

Verbal Submission to the ACCC Conference in regard to Application for Authorisation AA1000414 (Kerbside Collection)

City of Charles Sturt Chief Executive Paul Sutton

- Thank you for the opportunity to speak in support of the Council Solutions Kerbside Waste Collection service application.
- As outlined in our written submission to the ACCC we are pleased to be working with the participating Councils on this project, as we believe that a collaborative approach will delivery best value of money for our community while optimising opportunities to improve the quality and environment performance of the kerbside waste collection service.
- We welcome the ACCC Draft Determination assessment and **strongly agree** with your assessment that a collaborative approach to the procurement of the Kerbside Waste Collection service will provide a public benefit which is likely to outweigh any claimed public detriment.
- The public benefits that will be realised through this application include:
 - Transaction cost savings
 - Improved efficiencies in Kerbside Collection Services
 - Improved environmental performance
 - Stimulation of competition
- As a council with over 20 years' experience of working with other Councils on major collaborative procurement projects we know that the above mentioned public benefits will be achieved as these benefits are based on previous experience and not speculation as some in the industry would have you believe.
- In recent times we have collaborated on a number of major waste related projects, including
 - Kerbside collection and hard waste services in partnership with Tea Tree Gully (October 2010)
 - Mixed recycling sorting and processing in partnership with Tea Tree Gully (October 2010)
 - Waste processing and disposal in partnership with the Waste Care SA group (September 2014)
 - Green Organics processing in partnership with East Waste (March 2015)
- These projects have benefitted our community by some \$1.2 million per annum (when compared to previous contracted prices).
We seek to continue to provide best value to our community (especially in the face or imminent rate capping) and a general need from our community to ensure every dollar is spent prudently.

Transaction Cost Savings

- The ACCC draft determination (Sections 74-78) concluded that overall the collaborative activity is likely to result in transaction costs saving for both the Council and the Suppliers, relative to each council conducting its own activity. The transaction costs savings are likely as a result of: Sections 74 – 78:
 - Reducing Council administration and other costs (e.g. technical, legal, probity etc.)
 - Removing duplication across participating councils
 - Standardising specifications
 - Reducing the duplication of work for the tenderers by having a single tender
 - Monitoring and managing contract performance and data and potentially shared contract administration and management.

- Both W.R.A.S.A. (Waste & Recycling Association of SA) and W.R.I.S.A. (Waste & Recycling Industry Association of SA) claim that the conduct will not result in tender cost savings because the involvement of Council Solutions will add an extra layer of bureaucracy.

We strongly refute this claim as past experiences have shown us that significant savings are made. From our perspective it means the work is being done once rather than 4 times.

In addition, throughout this process we have made savings arising from using joint expert technical and commercial expertise and joint legal support. This expert consultancy support is not insignificant in a tender of this nature and has enabled us to prepare our tender documentation ahead of the anticipated market release shortly more cost effectively.

From the bidder's side it means they are dealing with a consistent specification and can respond as a single offer, that tender negotiations are done once rather than 4 times etc.

Improved Efficiencies

- Improved efficiencies will also be realised through this application, again this is something that the ACCC has acknowledged in their draft determination. We expect to see improved efficiencies in:
 - Collective contract administration and management and data monitoring and evaluation.
 - The ability to maximise the efficiency of collection routes and vehicles across Participating Councils facilitated by allowing mixed waste from the 4 Council's
 - In addition this can result in a reduction in the number of spare trucks required to cover repairs/breakdowns etc.

Improving environmental outcomes

- Improving environmental outcomes is another important area that as a participating Council we want to achieve. This collaborative approach will provide an opportunity to centrally coordinate and review data captured and reported by

the collection vehicles. This data will be used to report on contractor performance, compliance and contamination rates. The opportunity around improved data to monitoring and manage compliance and contamination rates will allow the participating Councils to better understand the performance of the kerbside collection service. This will assist in developing targeted education material that will help to reduce the amount of material we send to landfill.

- The recent media focus on waste and recycling has created a greater level of community awareness around waste and recycling issues. Our community is now demanding more accountability and transparency from Council around how waste and recycling material is handled and processed. Improved data monitoring will help Council when communicating to our residents about these important issues.
- A joint and unified single education program aimed at changing behaviour will create more cut through of our message for the participating Councils this supporting our communities toward correct waste separation practices. The aggregation of resources will improve the design and delivery as well as the cost effectiveness of the community program meaning more can be done. In turn it will improve the likelihood of the diversion from landfill and the reduction of contamination levels. We believe this will contribute to the achievement of the State Governments waste diversion strategies and targets and a better environment.
- One of W.R.A.S.A. and W.R.I.S.A's. main claims is that this project will reduce the level of competition in the South Australian market. We strongly refute this claim and the ACCC draft determination stated that it is likely that the proposed conduct will stimulate additional competition rather than decrease it.