
From: Amy Glenister [REDACTED]
Sent: Tuesday, 1 December 2020 12:29 PM
To: Hobbs, Tanya; Channing, Darrell
Cc: Alistair Newton
Subject: RE: Market feedback and competition issues letter [SEC=OFFICIAL]

Tanya,

As requested, please see below MWRRG's clarification of the nature of the contingency arrangements that are the subject of the above application for revocation and substitution.

The additional councils are seeking the option to enter into contingency arrangements only if it is necessary (i.e., in the event their existing service provider becomes unavailable). We confirm that, if authorisation were granted, the additional councils would not immediately enter into long-term contracts (e.g., to 2032) with service providers to the South Eastern Organics Group (SEOG). Rather, the additional councils would access the SEOG contract on an 'as needs' basis. If their existing service provider is able to continue over the long term, then the current arrangements with that service provider would continue as is.

Further, we confirm that MWRRG will in future seek to replace the current limited overflow arrangements with a contingency and overflow arrangement for the entire metropolitan Melbourne area. This further competitive tender process will seek to appoint a panel of service providers to ensure that contingency and overflow options are available for all councils in metropolitan Melbourne, which is not presently the case. This will allow all service providers – including those who have raised concerns with the ACCC in the current process – to tender for the additional councils' volumes.

In the above context, MWRRG is open to a potential condition of authorisation that limits the maximum length of any contingency contracts entered into by the additional councils through the SEOG. MWRRG estimates that, in light of the further competitive tender process anticipated, MWRRG and the additional councils would require a period of at least three years. However, the period required to undertake the further competitive tender process is currently uncertain [CONFIDENTIAL] and, for that reason, MWRRG would like to explore with the ACCC a mechanism under any condition of authorisation that would allow MWRRG and the additional councils to obtain extension of time if necessary.

Kind regards,

Should the ACCC have any further queries, please let us know.

Kind regards,

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