Application for authorisation to jointly procure Landfill Services

Metropolitan Waste and Resource Recovery Group and certain Victorian councils

2 August 2019

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1 Applicants for authorisation

1.1 Contact details

Name Metropolitan Waste and Resource Recovery Group

(MWRRG) and the Victorian councils set out in Annexure A

(Participating Councils).

Address MWRRG

Level 4, Tower 4, World Trade Centre,

18/38 Siddeley Street Southbank VIC 3005

Telephone (03) 8698 9800

1.2 Contact person

Name Alistair Newton

Position Partner, Corrs Chambers Westgarth

Telephone (03) 9672 3483

Email <u>Alistair.Newton@corrs.com.au</u>

1.3 Description of business activities

MWRRG is a Victorian statutory body corporate established under section 50 of the *Environment Protection Act 1970* (Vic) (**EP Act**). MWRRG is responsible for municipal solid waste management and planning and, in that capacity, coordinates and facilitates the joint procurement of waste disposal services and sustainable resource recovery.

The Participating Councils are local government authorities established under the *Local Government Act 1989* (Vic) (**LG Act**). Under the LG Act, Participating Councils' functions include:

- planning for and providing services for the local community;
- exercising, performing and discharging the duties, functions and powers of councils under legislation; and
- any other function relating to the peace, order and good government of the municipal district.

Each of the Participating Councils is responsible for providing residential waste collection and processing services to their respective local communities.

1.4 Email address for service

Alistair.Newton@corrs.com.au

2 Details of the proposed conduct

2.1 Description

Overview

MWRRG and the Participating Councils propose to jointly procure services for the receival of residual waste (i.e., waste that is collected by councils' kerbside collection services, but which is not recycled or recovered and so is transported to landfill) and related ancillary services (e.g., the provision of transfer stations to receive and transport waste to landfill) (Landfill Services).

It is proposed that MWRRG will seek tenders from, and negotiate contractual terms with, suppliers of Landfill Services (**Service Providers**) – i.e., landfill operators – on behalf of the Participating Councils. The Participating Councils will then enter into separate, bi-lateral agreements with Service Providers to confirm their consent to the terms negotiated by MWRRG.

Memorandum of Understanding

To conduct the proposed joint procurement, MWRRG will first ascertain and take into account the individual and collective requirements of the Participating Councils (including, for example, in relation to the maximum acceptable distance and travel time to a Service Provider's facility). To that end, it is proposed that MWRRG and each Participating Council will enter into a Memorandum of Understanding (MOU) that sets out the Participating Council's requirements and facilitates its participation in the proposed joint procurement. The requirements specified in a Participating Council's MOU will be confidential to that Participating Council and MWRRG.

An MOU will not contain any binding terms regarding the acquisition of Landfill Services – such terms will only be contained in contracts that are entered into if ACCC authorisation is granted for the proposed joint procurement and the relevant Participating Council elects to proceed.

Each Participating Council's decision to sign the MOU will be voluntary and independent, and each Participating Council will remain free to withdraw from the joint procurement and separately select and contract with Service Providers if they wish to do so.

Tender

It is proposed that, once the Participating Councils' requirements have been ascertained, MWRRG will issue a competitive tender for the supply of Landfill Services on behalf of the Participating Councils (**Tender**).

The focus of the Tender will be to seek rates from the operators of existing major landfills in and around Melbourne (see further section 5.4 below). MWRRG expects that those existing landfill operators will offer two schedules of rates: one for guaranteed supply (i.e., where the landfill operator obtains certain minimum tonnages of residual waste from the relevant Participating Council(s)), and one where there is no guaranteed supply.

It is proposed that a tender evaluation panel comprising representatives of MWRRG and Participating Councils (**Panel**) will consider whether the Service Providers that respond to the Tender meet the requirements of the Participating Councils, and then make recommendations to the Participating Councils.

The Tender will also be structured to enable submissions from other businesses. For example, MWRRG may receive submissions in relation to:

- the expansion of services at existing transfer stations;
- the establishment of new transfer stations for consolidating waste and bulk hauling to a metropolitan or rural landfill;
- rural landfills not currently serving metropolitan areas; and/or
- landfills wishing to offer additional services by undertaking the sorting of waste to recover resources prior to landfilling the residual waste.

