycled; organics recycling and composting businesses directly employ over 3,500 people<sup>12</sup>, while tyre recycling businesses employ around 250 people.<sup>13</sup>

2.15 The information provided above gives a very broad outline of the waste management and recycling industry in Australia. However, some submitters commented that it is not a cohesive single industry 'but rather a range of industries with multiple sectors'. This characteristic was seen as being important in policy development. Equilibrium, for example, commented that 'previous national reviews have at times simplified the opportunities for policy intervention and reform, or non-intervention'. Equilibrium explained:

...[it] should be noted, the waste industry is a market primarily interested in the collection and transport of waste. Those companies in this market that own and operate disposal facilities remain focused in the main on landfill and not resource recovery.

Within the waste industry there are sectors that focus on the collection and transport of waste from particular sources (household, commercial and industrial and construction and demolition), particular waste streams (putrescible, solid inert, liquid waste) and through particular methods (collection trucks and receptacles of different types).

The recycling industry is primarily interested in the capturing materials that have a further economic value or for which a fee can be charged in order to process the material and avoid landfill. Players in the recycling industry are not commonly collectors and transporters, they are mainly receivers of the material that specialise in handling and processing.

---

9 Waste Management Association of Australia, *Submission 52*, p. 1.

10 South Australian Government, *Submission 36*, p. 4.

11 <http://www.acor.org.au/about-acor.html>.

12 Australian Organics Recycling Association, *Submission 46, Attachment 1*, p. 6.

13 Australian Tyre Recyclers Association *Submission 23*, p. 2.

Like the waste industry, in the recycling industry there are sectors that focus on the collection and transport of waste from particular sources (household, commercial and industrial and construction and demolition) and particular waste streams (for example paper, plastics, organics, e-waste, mattresses, tyres and paint and chemicals).<sup>14</sup>

2.16 Equilibrium concluded that the 'distinctions are important because the different industries have fundamentally different drivers and require different policy responses'. Without accounting for these different operations and objectives, policy may lead to negative or unintended consequences for waste management and recycling industries.<sup>15</sup>

### **Quantity of waste generated and the fate of waste in Australia**

2.17 Waste generation is closely linked to population size, household income and economic activity. It is therefore unsurprising that waste generated in Australia has increased significantly over the last decade: in 2006–07, 57 million tonnes of waste was generated; in 2014–15 this had increased to 64 million tonnes.<sup>16</sup>

2.18 The following discussion provides an overview of waste generation and the fate of waste for 2014–15 and is drawn from the Australian National Waste Report 2016.<sup>17</sup> Discussion on the development of the National Waste Report and the adequacy of data on waste generation and recycling is provided at paras 2.36 to 2.61 below.

#### ***Waste generation***

2.19 In 2014–15, about 64 million tonnes of waste (including fly ash<sup>18</sup> and hazardous waste) were generated, which is equivalent to 2.7 tonnes of waste per capita. If fly ash is excluded, 53 million tonnes of waste were generated, which is the equivalent of 2.25 tonnes of waste per capita. The amount of waste generated falls to 46 million tonnes with the exclusion of hazardous waste.<sup>19</sup>

---

14 Equilibrium, *Submission 35*, pp. 1–2.

15 Equilibrium, *Submission 35*, p. 2.

16 *Australian National Waste Report 2016*, p. vii.

17 *Australian National Waste Report 2016*, June 2017, <http://www.environment.gov.au/system/files/resources/d075c9bc-45b3-4ac0-a8f2-6494c7d1fa0d/files/national-waste-report-2016.pdf>. The report covers waste generated in Australia, including solid non-hazardous materials and all hazardous wastes including liquids. The report excludes waste from primary production activities, waste that is reused, pre-consumer waste that is recycled as part of a production process, and clean fill/soil (whether or not it is sent to landfill).

18 Ash produced by burning coal or other materials that is driven out of the boiler with the flue gases and captured by pollution control equipment.

19 *Australian National Waste Report 2016*, p. vi.

---

*Trends in waste generation between 2006–07 and 2014–15*

2.20 Over the period 2006–07 to 2014–15, waste generation (including fly ash) increased by 11 per cent (from 57 megatonnes to 64 megatonnes). This is an average increase of 1.2 per cent per year. However, given the growth in population during this period, waste generation per capita declined by 3 per cent.<sup>20</sup>

2.21 The trend in waste generation changes if fly ash is excluded: waste generation increased by 23 per cent over nine years (from about 43 megatonnes to 53 megatonnes). This is an average of 2.3 per cent per year. With population growth, this represents a waste generation per capita increase of 7 per cent over the period, or an average of 0.8 per cent per year.<sup>21</sup>

2.22 The National Waste Report 2016 also provides data on waste generation by state and territory. As would be expected, overall waste quantities correlate with population and gross state product: New South Wales, Victoria and Queensland produce the most waste. Per capita, when fly ash is included, Queensland generated the most waste per capita (3.3 tonnes). When fly ash is excluded, Western Australia and South Australia were the highest generators in 2014–15, producing over 2.5 tonnes per capita and Tasmania the lowest with 1.8 tonnes.<sup>22</sup>

*Generation by waste stream*

2.23 The National Waste Report 2016 provides data on three main waste streams: municipal solid waste, other commercial and industrial waste, and construction and demolition waste. Fly ash is generally counted as commercial and industrial waste. Table 2.1 provides data on waste generation by stream.

