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Dear Mr Cicchini

Gippsland Waste & Resource Recovery Group – submission from J.J. Richards & Sons Pty Ltd

We refer to your email of 24 January 2022 attaching the submission from J.J. Richards & Sons Pty Ltd.

In relation to the covering letter, the initial points are really directed at the substantive authorisation and are not directly relevant to the request for interim authorisation. In any event, in relation to point 2, JJ Waste will not be precluded from submitting for the project, which will be open to all interested parties. In relation to point 3, there is no clear basis for the concern regarding commercial and industrial waste – the procurement here is only for household waste. In relation to point 4, the tender will be open to all parties, and allows for bidders to bid for some or all of the councils' needs. In relation to the next paragraph, bidding for the tender should not be unduly onerous, particularly for a business such as JJ Waste which has grown to a significant size (after many years of expanding their business and acquiring smaller operations).

In relation to the submission on 2.3, whilst a 10 year term may assist to encourage investment in equipment, the aggregation of councils' needs should add to this, at a time where dealing with rising waste volumes requires greater innovation and commitment of new technologies. The councils have recognised the need to respond to the broader challenge of waste management in agreeing to undertake the procurement collectively. In terms of the expiry of existing arrangements, the 4 councils with the largest volumes all expire in the middle of 2022 to early 2023, and the smaller volumes involved for the 2 councils mentioned should not affect a bidder's overall assessment of the opportunity (noting, too, that there is transparency regarding those councils' needs for the purposes of planning investments over the longer period involved).

In relation to the submission on 4.3.1, the response on 2.3 applies here too – length of term alone, without aggregation, is unlikely to prompt the investment in innovation required to meet the current challenge.

In relation to the submission on 4.3.2, one large truck may use more fuel than one small truck, but across a fleet it is likely to have the capacity to replace more than one small truck, and overall fuel use and emissions are expected to decrease. Similarly, a fleet will retain smaller trucks as needed to navigate the few narrower roads, but generally managing a fleet across greater volumes of waste should allow for efficiencies if this waste requires transport greater distances from the collection point to respective processing locations. In relation to the fourth paragraph, the largest 4 councils will have a similar start date, and the smallest 2's later start should be readily managed.

In relation to the submission on 5, the work required to be undertaken by the working group should not affect a bidder, and in any event is expected to be more efficient than 6 councils proceeding without any coordination. If a council ultimately decides to proceed independently, the work already done will allow it to do so efficiently, and it will not need to "reinvent the wheel" for its own procurement. Without being clear on the other procurement that is referred to by JJ Waste, it is noted that this procurement is for a clear and narrowly specified set of services, and that separate procurements have already been progressed for other parts of the waste management system.

In relation to the submission on 6, the procurement here is for municipal solid waste collected in mobile garbage bins, not commercial and industrial waste, and the basis for linking the 2 is not clear. Councils do not look to assume responsibility for commercial waste, and the types of vehicles used for such waste are different (typically rear or front loading rather than side loading).

In relation to the submission on 8, the tender here will not be more complex than 6 separate tenders by the individual councils, and it is designed to allow for bidders that have lesser resources than a large company like JJ Waste to submit specialised bids if that suits them better. For instance, the varying data sets that each council would otherwise produce will be standardised. The tender will be open to all interested bidders, and allows for flexibility in bids to supply; indeed, it is expected to attract new players to the region, which should assist with the needs of neighbouring councils rather than decrease the opportunities. The repeated point on varying start dates is addressed above.

In relation to the submission on point 9, much of the local support will inherently remain in the region; a supplier based in Melbourne will still use a local mechanic, as transferring a vehicle to the city for servicing would be cost prohibitive. It is not clear why such enterprises would "not be willing to partner with another supplier" just because they may not have a head office in the locality. Additionally, the tender evaluation criteria will include local employment and community engagement. In relation to the last paragraph, no councils seek transport of bulk bins, and to the extent that one council may seek assistance with mobile garbage bins for some small businesses in its region, these constitute a tiny percentage of total collection points.

Yours sincerely



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