Concurrent joint procurement for AWP Services

In addition to the Tender, MWRRG proposes to conduct a concurrent process for the joint procurement of Alternative Waste Processing services (**AWP Services**). That joint procurement may include the construction and operation of one or more facilities for the recovery of value from residual waste through sorting, combustion, gasification or other processing technologies. The joint AWP Services procurement may in turn lead to the expansion of transfer facilities (where residual waste is delivered for transportation to AWP facilities) within metropolitan Melbourne and adjacent areas.

The joint AWP Services procurement will provide a means for councils to transition from Landfill Services to AWP Services if they choose to do so.² The contract term in respect of Landfill Services will allow for that transition to occur from around 2025 to 2029, when AWP facilities are expected to commence operations. In this sense, the proposed joint procurement for Landfill Services acts as a "bridging" arrangement between existing MWRRG-administered contracts in relation to residual waste and future AWP Services contracts.

MWWRG has lodged a separate application for authorisation in respect of the joint AWP Services procurement.

Negotiation of supply terms

Following the Tender, it is proposed that MWRRG will negotiate with Service Providers regarding terms for the supply of Landfill Services to Participating Councils, including volumes (guaranteed and non-guaranteed, as noted above) and facility requirements (e.g., capacity, management plans and operating

The first of the joint AWP Services procurements will be undertaken for metropolitan Melbourne councils in the east and south-east, followed by metropolitan Melbourne councils in the north and west in the longer term.

The operation of AWP and landfill facilities are also potentially complementary, with AWP sites requiring landfill sites as a potential contingency, as well as for the disposal of any residues from AWP solutions.

hours). MWRRG may also potentially negotiate rates and rate adjustment mechanisms with Service Providers.

Once the key terms of the arrangements have been negotiated by MWRRG, it is proposed that a contractual framework with the following elements will be implemented.

- A Landfill Services Deed between MWRRG and each Service Provider. The Landfill Services Deed will set out the key terms negotiated by MWRRG for the benefit of the Participating Councils.
- A Participation Agreement between MWRRG and each Participating Council. The Participation Agreement confirms the Participating Council's agreement to the Landfill Services Deed between MWRRG and the Service Provider, as well as providing for MWRRG to undertake certain administrative activities on behalf of the Participating Council. Each of the Participating Councils may require council-specific amendments to be made to their Participation Agreement.
- A Direct Deed between each Participating Council and relevant Service Provider(s). The Direct Deed confirms the key terms set out in the Landfill Services Deed.

This contractual framework is illustrated in **Figure 1** below.

Participation Agreement

Council

Direct Deed

MWRRG

Landfill
Services Deed

Service
Provider

Figure 1: Proposed contractual framework

Voluntary and independent participation

If a Participating Council wishes to contract with a Service Provider with which MWRRG has negotiated terms, it may pass its own, separate, resolution(s) independently approving its selection of the Service Provider. In this way, each Participating Council remains free to determine which Service Provider(s) it contracts with, and there will be no allocation of any Service Provider(s) between Participating Councils. Each Participating Council will also remain free to separately negotiate and contract with one or more Service Providers

not recommended by the Panel, or to engage in bi-lateral negotiations with one or more Service Providers entirely outside the proposed joint procurement.

Multiple Service Providers

Given the geographic spread of both Participating Councils and waste facilities (particularly the four existing large landfills), no single Service Provider will capture the total volume of residual waste under the proposed joint procurement. Instead, each Service Provider will secure volumes mostly from Participating Councils in the catchment area for which the Service Provider is the most convenient and cost-effective option (recognising that Participating Councils will generally seek to avoid the costs associated with transporting residual waste by selecting the geographically closest facility as its primary facility).

At the same time, it is anticipated that each Participating Council will decide to enter into contracts with more than one Service Provider as a contingency in the event of a temporary closure of its primary facility.

In these circumstances, each existing major landfill Service Provider is almost certain to be contracted to at least one of the Participating Councils, and more likely a group of between 5-10 Participating Councils.