**Table 2.1: Waste generation by stream, 2014–15**

<b>Waste stream</b>	<b>Megatonnes generated</b>	<b>Kg per capita</b>
Municipal solid waste	13.3	565
Other commercial and industrial (excluding fly ash)	20	849
Fly ash	11	459
Construction and demolition waste	20	831

*Source: Australian National Waste Report 2016, p. 15.*

---

20 *Australian National Waste Report 2016, p. 11.*

21 *Australian National Waste Report 2016, p. 11.*

22 *Australian National Waste Report 2016, pp. 11–12.*

2.24 Analysis of the trends in waste generation indicates that less municipal solid waste per capita is being generated, while more commercial and industrial waste and construction and demolition waste are being generated. The National Waste Report 2016 commented that the decline in municipal solid waste is linked to the decline in printed paper and glass packaging, and the expansion of recycling systems.<sup>23</sup>

#### *Generation by material type*

2.25 The report also provides an analysis of waste materials. This indicates that the three major waste materials in Australia are masonry<sup>24</sup> (17 megatonnes), organics<sup>25</sup> (13 megatonnes), and fly ash (11 megatonnes). Other waste materials generated include hazardous waste (7 megatonnes), paper and cardboard (5.3 megatonnes), metal (5.2 megatonnes), plastic (2.5 megatonnes), and glass (1.1 megatonnes).<sup>26</sup>

2.26 The report went on to note that the composition of waste is changing. Some significant waste streams—paper, cardboard, glass and fly ash—are diminishing. Metals, organics and plastics also appear to be declining, at least on a per capita basis. Masonry materials from demolitions are increasing.<sup>27</sup>

#### *The fate of waste in Australia*

2.27 The National Waste Report 2016 provides data on the fate of waste: disposal<sup>28</sup>; and through energy recovery and recycling.

2.28 Overall, 37.3 megatonnes (58 per cent) of waste generated in Australia in 2014–15 were recycled or recovered for embodied energy. Excluding fly ash and hazardous waste, 28.3 megatonnes (61 per cent) were recycled or recovered for embodied energy. A total of 27 megatonnes (21 megatonnes excluding fly ash) of waste were disposed of. Disposal was principally through landfill—22 megatonnes (excluding fly ash). The report noted that some of this waste is recorded as 'energy recovery' because some landfill gas is used for energy generation.<sup>29</sup>

2.29 Analysis by jurisdiction indicated that South Australia has the highest resource recovery rate (almost 80 per cent) followed by the Australian Capital Territory (75 per cent), then Victoria (69 per cent) and New South Wales (65 per cent). Western Australia, Tasmania and Queensland (excluding fly ash) recovered

---

23 *Australian National Waste Report 2016*, pp. 17–18.

24 Masonry materials include concrete, bricks and rubble.

25 Organic waste is generally taken to comprise food, garden organics and timber.

26 *Australian National Waste Report 2016*, p. 19.

27 *Australian National Waste Report 2016*, p. 25.

28 Disposal is the deposit of solid waste in a landfill or incinerator, net of recovery of energy.

29 *Australian National Waste Report 2016*, p. 9.

about 50 per cent. The Northern Territory had the lowest recovery rate at an estimated 28 per cent.<sup>30</sup>

### *Trends in the fate of waste*

2.30 During the period 2006–07 to 2014–15, the quantity of material recycled in Australia increased significantly:

- from 27 megatonnes to 35 megatonnes (an increase of 30 per cent) or 1.4 per cent capita per year; and
- excluding fly ash, from 23 megatonnes to 30 megatonnes (an increase of 32 per cent) or 1.6 per cent per capita per year.<sup>31</sup>

2.31 Energy recovery also increased markedly from about 1.4 megatonnes to 2.3 megatonnes, or an average of 6 per cent per year. Energy recovery per capita increased by an average of 4.4 per cent per year. However, the 2016 report commented that there appears to have been a significant decline in gas recovery in the last year of the period.<sup>32</sup>

2.32 During the period 2006–07 to 2014–15, disposal fell slightly from 29 to 27 megatonnes (8 per cent). Excluding fly ash, disposal increased by 9 per cent from 19 to 21 megatonnes, which represents an average decline per capita of about 0.6 per cent per year.<sup>33</sup>

---

30 *Australian National Waste Report 2016*, p. 11.

31 *Australian National Waste Report 2016*, p. 11.

32 *Australian National Waste Report 2016*, p. 11.

33 *Australian National Waste Report 2016*, p. 13.

