



Our Ref: C2006/2021
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**Australian
Competition &
Consumer
Commission**

22 February 2007

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Dear [Salutation]

St George Region of Councils – application for authorisation A91019 – draft determination

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by the St George Region of Councils (SGROC) on 27 October 2006.

SGROC is seeking authorisation to jointly tender and contract for the provision of waste and recycling collection services in their combined local government areas.

A copy of the ACCC's draft determination is attached, and will also be available on the ACCC's website at www.accc.gov.au (follow the *Public registers* link to the *Authorisations register*).

Summary of ACCC considerations

Having considered the application and submissions from SGROC and interested parties, the ACCC proposes to grant authorisation to the proposed arrangements until 30 June 2018.

The ACCC considers that the anti-competitive detriment generated by the proposed conduct is likely to be minimal. In particular, the ACCC notes that SGROC consists of only three out of 38 councils in the Sydney Metropolitan Area, and that another tender process will be conducted at the end of the authorisation period. Further, the ACCC notes that the proposed arrangements conform to industry practice, in which contracts may operate for seven to 10 years. This gives successful tenderers sufficient time to amortise the considerable equipment expenses required to perform their contracts.

The ACCC considers that the proposed arrangements are likely to give rise to a number of public benefits, including collection efficiencies and costs savings, improved services and environmental benefits.

Therefore, after considering all the information before it, the ACCC is of the view that the public benefits flowing from the arrangements are likely to outweigh the anti-competitive detriments, and the ACCC proposes to grant authorisation.



Next steps

Once the ACCC issues a draft determination, the applicants or any interested party who may be dissatisfied with the ACCC's draft determination may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination.

Under the *Trade Practices Act 1974*, the ACCC must set a date within 14 days of which any pre-decision conference must be requested. Accordingly, if you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by **close of business 12 March 2007**. Conferences are conducted informally, without the participation of legal or other professional advisers.

You are also invited to make a written submission in response to the ACCC's draft determination. Written submissions should be lodged by **close of business 12 March 2007** at the following address:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Submissions can also be lodged by e-mail to adjudication@acc.gov.au, or by facsimile on (02) 6243 1211.

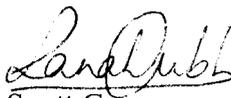
Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register in certain circumstances. Submissions which are excluded from the public register may still be taken into account by the ACCC when conducting its assessment of an authorisation application. Guidelines for seeking exclusion from the public register are attached for your information.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to the application for authorisation.

Please inform the ACCC if you do not wish to provide a submission at this stage but would like to be kept informed of the progress of this application. If the ACCC does not hear from your organisation, it will be removed from the ACCC's list of interested parties for this matter.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Sarah Chubb on (02) 6243 1088.

Yours sincerely


fo- Scott Gregson
General Manager
Adjudication Branch

Interested parties

Alcoa Australia Rolled Products Pty Ltd
Amcor Australasia
ASK Equipment Sales
Australia Paper – Shoalhaven Mill
BIS Cleanaway Limited
Brandown Pty Ltd
Breen Holdings Pty Ltd
Collex Pty Ltd
Dial a Dump Industries
Environmental Protection Authority
Global Renewables Australia
Local Government and Shires Association of NSW
Metalcorp Recyclers Pty Ltd
MRI
New South Wales Jurisdictional Recycling Group
Norske Skog
Pioneer Waste Management Pty Ltd
Reflex Pty Ltd
Remondis Pty Ltd
Resource NSW
Rethmann Australia Environmental Services Pty Ltd
SITA Environmental Solutions
SULO
Thiess Services Pty Ltd
Total Environment Centre Inc
United Resource Management
Veolia Environmental Services (Australia) Pty Ltd
Visy Recycling
Waste Contractors and Recyclers Association of NSW
Waste Management Association of Australia
WSN Environmental Solutions