Ongoing administration of contracts

The majority of decisions regarding the ongoing administration of the contracts are proposed to be made by MWRRG. In that task, MWRRG will be guided by administration principles and objectives (**Administration Principles**) to:

- (a) facilitate the efficient and effective performance of the Landfill Services Deed throughout the duration of the Landfill Services Deed;
- (b) minimise disruption of the availability of the Landfill Services (or any related services) to the Participating Councils for the duration of the Landfill Services Deed;
- (c) preserve the operation of the Landfill Services Deed, even in the event of non-performance or under performance of the Services or breach of a Landfill Services Deed by the Contractor, where to do so is in support of the other Administration Principles;
- (d) maximise the prospect of the Contractor complying with a Landfill Services Deed in accordance with its terms;
- (e) minimise the prejudice which might accrue to a Participating Council in the event of non-performance, under-performance or breach of a Landfill Services Deed by the Contractor; and
- (f) have regard to the interests of each of the Participating Councils.

A User Group is to be established for each Service Provider, i.e., each Participating Council executing a Direct Deed with a Service Provider will be a member of the User Group for that Service Provider. MWRRG will work with

each User Group to administer and manage the relevant contract to ensure its efficient and effective performance.

If required, User Groups may also make certain decisions on a range of matters including, for example, in relation to any ongoing financial obligations of the User Group members. It is also possible that User Groups may make decisions regarding the allocation of particular volumes of residual waste between contracted Service Providers – however, this is likely to occur only in the context of contingency arrangements, for example, in the event of a landfill closure.

Conduct to be authorised

Authorisation is sought for MWRRG and the Participating Councils to conduct the joint procurement described in this section 2.1, including:

- conducting the Tender;
- negotiating and executing the contractual framework for the supply of Landfill Services to Participating Councils; and
- agreeing and implementing joint decisions regarding the ongoing administration of the contracts for the supply of Landfill Services to Participating Councils.

Consistent with previous authorisation applications lodged by MWRRG and Victorian councils, MWRRG seeks authorisation of this conduct on the grounds that it will result in a net public benefit.

2.2 Relevant provisions of the *Competition and Consumer Act 2010* (Cth)

The relevant provisions of the *Competition and Consumer Act 2010* (Cth) (**CCA**) which could or might apply to the proposed conduct are:

- sections 45AF, 45AG, 45AJ and 45AK in relation to cartels;
- sections 45(1)(a) and (b) in relation to anticompetitive agreements;
 and
- section 45(1)(c) in relation to concerted practices.

2.3 Rationale

The overall objective of the proposed joint procurement is to enable Participating Councils to efficiently access Landfill Services and, in particular, to:

- achieve a robust tender/contract model that is based on best value, pricing transparency, appropriate risk allocation, flexible contract terms and reduced procurement costs; and
- enable the establishment of logistical outcomes that meet the Participating Councils' requirements and potentially reduce truck movements and transport costs; and

 provide a range of options to Participating Councils, ensure workable contingency arrangements and, in those contexts, enable each Participating Council to appoint more than one Service Provider.

The proposed joint procurement is structured to align with MWRRG's relevant statutory objectives and Victorian State Government plans, as outlined below.

- (EP Act) The proposed joint procurement is consistent with MWRRG's objectives under section 50AC of the EP Act, which include to:
 - plan, coordinate and facilitate councils' procurement of waste management and resource recovery services; and
 - assist metropolitan councils to undertake collective and joint efforts to reduce the generation of waste; maximise the sustainable recovery of materials from waste for reuse, recycling and reprocessing and energy recovery; and minimise the damage to the environment caused by waste disposal.

In performing this role, the EP Act requires MWRRG to collaborate with councils, Sustainability Victoria, the EPA, industry, business and the community.

(Metropolitan Implementation Plan) The re-tendering of Landfill Services is identified as a key performance indicator of the Metropolitan Implementation Plan (MIP), a summary of which is contained in MWRRG's 2018-21 Business Plan (see Annexure B). The proposed joint procurement will be structured to complement the objectives of the MIP, which include less waste sent to landfill, more materials recovered, and an increase in recovery of priority materials from residual waste from the commercial sector.

2.4 Term

Authorisation is sought for a total period of 10 years, comprising:

- an approximate 9- to 12-month period for the joint procurement process itself, including the Tender, and contract negotiation and execution stages;
- an approximate 9- to 12-month period between the award of the contracts and their commencement (which would be ahead of the expiry of certain existing MWRRG-administered contracts in March 2021). This lead time is necessary for various activities including council budgeting, logistics planning, User Group establishment, and the development of management plans; and
- a maximum 8-year operating term, comprising a maximum initial term of four years followed by up to two, two-year options exercisable by each Participating Council.