### *Fate of waste by waste stream*

2.33 The 2016 report provides an analysis of the fate of waste by waste stream which is outlined in Table 2.2 below.

**Table 2.2: Fate of waste by stream, 2014–15**

Waste stream	Total generated	Recycling		Energy recovery		% recovered	Disposal	
	Mega tonnes	Mega tonnes	Kg per capita	Mega tonnes	Kg per capita		Mega tonnes	Kg per capita
Municipal solid waste	13.3	5.6	237	1.3	53	51%	6.5	275
Other commercial and industrial (excluding fly ash)	20	12	505	0.9	38	64%	7.2	306
Fly ash	11	5	208	0	0		6.8	252
Construction and demolition waste	20	12	522	0.2	7	64%	7.1	302

*Source: Australian National Waste Report 2016, p. 15.*

2.34 The report provided trends in the fate of waste by waste stream from 2006–07 to 2014–15:

- Municipal solid waste: Recycling and recovery increased and disposal fell for the period.
- Other commercial and industrial (excluding fly ash): While there was an increase in quantity, most of this increase was recycled.
- Construction and demolition waste: While there was an increase in quantity, most of this increase was recycled.<sup>34</sup>

2.35 Analysis of the recycling of waste materials by type indicates that there is significant recycling (70 per cent) of masonry which is the largest category of waste material generated.<sup>35</sup> Plastic generation was reported to have dropped by 14 per cent over the period 2006–07 to 2014–15. However, only about 14 per cent was recovered in 2014–15.<sup>36</sup>

34 *Australian National Waste Report 2016*, pp. 17–18.

35 *Australian National Waste Report 2016*, p. 19.

36 *Australian National Waste Report 2016*, p. 23.

## **Adequacy of data on waste management and recycling**

2.36 State and territory governments are responsible for collecting data on the generation of solid waste and the fate of waste within their jurisdiction. The need for adequate data on waste management and recycling was seen as being fundamental to the development and implementation of effective waste policy. The Local Government Association of Tasmania commented:

It is vital that the nation is aware of all waste generated and its final destination (be that landfill or diversion processes). Accurate data allows for targeted programs to be developed, improved public education programs and planning of services, resources and infrastructure. It also enables worthwhile targets to be set that are based on reliable information sources.<sup>37</sup>

2.37 However, gaining an accurate national picture of waste and recycling has proved problematic.

### ***National Waste Reports***

2.38 In its September 2008 report on the management of Australia's waste streams, the then Standing Committee on Environment, Communications and the Arts commented that 'understanding and quantifying the impact of waste streams and their economic, environmental costs is central to effective national waste policy development'. However, the standing committee found that there was 'a lack of national data on many waste issues that would otherwise underpin the sustainable management of Australia's waste streams'.<sup>38</sup>

2.39 In November 2008, Australia's environment ministers, through the Environment Protection and Heritage Council (EPHC), released the *National Waste Policy: Less waste, more resources*. The policy was agreed to by all Australian environment ministers in November 2009 and was endorsed by the Council of Australian Governments (COAG).

2.40 The policy sets direction in six key areas including 'Providing the evidence—Access by decision makers to meaningful, accurate and current national waste and resource recovery data and information to measure progress and educate and inform the behaviour and the choices of the community'. The policy contains sixteen strategies with the final strategy being to publish a three yearly waste and resource recovery report, underpinned by a system that provides access to integrated national core data on waste and resource recovery.

2.41 The first national waste report was published in 2010 using data for 2006–07. As 'waste and recycling data are generated in variable ways by a range of agencies',

---

37 Local Government Association of Tasmania, *Submission 19*, p. 2

38 Senate Standing Committee on Environment, Communications and the Arts, *Management of Australia's waste streams (including consideration of the Drink Container Recycling Bill 2008)*, September 2008, pp 64–65.

the report commented that there were 'wide disparities in the detail, geographic coverage, scale, time frames and scope of the data'. Limitations to the data were identified and readers were advised 'to exercise a degree of caution when using the information in the report'. While noting that the data collection did not provide comprehensive national data on waste and recycling, the report was viewed as 'a first step toward establishing baseline data and developing a strong and comprehensive knowledge base on waste management and resource recovery in Australia'.<sup>39</sup>

2.42 Following evaluation of the 2010 report, a methodology was agreed to assist in comparing data across different state and territory data sets, noting that differences in definitions, classifications and approaches to waste data exist between states. This methodology was used in the compilation of the National Waste Report 2013 which used 2010–11 data.<sup>40</sup>

2.43 The most recent report—Australian National Waste Report 2016—was published in June 2017.<sup>41</sup> The 2016 report covers two data years (2013–14 and 2014–15). The report notes that some of the data from the states and territories was supplemented, and sometimes replaced, by national industry data or other nation estimates.<sup>42</sup> In addition, it was stated that:

Because waste data is often difficult and expensive to collect, the requirements, scope and mechanisms for collecting and reporting waste data vary across jurisdictions, industries and fates. The level of uncertainty in some of the presented data is likely to be high. For example...the composition of waste to landfill is estimated on the basis of periodic audits at a few landfills. In recognition of these limitations, data is generally presented to only two or three significant figures.<sup>43</sup>

2.44 Data quality differences between the states and territories were also reported. Three areas of data quality differences were identified:

- Data on waste to landfill: Jurisdictions with controlled fees or landfill levies tend to have more comprehensive data on waste to landfill. Queensland also provides good data while that from Western Australia is restricted to the Perth area.

---

39 Environment Protection and Heritage Council, *National Waste Report 2010*, March 2010, p. 2, <http://www.environment.gov.au/system/files/resources/af649966-5c11-4993-8390-ab300b081f65/files/national-waste-report-2010.pdf>.

