

Tara Cheyne MLA

Minister for the Arts, Culture and the Creative Economy

Minister for City Services

Minister for Government Services and Regulatory Reform

Minister for Human Rights

Member for Ginninderra

RESPONSE TO QUESTION ON NOTICE**Questions on Notice Paper No 42****17 May 2024****Question No. 1919****MS CLAY:** To ask the Minister for City Services —

With reference to the Question taken on notice on 19 March 2024, answer signed 9 May 2024 the final point stating “The Territory is unable to calculate the total in-kind value including salvaging rights under the agreement as the market value, the types and quality of the material recovered is highly variable”.

- (1) Has ACT Government included estimates or valuations for the in-kind value of salvaging rights on Reusable Facilities Services in past procurement processes.
- (2) Was this calculated or estimated for the procurements that resulted in the (a) Green Shed contract, (b) Aussie Junk contract and (c) Revolve contract; if so, what were the estimates or valuations used in these previous procurement processes.
- (3) Did ACT Government consider any methods for the most recent Reusable Facility Services procurement process to calculate the value of salvage at current rates, such as asking the current operator what their annual valuation was or what their annual takings from sale of the stock was.

Tara Cheyne MLA – The answer to the Member’s questions are as follows:

- (1) ACT NoWaste identified estimated values in two past procurement processes of the reuseable facilities in both 2009 and 2011. These procurement estimates were based on the Mugga Lane Reuseable Facility revenue of the previous financial year/s.
- (2) For the procurements that resulted in;
 - a. The Green Shed: Contracts were undertaken via three separate procurements, one for Mitchell and two for the Mugga Lane reusable facility.
 - i. The Procurement for Mitchell RMC reuseable facility from 2011 had an estimated value between \$400k – \$500k per annum, based on the revenue of the Mugga Lane facility for the 2009/2010 FY and;



- ii. The Procurement for the Mugga Lane reuseable facility from 2009 had an estimated value between \$500k and \$750k per annum based on revenue of the Mugga Lane facility for the previous operating periods. It was not able to be identified if this was based on the immediate prior financial year alone or a range of years.
 - iii. The Procurement for the Mugga Lane reuseable facility from 2015 did not include an estimated value.
 - b. Aussie Junk: Contracts were undertaken via two separate procurements, one for Mitchell and one for the Mugga Lane reusable facility.
 - i. They operated as a subcontractor to Thesis Environmental Services from 2001 to 2011, for the operation of the Mitchell reusable facility and;
 - ii. The Procurement for the operation of the Mugga Lane reuseable facility from 2007 to 2011 did not include an estimated value.
 - iii. Note: Aussie Junk went into administration during the term of these contracts.
 - c. Revolve: Contracts were undertaken via three separate procurements, one for West Belconnen and two for the Mugga Lane reusable facility.
 - i. The Procurement for the Mugga Lane reusable facility in 1996-2001 did not include an estimated value for the procurement;
 - ii. The contracting processes for the West Belconnen reusable facility which operated until 2004 has limited documentation available for review and it was unable to determine what methodology or revenue estimates were undertaken and;
 - iii. They operated as a subcontractor to Thesis Environmental Services from 2001 through to 2007 for the Mugga Lane reuseable facility.
- (3) In the most recent Reusable Facility Services procurement, the Territory considered how to incorporate the value of the salvaged material into the procurement methodology. It was determined that this was not appropriate given the lack of data available and the variability in the value of commodities depended on:
- a. Condition of the product.
 - b. Fluctuation in market demand.
 - c. Resale markets (for. e.g. store fronts, op-shops locally and nationally) adopted by potential respondents.
 - d. Pricing and material acceptance policies and methodologies of potential respondents.
 - e. Fluctuations in commodity markets for ferrous and non-ferrous metals.

The Territory did not ask the current contractor what their annual valuation or their takings from sale of stock was.

Approved for circulation to the Member and incorporation into Hansard.



Tara Cheyne MLA
Minister for City Services

Date: 17/6/24

This response required 5hrs 25mins to complete, at an approximate cost of \$601.12.