

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

RE: COUNCIL SOLUTIONS' APPLICATION FOR AUTHORISATION AA1000414 COLLECTION SERVICES – DRAFT DETERMINATION

Dear Ms Cramond,

Regarding the above draft determination we request the National Waste Recycling Industry Council (NWRIC) be added to the list of interested parties.

The National Waste and Recycling Industry Council ([NWRIC](http://www.nwrirc.com.au)) is the representative body for national waste and recycling service providers. Its core activity is to proactively engage with all of the industry's key stakeholders to promote solutions to the challenges facing the sector.

The current host companies of the Council: Hanson, Cleanaway, J. J. Richards and Sons, Solo Resource Recovery, Sims Metal Management, Suez, Remondis, ResourceCo and Veolia and State and Territory affiliates - WRIQ, WRCA, VWMA, WRISA, WRIWA and WRINT - represent the majority of the private capital invested into waste management and recycling assets in Australia.

In reference to the *Draft Approval of Councils Solutions'*, we make the following comments.

COMMENT ON DRAFT APPROVAL

The Council notes that Council Solutions, on behalf of the Cities of Adelaide, Charles Sturt, Marion and Port Adelaide Enfield (Participating Councils), seeks authorisation to jointly procure the collection of domestic waste, recyclables and organics through the utilisation of a 3-bin system, including the supply and maintenance of mobile garbage bins, through a collaborative competitive tender process.

As a general principle - the NWRIC 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 will object to tenders that;

- Minimise the number of competitors who can bid.
- Aggregate all tender opportunities such they 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; *AA1000414 (Kerbside Collection) - Council Solutions* - the Council does not believe this tender conforms to the above mentioned principles.

Therefore, the NWRIC joins with the Waste Recycling Industry Association of SA (WRISA) and Solo Resource Recovery in objecting to this aggregated joint tender. In regard to these supporting submissions, the NWRIC would like to highlight the following points;

- The cost savings claimed by Council Solutions are not supported by any financial modelling, nor is there detailed methodology of how they will be implemented.
- There is no evidence of how the claimed benefits, either in the Application, or in previous examples of such collaborative tendering, have been passed through to council residents via reduced rates or service costs.

We welcome further correspondence on this important matter.

Sincerely,

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