40 *National Waste Report 2013*, p. 1 <http://www.environment.gov.au/protection/national-waste-policy/national-waste-reports/national-waste-report-2013> See also Blue Environment, 'Improving national waste data and reporting', 30 March 2018, p. 2, <http://www.environment.gov.au/system/files/resources/de91c360-1995-475c-bc9f-f0c4c85b7692/files/improving-national-waste-data-and-reporting.pdf>.

41 *National Waste Report 2016*, <http://www.environment.gov.au/system/files/resources/d075c9bc-45b3-4ac0-a8f2-6494c7d1fa0d/files/national-waste-report-2016.pdf>.

42 *Australian National Waste Report 2016*, p. 1.

43 *Australian National Waste Report 2016*, p. 3.



- Data on recycling: Data from the ACT, New South Wales, Queensland, South Australia, Victoria and Western Australia is collected through surveys of the recycling sector and produced thorough data. However, New South Wales was unable to provide accurate recycling data for 2014–15 due to quality difficulties with the survey.
- Hazardous waste: Comprehensive data is provided by New South Wales, Queensland, South Australia, Victoria and Western Australia through their hazardous waste tracking systems. However, the Queensland data was found to have significant quality problems.<sup>44</sup>

2.45 Notwithstanding the differences in data quality between jurisdictions, the 2016 report stated that that data presented in the report is the most accurate to date.<sup>45</sup>

2.46 The consultants undertaking the management of waste data and reporting for the Department of the Environment and Energy—Blue Environment—were also commissioned to research and propose improvements to the National Waste Report. Blue Environment published a report in March 2018 documenting the agreed improvements to national waste reporting.<sup>46</sup> The 65 agreed improvements included:

- inclusion of data on local government waste management, product waste, tip shops, litter and dumping, container deposit schemes, mining waste, stockpiles, approved long-term storages, waste infrastructure and international waste flows;
- increasing the depth of the detail and discussion, particularly of the key data areas of waste generation, recycling, energy recovery and disposal; and
- restructuring the national waste report to focus on these key data areas and remove the distinct sections on each state and territory (whilst maintaining and reporting state and territory data).<sup>47</sup>

### *Australian Bureau of Statistics*

2.47 A number of publications on waste management were produced by the Australian Bureau of Statistics (ABS). For example, *Waste management services Australia 2009–10* provided estimates of the financial performance of waste management services businesses and organisations. It also provided information on waste facilities operated, waste activities undertaken, quantities of waste received and processed and factors hampering resource recovery.

---

44 *Australian National Waste Report 2016*, p. 3.

45 *Australian National Waste Report 2016*, p. 3.

46 Blue Environment, 'Improving national waste data and reporting', 30 March 2018, <http://www.environment.gov.au/system/files/resources/de91c360-1995-475c-bc9f-f0c4c85b7692/files/improving-national-waste-data-and-reporting.pdf>.

47 Blue Environment, 'Improving national waste data and reporting', p. iv.

2.48 The Western Australian Government commented that this series provided a valuable assessment and there would be value in the ABS producing such reports on a more regular basis.<sup>48</sup>

2.49 In 2014, the ABS produced the Waste Account, Australia 2010–11.<sup>49</sup> The Waste Account presented 'integrated monetary and physical waste information using an internationally recognised conceptual framework to assist in informing waste policy and discussion in Australia'. ABS commented that due to budget constraints, ABS ceased its Waste Account.<sup>50</sup>

2.50 ABS noted the benefits of the Waste Account, commenting that it 'informs on changes to waste management and resource recovery flows over time and in response to government initiatives and to regulatory, pricing and taxation changes. Importantly, it identifies these changes in relation to various community members (e.g. households, industries) impacted by these changes'. In addition, the Waste Account reports on the economic performance of the waste industry itself, for example, changes to revenue streams and cost profiles. This was seen as being especially useful in response to changing regulatory and business practices.<sup>51</sup>

### ***Need for improved waste and recycling data***

2.51 It was acknowledged that data collection has improved over time and that work is continuing to improve the data sets.<sup>52</sup> However, submitters noted that problems still remain with the data being collected. MRA Consulting Group, for example, commented that 'data is notoriously poor around waste generation and diversion'.<sup>53</sup> Further, that the latest National Waste Report uses 2012–13 or 2014–15 data depending on the jurisdiction.<sup>54</sup>

2.52 Mr Andrew Doig, Chief Executive Officer, Australian Sustainable Business Group (ASBG), told the committee that 'getting the right data collection is something that Australia lags behind in. For example, the United States has been doing that since the 1970s'.<sup>55</sup> Local government associations provided examples of continued difficulties with data. The Local Government Association of Tasmania submitted that waste data is currently not collected in a standardised manner across different waste

---

48 Western Australian Government, *Submission 5*, p. 9.

49 <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4602.0.55.006Main+Features22010-11>.