The proposed 4+2+2 year operational term reflects feedback received from Service Providers and Participating Councils that such a term would appropriately balance flexibility and certainty for all parties. It also reflects that the proposed joint procurement of Landfill Services is to act as "bridging" arrangement between now and when AWP Services are contracted, as described in section 2.1 above.

2.5 Interim authorisation

Interim authorisation is also sought for aspects of the proposed conduct, in particular to allow MWRRG and the Participating Councils to immediately commence the Tender and contract negotiation process.

MWRRG intends to commence advertising the Tender in September 2019. Interim authorisation will ensure that the joint procurement process can be initiated in this respect, and in time to allow the selected Service Providers to commence new contracts for Landfill Services by March 2021.

Interim authorisation is not sought for the execution of contracts, which will only occur if the ACCC issues a final determination authorising the proposed conduct. MWRRG submits that the granting of interim authorisation will not result in any public detriment as it has no potential for significant anticompetitive effects, and is highly unlikely to alter the competitive dynamics in any relevant market(s) (given that any conduct for which interim authorisation is granted will immediately cease should the ACCC subsequently issue a final determination refusing authorisation).

3 Relevant documents

The following documents have been prepared and provided to MWRRG's Board and Senior Management Team to support and inform the joint procurement process:

- an extract of a CEO report to the Board dated 19 December 2018 (see Annexure C);
- an issues paper (see Confidential Annexure D); and
- a project plan (see Confidential Annexure E).

4 Names or classes of persons who may be directly impacted

The only persons who may be directly impacted by the proposed joint procurement are the Service Providers. As discussed in section 9 below, as a result of the voluntary nature of the proposed joint procurement from the perspectives of both Participating Councils and Service Providers, Service Providers will not be disadvantaged by the proposed conduct. Contact details for Service Providers are given in section 10.1 below.

5 Relevant services, geographic areas, overlaps and industry

5.1 Services

Landfill Services include:

- the receival, sorting (if any), transfer and disposal of waste to landfill or other facilities for processing;
- the provision of infrastructure necessary to provide the relevant services in accordance with all requirements of the EPA (including roadways, sealed and hardstand areas, site fencing and services, buildings, weighbridge, computers and associated infrastructure);
- the supply, maintenance and security of plant, equipment, personnel, materials, goods and services, weighbridge records and incidentals; and
- the management of community issues associated with landfill and other facility operations.

5.2 Geographic areas

In previous determinations regarding authorisation applications by councils to jointly procure waste services, the ACCC has not considered it necessary to precisely define the relevant geographic market.

For the purposes of this authorisation application, MWRRG considers that the relevant areas are the areas surrounding each relevant landfill (see further section 5.4 below), and metropolitan Melbourne and adjacent areas as a whole.

5.3 Overlaps

Participating Councils relevantly overlap in the acquisition of waste services, including Landfill Services.

5.4 Industry

Overview

The relevant industry is the Landfill Services industry. Broadly, that industry involves the following supply chain.

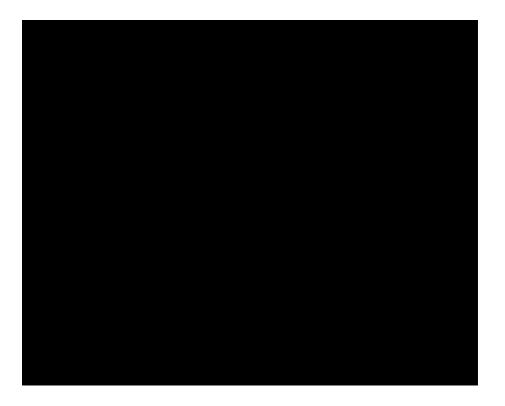
- (Waste collection) Councils collect residual (and other) waste from households as part of their local government services, usually through a contractor. Other sources of residual waste include industrial and commercial operations.
- (Transport and transfer) Contractors transport residual waste to facilities such as transfer stations and landfills.
- (**Disposal**) Service Providers receive residual waste at their facilities to dispose of that waste in landfill.

Landfills

In metropolitan Melbourne there are the following four major landfills (Cleanaway MRL, Hanson Wollert, Suez Hampton Park, Wyndham) and one minor landfill (Mornington Peninsula), all of which already service one or more Participating Councils.

