



THE HON CHRISTOPHER PYNE MP
MINISTER FOR DEFENCE INDUSTRY
LEADER OF THE HOUSE
MEMBER FOR STURT

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Mr Sims, 

I write to raise the concerns of by representatives of the Waste and Recycling Association of South Australia (WRASA). They are concerned about the recent action taken by the Adelaide City Council, and the cities of Charles Sturt, Marion and Port Adelaide Enfield in creating the 'Council Solutions Regional Authority' (Council Solutions) procurement group.

I understand that Council Solutions has made an application to the ACCC for authorisation of its proposed activities.

I wrote to you on behalf of WRASA in 2016 raising their concerns about Council Solutions. The application was dismissed by the ACCC on the grounds that the group would cause a detriment to the public and would lessen competition in the Adelaide Waste Industry. It is the belief of WRASA that this new application for the implementation of the Council Solutions Group has not addressed the concerns raised by ACCC in 2016.

I have been informed by WRASA that in their opinion there will be potential consequences for other waste and recycling groups if the Council Solutions' application is successful.

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It is of WRASA's opinion that allowing the councils to bid together will see the closure of small business and subsequently a loss of local jobs. Further, Council Solutions' proposed conduct could increase costs as the complexity of tendering with four councils and seven different waste services will result in higher costs per Council to procure their waste services.

Additionally, WRASA have informed me that a similar joint organics collection and processing tender in Maitland failed to entice more contractors as they only received two non-conforming tenders for the joint tender but six conforming tenders for a subsequent processing tender. WRASA believes that this example of a similar procurement group demonstrates the loss of competitiveness that could occur if Council Solutions' application was successful.

I do appreciate your attention to the points raised above by WRASA.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Hon Christopher Pyne MP', with a large, stylized initial 'C'.

Hon Christopher Pyne MP

July 2018 CD