50 Australian Bureau of Statistics, *Submission 45*, p. 1.

51 Australian Bureau of Statistics, *Submission 45*, p. 2.

52 See for example, Mr Nicholas Harford, Equilibrium, *Committee Hansard*, 20 November 2017, p. 13.

53 MRA Consulting Group, *Submission 25*, p. 1.

54 Mr Michael Ritchie, MRA Consulting Group, *Committee Hansard*, 14 March 2018, p. 64.

55 Mr Andrew Doig, ASBG, *Committee Hansard*, 14 March 2018, p. 63.

facilities.<sup>56</sup> Similarly, the Western Australian Local Government Association submitted that the collection of data on landfill, resource recovery and recycling in Western Australia is via four data sources which are not reconciled with each other 'causing confusion on what the recovery rates actually are'.<sup>57</sup>

2.53 The ASBG commented that available data from the jurisdictions is poorly aligned due to significant differences in the definitions of waste, recycling types and other variations. It was also stated that data quality is questionable as some jurisdictions 'tend to measure recycling rates and diversions in *ad hoc* frequencies and manners of execution'.<sup>58</sup>

2.54 The importance of establishing consistent definitions was raised with the committee. Mr Spedding, Chief Executive Officer, National Waste and Recycling Industry Council (NWRIC) stated:

If we could get our definitions right, we could come up with a national program and we would then have the ability to look at not so much waste on a localised or state basis but on a national agenda.<sup>59</sup>

2.55 The importance of data to the industry was outlined by Mr Spedding, NWRIC, who commented that industry required accurate data for planning and forecasting when considering investment in facilities. Mr Spedding stated:

You need the data to be able to demonstrate that the volumes are there, because when you go to the bank and you put your financials on the table, what basis and security have you got that these volumes will continue. Having a very haphazard system doesn't assist the industry at all...Good data is a fundamental for good planning, and we don't have it.<sup>60</sup>

2.56 Both MRA Consulting and Equilibrium also maintained that accurate data was important to inform investment decisions. MRA Consulting stated that companies are being asked to make investment decisions, some involving millions of dollars, on data that is five years old.<sup>61</sup> Equilibrium noted that in the past, investment has been undertaken on the basis of poor data and this has resulted in the failure of some of those investments.<sup>62</sup>

---

56 Local Government Association of Tasmania, *Submission 19*, p. 2.

57 Western Australian Local Government Association, *Submission 58*, p.2.

58 Australian Sustainable Business Group, *Submission 41*, p. 4. See also, Equilibrium, *Submission 35*, p. 2.

59 Mr Max Spedding, National Waste and Recycling Industry Council, *Committee Hansard*, 20 November 2017, p. 6.

60 Mr Max Spedding, National Waste and Recycling Industry Council, *Committee Hansard*, 20 November 2017, p. 6. See also Mr Nicholas Harford, Equilibrium, *Committee Hansard*, 20 November 2017, p. 13.

61 Mr Michael Ritchie, MRA Consulting Group, *Committee Hansard*, 14 March 2018, p. 64.

62 Mr Nicholas Harford, Equilibrium, *Committee Hansard*, 20 November 2017, p. 14.

2.57 Re.Group also commented on delays in the publication of data and stated that it is 'a considerable frustration' that there are significant delays in the publication of data, and that 'industry would appreciate additional efforts to ensure more timely access to this information'.<sup>63</sup>

2.58 Submitters noted that Strategy 16 provides that the three yearly report be underpinned by a system that provides access to integrated national core data on waste and resource recovery. The Australian Sustainable Business Group commented:

The main point is that even collecting the information on waste generation and landfill diversion is not properly comparable across each jurisdiction. This is despite data management being a key policy position under the National Waste Policy. Consequently, the Commonwealth should continue on with the National Waste Policy's drive to further assist and influence jurisdictions to adopt nationally consistent waste data and quality control to ensure comparability with quality data. Aspirational national recycling diversion rates will first require standardised measurements before they can be considered and ultimately agreed to.<sup>64</sup>

2.59 The Local Government Association of Tasmania similarly commented that the National Waste Policy needs to continue to address Strategy 16 as a priority.<sup>65</sup>

2.60 The committee also received suggestions as to how the collection of waste data could be improved. For example, some submitters called for the reinstatement of the ABS Waste Account.<sup>66</sup>

2.61 Mr Ritchie, MRA Consulting, stated that the collection of waste data should be undertaken by an independent body—the ABS—rather the Department of the Environment and Energy. Mr Ritchie explained:

...it's bigger than the department of the environment. This is an industry issue. We need to raise waste out of being—firstly, it needs to be recognised as something of a quasi-essential service, but, secondly, it should be sitting in industry policy. The appropriate place for the data to sit is ABS...It shouldn't be a four- or five-year protocol development. And it shouldn't be, in my view, put to a consultant to try and jerry-build a dataset out of voluntary surveys that states or councils provide. It's got to be a mandated system, because we're talking about big infrastructure. We are talking about essential services.<sup>67</sup>

---

63 Re.Group, *Submission 32*, p. 2.

64 Australian Sustainable Business Group, *Submission 41*, p. 4.

65 Local Government Association of Tasmania, *Submission 19*, pp. 2–3.

66 National Waste and Recycling Industry Council (NWRIC), *Submission 10*, p. 1.

67 Mr Michael Ritchie, MRA Consulting Group, *Committee Hansard*, 14 March 2018, p. 66.

## Export of recyclable material

2.62 Australia exports recyclable material to over 100 countries<sup>68</sup> including Vietnam, India, Malaysia, Indonesia, China and Bangladesh. In total in 2016–17, Australia exported 4.23 mega tonnes of recycled materials.<sup>69</sup>

2.63 The three main types of recycled material exported were metals, paper and cardboard, and plastics. Table 2.3 provides an overview of the export of these three categories of recycled materials for 2016–17.