- (Cleanaway MRL) Cleanaway's Melbourne Regional Landfill (MRL) facility at Ravenhall, which currently services the Melton, Brimbank, Moonee Valley, Maribyrnong, Yarra, Stonnington, Bayside and Cardinia councils.
- (Hanson Wollert) Hanson's landfill facility at Wollert, which currently services the Hume, Whittlesea, Nillumbik, Moreland, Darebin, Banyule and Maroondah councils.
- (SUEZ Hampton Park) SUEZ's resource recovery precinct at Hampton Park, which currently services the Glen Eira, Kingston, Frankston, Greater Dandenong, Casey, Knox, Whitehorse, Manningham and Yarra Ranges councils.
- (Wyndham) Wyndham City Council's refuse disposal facility at Werribee, which currently services the Wyndham, Hobsons Bay, Melbourne, Port Phillip, Boroondara and Monash Councils.
- (Mornington Peninsula) Mornington Peninsula Shire Council's Landfill and Resource Recovery Centre at Rye, which currently services the Mornington Peninsula Shire Council.

Figure 2 below shows metropolitan Melbourne councils (including Wyndham, which is not proposed to be a Participating Council because it will continue to use its own landfill at Werribee, as noted above) and the Service Providers to which they are currently contracted.



6 Market shares

Table 1 below sets out landfill tonnages by Participating Council and major landfill for 2018, illustrating the relative size of Participating Councils' requirements for Landfill Services.





7 Competitive constraints

7.1 Existing competitors

The Participating Councils may be considered to be competitors in the procurement of Landfill Services in the areas surrounding the landfills to which they are or may be contracted, and across metropolitan Melbourne and adjacent areas.

³ As noted above, Mornington Peninsula Shire Council currently uses its own landfill.

7.2 Countervailing power of Service Providers

The key existing Service Providers – i.e., the operators of the small number of landfills listed in section 5.4 above – exercise considerable countervailing power, for reasons including the following:

- (Lack of alternatives for Participating Councils) Participating
 Councils are required by legislation to collect and dispose of residual
 waste, which is regarded as a critical service to households. In
 providing that service, Participating Councils cannot readily substitute
 away from the use of landfills in the short- to medium-term (in the
 longer term, i.e. a 5- to 10-year timeframe, AWP Services may
 become available).
- (High market concentration) Only a small number of landfills are available to Participating Councils and, given transport costs, a Participating Council will generally have an incentive to use as its primary facility the facility which is geographically closest and offers the best logistical outcomes for the their collection contractor.
- (Barriers to entry) Finally, there is little regulatory or commercial scope for significant new landfills to be developed in metropolitan Melbourne all Victorian waste and resource recovery groups' individual plans typically include objectives to avoid the scheduling of new landfills and to optimise existing landfills. Various other Victorian Government policy documents also discourage the establishment of new landfills.

8 Public benefits

The proposed joint procurement will result in significant and sustained improvements to community welfare in the form of transaction cost savings, efficiencies and improved environmental outcomes – all of which have been recognised as public benefits by the ACCC in previous authorisation determinations for the joint procurement of waste services by MWRRG and Victorian councils.

8.1 Transaction cost savings

The proposed joint procurement will deliver significant transaction cost savings to Participating Councils, including reducing or eliminating the unnecessary duplication of costs associated with each Participating Council conducting tenders and engaging separately with potential Service Providers.

In particular, MWRRG's depth of expertise in technical waste management issues and procurement of waste services can be used collectively by all Participating Councils, rather than requiring each Participating Council to separately secure specialist tendering and contract management services. Participating Councils are not-for-profit government entities, and any cost savings can be expected to directly benefit ratepayers by reducing rates and/or freeing up resources to be applied to other local government activities.

The proposed joint procurement will also deliver considerable transaction cost savings to Service Providers, including by reducing or eliminating the administrative burden of dealing with multiple Participating Council procurement processes and contract types over the life of the proposed arrangements.

8.2 Efficiencies and capacity utilisation

The processing of combined quantities of residual waste from the Participating Councils will result in Service Providers achieving efficiencies and economies of scale in the delivery of their services, lowering the cost per tonne of material received. Contract terms allowing Service Providers to commit to new infrastructure (such as transfer stations), and the ability of Service Providers to plan for infrastructure investment over the life of their contracts, may also lead to further efficiencies.

The ability for Participating Councils to enter into arrangements with more than one Service Provider will also ensure consistency, certainty, and continuous service delivery to residents in the event of unplanned service interruptions.

