



CITY OF
ADELAIDE

Enquiries: Danielle Arnfield d.arnfield@cityofadelaide.com.au
Reference: 2015/02855

25 Pirie Street, Adelaide
GPO Box 2252 Adelaide
South Australia 5001

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T (08) 8203 7203
F (08) 8203 7575
W cityofadelaide.com.au

Australian Competition & Consumer Commission
Attn: Tessa Cramond
Level 17, Casselden
2 Lonsdale Street
Melbourne Vic 3000

ABN 20 903 762 572

sent via e-mail: adjudication@accc.gov.au

cc: Oliver Barry oliver.barry@councilsolutions.sa.gov.au

Dear Ms Cramond

Submission in relation to application for authorisation AA1000419

We refer to the above matter, in which the Australian Competition & Consumer Commission (**ACCC**) as requested a submission from the Corporation of the City of Adelaide (**the City of Adelaide**) as an interested party.

The City of Adelaide submits that the ACCC should grant the authorisation sought by Council Solutions for the reasons set out in the application from Council Solutions and below:

1. The City of Adelaide has directed Council Solutions to act on its behalf and facilitate the procurement, negotiation and contracting process in relation to processing services.
2. Noting the impact of China's National Sword Policy on the recyclables commodity markets nationally, Council Solutions and the City of Adelaide:
 - a. are committed to ensuring commercial and risk sharing mechanisms (such as appropriate rise and fall provisions) are utilised in the contracts so that fair, sustainable and transparent contract arrangements are established;
 - b. has given consideration to appropriate operating terms in the market, which has been reflected in the differing initial terms outlined in Table 3 of Application AA100419, combining flexibility with commercial certainty to underpin any innovation in response to the National Sword Policy or other market changes;
 - c. notes that:
 - i. contracts are due to commence from 2020, providing two years for the market to settle and implement the solutions they generate now to the National Sword Policy; and
 - ii. we will be required to go to market to establish new contracts for the provision of recyclables processing irrespective of the proposed conduct. By collaborating



with the other participating councils, we will be reinforcing and supporting the changes that occur in the market, which will be more effective with our combined volume than if we were to go to market separately.

3. The City of Adelaide is committed to its partnering with other local government areas, in particular through its association with Council Solutions. This is demonstrated by the City of Adelaide's 20-year association with Council Solutions (previously known as G6).

Please feel free to contact Danielle Arnfield on the above details with any further enquires. The City of Adelaide looks forward to a positive outcome for the application.

Yours sincerely



Mark Goldstone
CEO – City of Adelaide