**Table 2.3: Export of metals, paper and cardboard and plastics, 2016–17 (tonnes)**

<b>Metals</b>						
Vietnam (share of total)	India (share of total)	Malaysia (share of total)	Indonesia (share of total)	China (share of total)	Bangladesh (share of total)	Total for all exports
373,279 (17%)	277,220 (13%)	206,224 (10%)	199,278 (9%)	196,312 (9%)	113,056 (7%)	2,151,487
<b>Paper and cardboard</b>						
China (share of total)	Indonesia	Thailand	India	Malaysia	Hong Kong	Total of all exports
895,337 (61.6%)	253,536 (17.5%)	133,941 (9.2%)	58,956 (4.1%)	38,947 (2.7%)	25,133 (1.7%)	1,452,694
<b>Plastics</b>						
Hong Kong (share of total)	China	Malaysia	Indonesia	Vietnam	Thailand	Total of all exports
81,496 (45%)	43,207 (24%)	14,727 (8%)	12,348 (7%)	11,874 (7%)	11,911 (7%)	182,230

Source: ABS, *International Trade*; *Parliamentary Library*.

### ***Restrictions of the export of waste to China***

2.64 From January 2018, China implemented restrictions of imports of 24 types of solid waste, including various plastics and unsorted mixed papers, and the setting of more stringent standards for contamination levels.

68 Senator the Hon Simon Birmingham, Minister for Education and Training, *Senate Hansard*, 21 March 2018, p.1786.

69 Blue Environment, 'Data on exports of recyclables from Australia to China', 19 March 2018 <https://blueenvironment.com.au/wp-content/uploads/2018/03/Data-on-exports-of-recyclables-from-Australia-to-China.pdf> (accessed 8 May 2018).

2.65 Blue Environment has provided preliminary data on Australian exports of wastes affected by National Sword. As noted above, 1.27 megatonnes of waste were exported to China in 2016–17. National Sword restrictions affected 1.25 megatonnes (99 per cent) of the Australia's recyclables exported to China.

2.66 The three major categories of affected recyclables were:

- metals – 203 thousands of tonnes;
- paper and cardboard – 920 thousands of tonnes; and
- plastics – 125 thousands of tonnes.<sup>70</sup>

2.67 The impact of the restrictions are discussed in greater detail in Chapter 5.

### **Regulation of waste and recycling in Australia**

2.68 All levels of government are involved in managing waste and recycling to protect the environment, secure public health and safety outcomes, and to avoid the loss of public amenity. In summary, responsibilities can be categorised as follows:

- Local governments are most directly involved in the management of waste and recycling through arrangements for its collection, processing and disposal.<sup>71</sup>
- State and territory governments have primary responsibility for regulating domestic waste management. Matters that the states and territories regulate include conditions for operating a landfill facility and the imposition of landfill levies.
- The Australian Government has a role in providing national leadership and coordination, and ensuring that Australia's international obligations regarding waste are met.

2.69 This section provides a brief overview of the roles and responsibilities of each level of government.

#### ***Local governments***

2.70 As the Australian Local Government Association explained, local governments have 'a long history and expertise in municipal waste management'. The services provided by local governments vary between different councils and

---

70 Blue Environment, 'Data on exports of recyclables from Australia to China', 19 March 2018 <https://blueenvironment.com.au/wp-content/uploads/2018/03/Data-on-exports-of-recyclables-from-Australia-to-China.pdf> (accessed 8 May 2018).

71 There are areas of Australia without local governments. Most notably, the Australian Capital Territory does not have local governments—the ACT Government is responsible for governing the Territory as well as the matters that local governments would address in other jurisdictions. Certain remote areas of Australia also do not have local governments.

depend on the regulatory framework of their state or territory. In general, however, local governments can:

- provide a range of services directly, including waste collection, waste disposal, kerbside recycling, management of landfills, and gas capture and co-generation of power;<sup>72</sup>
- provide waste management services as part of a cooperative body with other local governments;<sup>73</sup>
- contract waste management contractors to undertake waste services;
- undertake other programs to reduce the amount of waste going to landfill, such as the collection of green waste to produce compost; and
- support other initiatives, such as product stewardship, the introduction of container deposit schemes, and community education programs.<sup>74</sup>

2.71 State governments also require local governments to provide data on waste and recycling,<sup>75</sup> and to address small scale, non-hazardous illegal dumping.<sup>76</sup>

2.72 Various submissions provide insight into the day-to-day waste and recycling services that local governments provide. For example:

- The Adelaide Hills Region Waste Management Authority (AHRWMA) advised that its three member councils provide kerbside waste and recycling services, as well as a green waste service in township areas. A landfill facility with an onsite resource recovery and transfer station is owned by one of the member councils (the Rural City of Murray Bridge) and operated by the AHRWMA.<sup>77</sup>
- The Brisbane City Council contracts its waste and recycling services to industry contractors. The Council owns one landfill, the management of which it contracts to industry, and also utilises a privately-owned landfill.<sup>78</sup>

### ***State and territory governments***

2.73 State and territory governments regulate waste and recycling in their jurisdictions by imposing licence conditions for waste and recycling facilities and the

---

72 For example, Queensland local governments 'operate approximately 450 waste facilities including landfill sites, transfer stations and resource recovery and recycling facilities'. Local Government Association of Queensland, *Submission 7*, p. 3.