8.3 Environmental benefits

The Tender offered to the market will allow for a number of different responses beyond Landfill Services, which may be at a higher order of resource recovery. This will facilitate an opportunity to establish transfer arrangements that reduce the number of truck movements and the distance travelled by council collection vehicles (resulting in the reduction of emissions, a healthier environment, and less congestion), as well as the opportunity to establish arrangements with AWP Services facilities in the future.

Environmental requisites, outcomes and improvements to landfills are managed and regulated by the EPA.

8.4 Achievement of legislative and Government objectives

As discussed in section 2.3 above, the proposed conduct is structured to align with MWRRG's statutory objectives under the EP Act (such as the coordination of local councils' procurement of waste and resource recovery services), and to complement the objectives of the MIP (which relevantly include, e.g., recovering more material and sending less waste to landfills). Further, the re-tendering of landfill services is a key performance indicator of the MIP. The achievement of these legislative and government objectives will in turn support the environmental benefits outlined in section 8.3 above.

9 Public detriment (including likely competitive effects)

The proposed joint procurement will not result in any discernible public detriment, including no adverse impact on competition for the acquisition of Landfill Services, for the following reasons.

- (Open and transparent process) The Tender process will be competitive and transparent. The Selection Panel will also have regard to detailed objective criteria, seek advice from the EPA and industry advisors, and be subject to an independent audit procedure and oversight by the Probity Advisor.
- (Voluntary for Participating Councils) Participating Councils' participation in the joint procurement and negotiation process will be voluntary, in that the Participating Councils will be free to instead independently select and negotiate with any alternative Service Provider(s) for Landfill Services through their own procurement process if they consider that this would result in a more favourable outcome than the proposed joint procurement. Even within the context of the proposed joint procurement, Participating Councils will be free to select and contract with any one or more of the Service Providers recommended by the Panel and are not restricted or directed to contract with any Service Provider(s).
- (Voluntary for Service Providers) Any joint decisions by MWRRG and Participating Councils regarding the allocation of volumes of residual waste will only apply to the ongoing administration of contracts with Service Providers who agree to participate in the contractual framework outlined in section 2.1 above, and there will be no broader boycott conduct. Service Providers are not required to deal with Participating Councils on a collective basis, and may choose to seek to contract with each Participating Council on a purely bilateral basis. Accordingly, there will be no forced aggregation of Participating Council volumes for the purposes of the proposed joint procurement, and no ability for the Participating Council to exercise market power as a result.
- (Countervailing power of Service Providers) Even if the aggregation of Participating Council volumes were forced on Service Providers, that would not be expected to result in an anti-competitive outcome (e.g., sub-competitive rates) because Service Providers can and would exercise their countervailing power in that context.
- (No change to market structure) It is expected that each existing major landfill will be contracted to at least one Participating Council under the proposed joint procurement, and in that event there would be no change to the existing market structure. Indeed, the proposed joint procurement largely reflects the existing arrangements that have been in place between MWRRG, councils and Service Providers since 2011. Further, in the unlikely event that a Service Provider is unable to contract with any Participating Council under the proposed joint procurement, there will still be opportunities for them to receive residual waste from industrial and commercial sources.

For the reasons set out above, MWRRG submits that the extensive public benefits of the proposed conduct will significantly outweigh any public detriment.

10 Contact details of relevant market participants

10.1 Service Providers

Cleanaway Pty Ltd

Level 4, 441 St Kilda Road MELBOURNE VIC 3004 Contact: Melinda Lizza

Phone: E-mail:

Hanson Wollert Landfill Services Pty Ltd

Ground Floor, 601 Doncaster Road DONCASTER VIC 3108

Contact: Daniel Fyfe Phone:

E-mail:

SUEZ Recycling & Recovery Pty Ltd

64-84 Waterview Close
DANDENONG SOUTH VIC 3175

Contact: Nat Bryant

Phone:

Wyndham City Council

45 Princes Highway Werribee VIC 3030 Contact: Simon Clay

Phone:

E-mail:

e-mail:

10.2 Industry groups and Government departments

Environment Protection Authority

200 Victoria St Carlton VIC 3053 Phone: 1300 372 842

E-mail: contact@epa.vic.gov.au

Sustainability Victoria

Level 28, 50 Lonsdale Street Melbourne VIC 3000 Phone: 03 8626 8700

E-mail: info@sustainability.vic.gov.au

Department of Environment, Land, Water and Planning

8 Nicholson Street East Melbourne VIC 3002

Phone: 136 186

E-mail: customer.service@delwp.vic.gov.au

Waste Management and Resource Recovery Association of Australia

Suite 4.08/10 Century Circuit Baulkham Hills NSW 2153

Phone: 02 8746 5000 Email: info@wmrr.asn.au

Declaration by applicant(s)

The undersigned declare(s) that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned undertake(s) to advise the ACCC immediately of any material change in circumstances relating to the application.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the *Criminal Code* (Cth).

