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24 August 2018

Ms Tessa Cramond
Analyst, Adjudication, Mergers and
Authorisation Review Division
Australian Competition & Consumer
Commission (ACCC)
GPO Box 3131
CANBERRA ACT 2601

Dear Ms Cramond

Re: Council Solutions application for authorisation AA1000414 (Kerbside Collection) – ACCC Draft determination

We refer to the ACCC's draft determination of the Application for authorisation received from Council Solutions on behalf of the Cities of Adelaide, Charles Sturt, Marion and Port Adelaide Enfield (Participating Councils)

SULO MGB Australia Pty Ltd is an Australian manufacturer and supplier to the waste and recycling industry of waste containers, commonly referred as Mobile Garbage Bins or MGBs. Our organisation is the oldest established manufacturer of these products in Australia and provided many of the existing MGBs within the Adelaide and SA regions. We continue to manufacture and supply MGB product to councils across Australia.

Whilst not a member of the Waste & Recycling Industry of South Australia (WRISA), our organisation is a member of the Waste Contractors and Recyclers Association, NSW (WCRA), the NSW equivalent forming part of the National group. We have been informed of a letter, dated 20 August 2018 from WRISA and write to support the claims contained within this letter.

We further note that this application has included the procurement of MGB products within the scope and that this determination will allow for the removal of a direct procurement relationship with councils to a 'third party only' arrangement via the Kerbside Collection tender. This determination therefore removes our ability to conduct business with these Councils.

Further, the combined size of the group with 180,000 households requiring a 3-bin waste & recycling system will mean the changeover of over 1 million bins (in and out). However, it is unlikely to provide any real public benefit, as each council, unlike a merged arrangement will still require their own set of MGBs with their own council logos, colours, markings and instructions. And the fact that this group of councils is geographically diverse will also mean that any distribution of the new MGBs and pick up of the old containers will require multiple staging locations and hence no cost benefit over the individual arrangement.

In fact, the scale of the manufacturing and distribution operations is likely to add considerable complexity and hence increased cost, which would not be offset by a large-scale production run. The production of the new MGBs will require up to 12 months of storage before they could be distributed and the time frame to

conduct such an operation is almost too late to consider.

Lastly, a project of this size is likely to disrupt normal operations which is not desirable for our business or that of our customers whom depend upon us to deliver these containers on a regular small quantity basis, all over Australia. Given that the Councils currently operate alone and will see little benefit, if not detriment from joining as one for procurement, as advised above, we request review of this application.

Please contact me should you wish to discuss.

Yours Sincerely,

John Kernahan

National Sales Manager

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