73 An example of this approach is the Adelaide Hills Region Waste Management Authority.

74 Australian Local Government Association, *Submission 44*, p. 2.

75 See Government of Western Australia, *Submission 5*, p. 2.

76 See South Australian Government, *Submission 36*, p. 10.

77 Adelaide Hills Region Waste Management Authority, *Submission 33*, p. 2.

78 Brisbane City Council, *Submission 4*, pp. 1–2.

transportation of waste;<sup>79</sup> imposing landfill levies; providing incentives for recycling;<sup>80</sup> and undertaking environmental protection measures, such as enforcement activity in relation to large scale illegal dumping and dumping of hazardous waste.

2.74 State legislative frameworks governing waste and recycling are complex and involve multiple pieces of legislation and policy instruments. To illustrate, the legislation and policy frameworks referred to in the Government of South Australia's submission are listed at Box 2.1.

*Box 2.1: State legislation and policy frameworks relevant to the regulation of waste and recycling in South Australia*

- *Environment Protection Act 1993* and associated regulations
- *Local Government Act 1999*
- *Local Nuisance and Litter Control Act 2016*
- *Green Industries SA Act 2004*
- South Australia's Waste Strategy 2015–2020
- Environment Protection (Waste to Resources) Policy 2010
- *Environment Protection (Movement of Controlled Waste) Policy 2014*
- *EPA Guidelines for Environmental Management of Landfill Facilities (Municipal Solid Waste and Commercial and Industrial General Waste) 2007*
- *30-Year Plan for Greater Adelaide 2017*
- *Waste and Resource Recovery Infrastructure Plan*

*Source: South Australian Government, Submission 36, p. 31.*

2.75 The submissions to this inquiry provided by state and territory governments outline the legislative and policy arrangements in their jurisdictions in detail.<sup>81</sup>

### ***Australian Government***

2.76 As noted above, state and territory governments have primary responsibility for regulating domestic waste management. As recycling is closely integrated with waste, the Australian Government also considers that the state, territory and local

79 For example, all waste and recycling facilities in South Australia must be licensed under the *Environment Protection Act 1993* (SA) 'with only some limited exceptions (e.g. the recycling or reuse of under 100 tonnes of waste)'. Across the state, around 400 waste-related or recycling facilities and over 600 waste transporters are licensed. South Australian Government, *Submission 36*, p. 7.

80 Such as the NSW Government's Waste Less Recycle More Initiative. See Office of Environment and Heritage (NSW), 'Waste Less Recycle More Initiative – Grant Programs', [www.environment.nsw.gov.au/grants/WLRMI.htm](http://www.environment.nsw.gov.au/grants/WLRMI.htm) (accessed 10 May 2018).

81 See Government of Western Australia, *Submission 5*; Tasmanian Government, *Submission 11*; Australian Capital Territory Government, *Submission 20*; South Australian Government, *Submission 36*;



governments are 'in the best position' to make decisions on recycling regulation and to respond to market developments.<sup>82</sup>

2.77 The Australian Government's formal regulatory role largely relates to Australia's international obligations where the external affairs power provides a constitutional basis for legislation.<sup>83</sup> The Australian Government has also taken a national leadership and coordination role in certain regulatory matters.

#### *International obligations*

2.78 The Department of the Environment and Energy (the department) explained that the international agreements relating to solid waste management focus on wastes that are 'especially hazardous or of significant risk to the environment'. These agreements include:

- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (the Basel Convention); and
- the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention).<sup>84</sup>

2.79 Commonwealth legislation is in place to regulate the export and import of hazardous waste; the management of industrial, agricultural and veterinary chemicals; dumping and incineration at sea of waste; ozone depleting substances; and product stewardship for used oil.<sup>85</sup> In addition, the department works with state and territory governments to ensure that legislation and reporting are in place so that Australia can fulfil its implementation, reporting and compliance obligations under the international agreements.<sup>86</sup>

#### *National leadership and coordination*

2.80 Despite its limited constitutional responsibilities regarding waste and recycling, successive Australian governments have taken a role in these matters. The department indicated that the Commonwealth generally contributes when there are:

- national issues where Australian Government action is 'the most effective and efficient intervention, especially where there are risks posed by hazardous substances to human health and the environment';

---

82 Department of the Environment and Energy, *Submission 55*, p. 1.

83 Department of the Environment and Energy, *Submission 55*, p. 1; Environment Protection and Heritage Council, *National Waste Policy: Less waste, more resources*, November 2009, p. 2.

84 Department of the Environment and Energy, *Submission 55*, p. 2. Additional relevant international agreements are listed in the department's submission.