Signature of authorised person

Solicitor on behalf of Metropolitan Waste and Resource Recovery Group (Office held)

Alistair Newton (Name of authorised person)

This 2 day of August 2019.

Note: If the Applicant is a corporation, state the position occupied in the corporation by the person signing. If signed by a solicitor on behalf of the Applicant, this fact must be stated.

Annexure A – Participating Councils

Banyule City Council (ABN 16 456 814 549)

Address 1 Flintoff Street

GREENSBOROUGH VIC 3088

Telephone (03) 9490 4222 Contact Simon Mc Millan

Chief Executive Officer

Bayside City Council (ABN 65 486 719 651)

Address 76 Royal Avenue

SANDRINGHAM VIC 3191

Telephone (03) 9599 4444

Contact Mick Cummings

Chief Executive Officer

Boroondara City Council (ABN 83 441 314 965)

Address 8 Inglesby Road

CAMBERWELL VIC 3124

Telephone (03) 9278 4444

Contact Phillip Storer

Chief Executive Officer

Brimbank City Council (ABN 35 915 117 478)

Address 301 Hampshire Road

SUNSHINE VIC 3020

Telephone (03) 9249 4000

Contact Helen Morrissey

Chief Executive Officer

Cardinia Shire Council (ABN 32 210 906 807)

Address 20 Siding Avenue

OFFICER VIC 3809

Telephone 1300 787 624

Contact Carol Jeffs

Chief Executive Officer

Casey City Council (ABN 43 320 295 742)

Address 2 Patrick Northeast Drive

NARRE WARREN VIC 3805

Telephone (03) 9705 5200

Contact Glenn Patterson

Chief Executive Officer

City of Greater Dandenong Council (ABN 41 205 538 060)

Address 225 Lonsdale Street

DANDENONG VIC 3175

Telephone (03) 8571 1000

Contact John Bennie

Chief Executive Officer

City of Greater Geelong Council (ABN 77 416 942 352)

Address City Hall, 30 Gheringhap Street

GEELONG VIC 3220

Telephone (03) 5272 5272 Contact Martin Cutter

Chief Executive Officer

Darebin City Council (ABN 75 815 980 522)

Address 274 Gower Street

PRESTON VIC 3072

Telephone (03) 8470 8888

Contact Sue Wilkinson

Chief Executive officer

Frankston City Council (ABN 49 454 768 065)

Address 30 Davey Street

FRANKSTON VIC 3199

Telephone (03) 9784 1888

Contact Dennis Hovenden

Chief Executive Officer

+ 61 3 9784 1888

correspondence@frankston.vic.gov.au

Glen Eira City Council (ABN 65 952 882 314)

Address Corner Glen Eira and Hawthorn Roads

CAULFIELD SOUTH VIC 3162

Telephone (03) 9524 3333

Contact Rebecca McKenzie

Chief Executive Officer

Hobsons Bay City Council (ABN 24 936 107 898)

Address 115 Civic Parade

ALTONA VIC 3018

Telephone (03) 9932 1000

Contact Aaron Van Egmond

Chief Executive Officer

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Contact Andrew Day

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Contact Ben Rimmer

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MELTON VIC 3337

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Contact Kelvin Tori

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MOONEE PONDS VIC 3039

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Contact Bryan Lancaster

Chief Executive Officer

Moreland City Council (ABN 46 202 010 737)

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COBURG VIC 3058

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Contact Nerina Di Lorenzo

Chief Executive Officer

Mornington Peninsula Shire Council (ABN 53 159 890 143)

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ROSEBUD VIC 3939

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Chief Executive Officer

Nillumbik Shire Council (ABN 64 487 894 794)

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GREENSBOROUGH VIC 3088

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Chief Executive Officer

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ST KILDA VIC 3182

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Contact Peter Smith

Chief Executive Officer

Stonnington City Council (ABN 67 688 032 530)

