

10 December 2021

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Our Ref DSP 19480069

By email Michael.Pappa@acc.gov.au

Dear Michael

Metropolitan Waste and Resource Recovery Group - Application for Authorisation

Thank you for your email dated 3 December 2021. We have been instructed to respond as below.

What are the current contract periods between existing suppliers and the Participating Councils (i.e. the 27 Metropolitan Melbourne councils and the 8 regional Victorian councils) for the supply of recycling sorting services? Please let us know if there is a range.

The expiry dates are set out in Annexure B, and as you will see the majority are 30 June 2022. (The lengths of contract are dealt with in our subsequent letter of 10 December 2021.)

What does MWRRG consider to be the likely future without the conduct for which authorisation has been sought?

The Councils would need to individually seek responses from the market for their recycling sorting needs, as the existing contracts cannot be renewed without having sought contestable pricing. Accordingly, there would be dozens of single council procurement processes that would need to be undertaken urgently in the first half of next year, and significant costs of duplication incurred (for both councils and suppliers). It is also likely that the resultant contracts would have differing expiry dates, making it more difficult to undertake a subsequent collaborative procurement for recycling services at an appropriate juncture (as contemplated by the Panel arrangement proposed for the current bridging period).

We hope this is a sufficient response, but please let us know if anything further is required.

Yours sincerely

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