

GCC File: ACCC Application for Authorisation
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12 March 2014

Mr Richard Chadwick,
General Manager,
Adjudications,
Australian Competition and Consumer Commission,
23 Marcus Street,
Canberra, ACT 2601.

Dear Mr Chadwick,

Application for Authorisation of Joint Tender for Waste Management Services

I refer to my telephone discussion on 18 February 2014 with Ms Hayley Parkes of your office and Ms Parkes's email of 18 February 2014 in which the ACCC requested further information in relation to the above matter as detailed below.

I, on behalf of the Applicants, respond as follows:

Question 1 – “Please confirm whether the services the subject of the tender are the collection of recyclable materials from the ratepayer’s kerbside (compared to delivery by the councils at a nominated processing centre) for sorting and processing by the successful tenderer.”

Answer – *The Services which are the subject of the joint tender are to accept recyclable materials from the Applicants’ kerbside collection services, then to sort and/or dispose of those recyclable materials. This joint tender process will also include collecting recyclable materials from Glenorchy City Council’s and Hobart City Council’s “drop off” recycling centres at their respective waste management centres, if required.*

Question 2 – “Do the councils have any particular requirements regarding what happens to the materials after collection – e.g. the level of sorting or processing of materials that must take place in Tasmania? Or would this be at the tenderer’s discretion?”

Answer – *No, the Applicants have no particular requirements regarding what happens to the materials after collection and delivery, and it will be at the successful Tenderer’s discretion, however the respective Councils would desire that the materials are ultimately recycled.*

Question 3 – “How long after authorisation is granted are contracts expected to be signed? (as additional time may be required to ensure coverage for this period plus the proposed 9 year contract term)”

Answer – *Subject to receiving a Final Determination from the ACCC by end of May 2014 the Applicants intend to enter into individual contracts no later than 1 August 2014. In other words the Applicants will need at least 6 to 8 weeks from the Final Determination to receive the responses from the interested prospective Tenderers, set up an evaluation team and subsequently evaluate the tender submissions, prepare the recommendations to the respective senior management and for the respective Councils' tender panels to approve and as the final stage prepare the contracts for execution.*

Question 4 – “What support (if any) would the councils provide in order to facilitate entry by a mainland service provider? (e.g. do the councils have land that they have set aside for the construction of a new materials recovery facility?)”

Answer – *This would be subject to negotiations with the successful Tenderer.*

Question 5 – “Have any mainland service providers expressed interest in this tender?”

Answer – *Initial discussion have been held with representatives of the Melbourne based company, SKM Recycling, who expressed an interest in providing a service in Tasmania but nothing definite has been agreed.*

Question 6 – “What are the current prices that the councils each pay for these services, and what price (or added value) is expected as a result of this tender?”

This answer is commercial in confidence as we do not wish to have this information publicly available.

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Question 7 – “Other than the administrative and legal costs, are there any other efficiencies that are likely to be achieved as a result of the coordinated tender by the councils?”

Answer – *As a result of the joint tendering process we expect not only to achieve the perceived or actual efficiencies which were addressed in Section 4 of the Application for Authorisation but also pave the way for a consistent approach to audits to establish levels of contamination and enable united community education programmes about recycling including the environmental benefits, appropriate processes, what can be recycled etc. There is also the possibility of a reduced gate fee.*

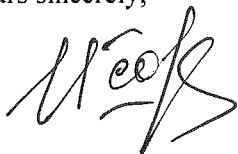
Question 8 – “You note that there is currently only one processing facility for recyclable material in southern Tasmania. Would it be expected that another facility could be built as a result of this tender? Is that facility only used to service these councils? Would it be possible to utilise another facility in another part of Tasmania, or are the distances too great?”

Answer – *It is hoped that a new facility will be established. This new facility would then be available to other Councils.*

It could be possible to utilise facilities located elsewhere in Tasmania depending on the costing structure of the operators and the methods of transportation available.

If you have any questions please do not hesitate to contact me.

Yours sincerely,



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