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MALVERN VIC 3144

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Chief Executive Office

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NUNAWADING VIC 3131

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Contact Noelene Duff

Chief Executive Officer

Whittlesea City Council (ABN 72 431 091 058)

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SOUTH MORANG VIC 3752

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Contact Simon Overland

Chief Executive Officer

Yarra City Council (ABN 98 394 086 520)

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RICHMOND VIC 3121

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Contact Vijaya Vaidyanath

Chief Executive Officer

Yarra Ranges Shire Council (ABN 21 973 226 012)

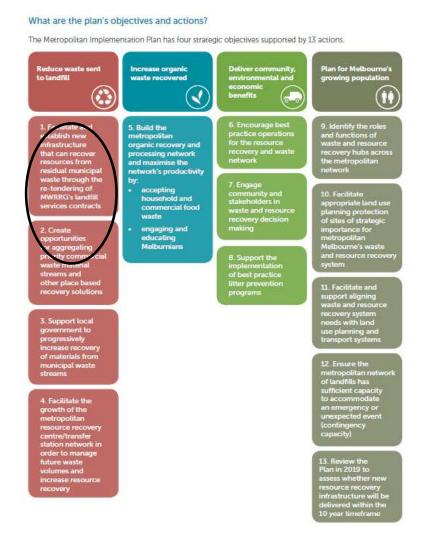
Address Anderson Street

LILYDALE VIC 3140

Telephone 1300 368 333 Contact Tami Rose

Chief Executive Officer

Annexure B – Summary of MWRRG 2018-21 Business Plan







Annexure C – MWRRG Board Paper – CEO Report December 2018





Extension of existing landfill contracts

MWRRG has existing landfill Services Deeds with Suez, Hanson and MRL until 31 March 2021. Participating councils at these sites will continue their arrangements.

MWRRG is liaising with the City of Wyndham about extending the existing Landfill Services Deed for the Wyndham RDF. At present it is expected that councils will continue with existing arrangements until 2021. However, it is understood that the City of Wyndham has been separately contacting individual councils in respect of its plans to transform the RDF into an integrated waste and resource recovery

Replacement of the MWRRG collective landfill contracts

MWRRG has begun work on the replacement of the collective contracts with SUEZ, Hanson, MRL and Wyndham. MWRRG has prepared a draft issues paper and procurement plan and has met with the council user groups.

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Confidential Annexure D – MWRRG Collective Procurement Issues Paper January 2019

Confidential Annexure E – MWRRG Collective Procurement Project Plan November 2019



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Contact officer: Miriam Kolacz Contact phone: (03) 9658 6476

adjudication@accc.gov.au www.accc.gov.au

3/06/2019

Alistair Newton Special Counsel Corrs Chambers Westgarth

By email: alistair.newton@corrs.com.au

Dear Mr Newton

Fee waiver request

I refer to your letter of 20 May 2019 to the Australian Competition and Consumer Commission (ACCC) in respect of a proposed application for authorisation. In your letter you have requested that the ACCC grant a fee waiver in respect of the proposed arrangements.

In particular, you have requested that the fee to be paid in relation to an application for authorisation to be lodged by Metropolitan Waste and Resource Recovery Group (MWRRG) be waived.

In support of your request, among other things, you submitted that:

- (a) MWRRG is a not-for-profit government entity and its activities in relation to the joint procurement of residual waste services are part-funded by way of a broad Ministerial grant
- (b) Any fee paid in relation to the proposed authorisation application will divert resources away from other activities funded by this grant.

Having regard to the above, as a person authorised to assess fee waiver requests for and on behalf of the ACCC, I wish to advise that the application fee to be paid by MWRRG has been waived in part. An application fee of \$2500 will apply with respect to the application for authorisation to be lodged by MWRRG.

This decision will remain in force for a period of three months. The three month period will expire on 3 September 2019.

A copy of this letter should accompany the application for authorisation to be lodged by MWRRG. The cover letter to the application should mention that a letter from the ACCC regarding a fee waiver is enclosed with the application. The application together with this letter will be placed on the public register at that time.

If the application for authorisation is lodged by MWRRG after 3 September 2019, a full application fee of \$7500 will apply, unless you make, and the ACCC approves, another fee waiver.

Should you have any queries in relation to this matter, please do not hesitate to contact Miriam Kolacz on (03) 9658 6476.

Yours sincerely

David Jones General Manager Adjudication