85 Environment Protection and Heritage Council, *National Waste Policy: Less waste, more resources*, November 2009, p. 2.

86 Department of the Environment and Energy, *Submission 55*, p. 2.

- 
- issues 'affecting multiple jurisdictions that would benefit from a coordinated approach or national harmonisation of policies, guidelines or standards that cannot be achieved without Australian Government support';
  - 'domestic market failures or absences of a market that require national policy or partnership programs'; and/or
  - information on a national scale is required.<sup>87</sup>

2.81 However, it should also be noted that a number of submitters were critical of the lack of leadership provided by the Australian Government. These issues will be explored in Chapter 7.

2.82 The National Waste Policy was agreed to by Commonwealth, state and territory environment ministers in November 2009. As noted earlier, the Policy sets national policy direction up to 2020 with 16 priority strategies identified. Overall, the Policy aims to:

- avoid the generation of waste, and reduce the amount of waste (including hazardous waste) for disposal;
- manage waste as a resource;
- ensure that waste treatment, disposal, recovery and re-use is undertaken in a safe, scientific and environmentally sound manner; and
- contribute to the reduction in greenhouse gas emissions, energy conservation and production, water efficiency, and the productivity of the land.<sup>88</sup>

2.83 One of the outcomes of the National Waste Policy is the Commonwealth taking on an additional regulatory role as part of a national approach to product stewardship.<sup>89</sup> This has been achieved through the *Product Stewardship Act 2011*, which establishes a national framework for co-regulatory and mandatory product

---

87 Department of the Environment and Energy, *Submission 55*, p. 1.

88 Environment Protection and Heritage Council, *National Waste Policy: Less waste, more resources*, November 2009, pp. 6–7.

89 Product stewardship is a policy approach which acknowledges 'that those involved in producing, selling, using and disposing of products have a shared responsibility to ensure that those products or materials are managed in a way that reduces their impact, throughout their lifecycle, on the environment and on human health and safety'. Department of the Environment and Energy, 'Product stewardship', [www.environment.gov.au/protection/national-waste-policy/product-stewardship](http://www.environment.gov.au/protection/national-waste-policy/product-stewardship) (accessed 10 May 2018).

stewardship obligations, and for the accreditation of voluntary product stewardship arrangements.<sup>90</sup> The department is currently reviewing the Product Stewardship Act.<sup>91</sup>

2.84 National coordination of waste issues is also provided for by the National Environment Protection Council (NEPC). The NEPC is established under the *National Environment Protection Council Act 1994* (NEPC Act) and mirrors legislation in the states and territories. The NEPC Act provides a framework for the NEPC to make National Environmental Protection Measures (NEPMs) about the environmental impacts associated with hazardous wastes, or the re-use and recycling of used materials. These provide national standards to support a coordinated approach, with NEPMs implemented by individual jurisdictions.<sup>92</sup>

2.85 Relevant NEPMs include:

- the National Environment Protection (Movement of controlled waste between States and Territories) Measure 1998—this NEPM establishes a nationally consistent system for tracking the movement of hazardous wastes; and
- the National Environment Protection (Used Packaging) Measure 2011, which seeks to encourage re-use and recycling of used packaging materials by supporting and complementing the voluntary strategies in the Australian Packaging Covenant.<sup>93</sup>

2.86 Finally, the Australian Government has worked with the states and territories to develop a National Food Waste Strategy. This Strategy, which was released in November 2017, aims to achieve a 50 per cent reduction in food waste by 2030.<sup>94</sup>

---

90 At present, there is one co-regulatory scheme (the National Television and Computer Recycling Scheme). Voluntary industry arrangements in relation to mobile phones and mercury-containing lamps have received accreditation. The National Tyre Product Stewardship Scheme initiated in 2014 is not accredited under the voluntary product stewardship accreditation scheme. Department of the Environment and Energy, *Submission 55*, p. 3; *Review of the Product Stewardship Act 2011, including the National Television and Computer Recycling Scheme*, Consultation Paper, March 2018, [www.environment.gov.au/system/files/consultations/79a39335-ee07-4f94-ab7f-cd8323641af0/files/ps-act-review-consultation-paper.pdf](http://www.environment.gov.au/system/files/consultations/79a39335-ee07-4f94-ab7f-cd8323641af0/files/ps-act-review-consultation-paper.pdf) (accessed 10 May 2018), p. 3.

91 Information about the review is available here: [www.environment.gov.au/protection/national-waste-policy/product-stewardship/consultation-review-ps-act-incl-ntcrs](http://www.environment.gov.au/protection/national-waste-policy/product-stewardship/consultation-review-ps-act-incl-ntcrs).

92 Department of the Environment and Energy, *Submission 55*, p. 1.

93 Department of the Environment and Energy, *Submission 55*, p. 4; National Environment Protection Council, 'National Environment Protection (Used Packaging Materials) Measure', [www.nepc.gov.au/nepms/used-packaging](http://www.nepc.gov.au/nepms/used-packaging) (accessed 10 May 2018).

94 The National Food Waste Strategy can be viewed here: [www.environment.gov.au/protection/national-waste-policy/publications/national-food-waste-strategy](http://www.environment.gov.au/protection/national-waste-policy/publications/national-food-waste-strategy).