



12 February 21

Ms Tanya Hobbs
A/g Senior Analyst Adjudication,
Merger and Authorisation Review Division ACCC
By email to adjudication@accc.gov.au

RE: Gippsland Waste and Resource Recovery Group application for authorisation AA1000543 – interested party consultation

Dear Ms Hobbs,

The Victorian Waste Management Association (VWMA) is a not-for-profit association representing Victorian waste recycling businesses. The VWMA operates as a subsidiary of the Victorian Transport Association. The VWMA has 120 business members, ranging from small, family owned and operated companies to multinational corporations. The VWMA represents;

- Waste collection specialists, operating more than 5,000 waste trucks on Victorian roads.
- More than 10,000 sanitation and recycling workers,
- A membership with a total member turnover in excess of \$2 billion.

VWMA members commit to protect Victorian communities, workers and the environment. The association notes how GWRRG is seeking authorisation under the *Competition and Consumer Act 2010 (Cth)* on behalf of itself and six Victorian Councils (the Applicants). The six Councils are:

1. Bass Coast Shire Council,
2. Baw Baw Shire Council,
3. East Gippsland Shire Council,
4. Latrobe City Council, South
5. Gippsland Shire Council and,
6. Wellington Shire Council.

Authorisation would give the Applicants legal protection to jointly investigate and the councils to jointly procure the provision of organic waste processing services.

The Councils will sign individual contracts with the successful tenderer/s but are also seeking authorisation to cover the potential for their ongoing joint management of the contracts.

The Applicants are seeking authorisation until 1 July 2042, in order to allow for the required return on investment to support investment in new processing infrastructure and construction or upgrade of new facilities.

VWMA comment

As a general principle - the VWMA submits that market innovation and public good is maximised where;

- The number of market opportunities is maximised.
- The number of competitors who can bid for those market opportunities is maximised.
- The transparency and availability of tender documents is maximised.
- Market opportunities occur frequently and evenly. That is, they are spread evenly over time, rather than aggregated into a single event.
- The size of the resultant activity is optimal with respect to asset and supervisory utilisation.

Therefore, in general the Council institutions should avoid tenders which;

- Minimise the number of competitors who can bid.
- Aggregate all tender opportunities such they are available on the market infrequently or unevenly.
- Are tendered for such a period that innovation and market agility will be stifled.

In regard to the draft determination; *Gippsland Waste and Resource Recovery Group application for authorisation AA1000543* - the Council does not believe this tender conforms to the above-mentioned principles.

Therefore, the VWMA objects to this aggregated tender, and ask the ACCC to reject his request.

We look forward to your response.

Sincerely,



Alex Serpo

**Executive Officer
Victorian Waste Management Association (VWMA)**

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