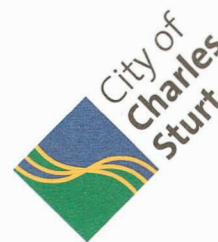


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13 April 2018

Mr Gavin Jones
Director
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Jones,

Council Solutions Application for Authorisation AA1000414 – Interested Party Consultation

Thank you for your letter dated 27 March 2018 in which you invited the City of Charles Sturt to make a submission to the Australian Competition and Consumer Commission (ACCC) on the application you have received from Council Solutions for waste collection services.

The City of Charles Sturt is one of a number of metropolitan Adelaide Councils participating in the Council Solutions Waste Project because we believe that working collaboratively will deliver a wide range of benefits for our communities. A collaborative approach to waste and recycling services will ensure that we continue to deliver high quality waste services that are more effective and efficient than operating as a single entity.

Councils are under increasing pressure to balance community expectations for higher quality service provision, while at the same time minimising increases to operating costs and hence rates. With rate capping proposed for introduction in South Australia, the pressure on Council to deliver more with less is increasing, with waste services a significant item cost for Councils. The Council Solutions joint procurement for waste service will deliver lower cost services for the participating Councils, without the need to reduce services to the community.

Anticipated cost savings include:

- Tender process cost savings and efficiencies as a result of a single tender process. A single tender process will reduce not only the administration costs, but the legal, technical and probity advice costs associated with the preparation of documentation and the market approach, as these can be shared amongst the larger group.
- Lower costs for participating Councils through improved purchasing power and increased service efficiencies. Standardising service requirements and providing assurance of business over time will drive lower costs and optimise value for money opportunities. In addition the consolidated specification and service standard outlined in the application will allow potential contractors to optimise use of service vehicles and collection routes leading to efficiency savings.

In addition to the cost savings outlined above, it is also anticipated that Council Solutions' application will deliver a range of environmental benefits for our community. Most

importantly, we believe that where local government collaborate to manage contamination and align education messages, diversion from landfill will be increased and there will be less waste sent to landfill. With China's National Sword Policy starting to impact the Australian waste and recycling industry, reducing contamination is more important than ever to ensure our recyclable material has a suitable end market.

At its meeting of 28 August 2017, Council received a report - Item 6.95 Council Solutions Waste – in which Council committed to the approach to the ACCC in relation to the joint procurement of waste and recycling services by participating Council Solutions Councils.

The environmental benefits of a joint procurement process for waste and recycling services is acknowledged with Councils 'Living Green to 2020' environmental plan. Outlined in the Plan, action 1.3.15 specifically states that Council will *'continually improve cost effectiveness of waste and recycling services to the community, including partnership with other Council's'*.

Working collaboratively with other Councils on procurement projects is also consistent with the City of Charles Sturt procurement policy. Within our procurement policy there are a number of key principals that support a joint procurement approach for waste services, in particular:

- *Council delivers value for money services to the community* – To ensure that the best overall value/result is obtained through applying a strategic and cost effective approach.
- *Open/Fair/Effective competition* – To ensure open and fair competition by providing suppliers and contractors with appropriate access to Council's procurement opportunities.
- *Environmental Sustainability* – To promote and adopt purchasing practices which conserve resources, save energy, minimise waste and protect the environment to the greatest extent possible.

We have a long history of collaborating with other Councils on major procurement projects, with a 20 years history with the G6 Procurement Group, and now Council Solutions. We also have an extensive history of collaboration for waste and recycling services which include:

- Green organics processing in partnership with the East Waste group of Councils (March 2015);
- Waste processing and disposal in partnership with the Waste Care SA group of Councils (September 2014);
- Sorting and processing of mixed recyclables in partnership with the City of Tea Tree Gully (October 2010); and
- Kerbside waste collection services and hard waste collection services in partnership with the City of Tea Tree Gully (October 2010)

In combination these procurements have resulted in a saving of \$1.2 million per annum for our community on their waste and recycling services, when compared to previous contracted prices.

Given our extensive history of positive experience with joint procurement of waste and other services, we are seeking to pursue a continued focus on strategic and collaborative procurement through the Council Solutions application and urge you to consider its community benefits, for the future benefit of our ratepayers.

As a group we have taken care to ensure the process to seek tenders will be open and transparent and will promote a fair, equitable and competitive market approach.

I very much look forward to receiving the ACCC's draft determination and working with you to ensure the process is a success.

Yours sincerely,



Paul Sutton
Chief Executive Officer, City of Charles Sturt