



4 June 2018

Mr Gavin Jones
Director
Australian Competition and Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Jones

Council Solutions Application for Authorisation AA1000419 – Interested Party Consultation

Thank you for the opportunity for the City of Charles Sturt to make a submission to the Australian Competition and Consumer Commission (ACCC) on the application you have received from Council Solutions for waste processing services.

The City of Charles Sturt is pleased to be working with the other participating Councils as we believe that a collaborative approach will secure best value of money for our community, while optimising opportunities to improve the environmental performance of our waste and recycling services.

Local Government is under increasing pressure to balance community expectations for higher quality services, while at the same time minimising increases to operating costs and hence rates. These pressures are becoming ever more evident as rate capping is being implemented in South Australia.

The collaborative approach to delivering services across Council boundaries and initiatives, such as the one proposed by Council Solutions, will enable Council to deliver more with less, and in doing so, provide sustainable services to our community.

The City of Charles Sturt strongly believes that the Council Solutions submission for the joint procurement of waste and recycling processing services will deliver the following benefits:

- Tender process cost saving and efficiencies as a result of a single tender process.
- Lower costs for participating Councils through improved purchasing power, particularly around giving industry certainty around waste and recycling material volumes.
- Environmental benefits delivered through greater investment in technology to improve sorting and reprocessing. This will largely be driven by certainty around volumes. The combined volumes of waste and recyclable material generated through this joint approach will provide economies of scale to attract new investment that will lead to improved sorting and reprocessing and will ultimately reduce the amount of waste being sent to landfill.

- Maximise competition in the South Australian market. As stated above the likely combined volumes generated through this joint procurement will provide the economies of scale to stimulate the market for new investment.
- Present an opportunity to avoid duplication of contract management resources across by the Council's

In addition to the benefits outlined above, it is our belief that the Council Solutions submission will provide stability and certainty for the recycling industry here in South Australia in the wake of China's National Sword policy. Further, it may in fact be the catalyst required to present an on-shore opportunity that addresses both the environmental imperatives in a sustainable way while also potentially contributing to an economic outcome within South Australia.

We are well aware of the difficulties being faced by the recycling industry as a result of China's policy. Moving forward, we are committed to ensuring that commercial and risk sharing mechanisms are utilised in the contracts so that fair, sustainable and transparent contract arrangements are established. The Council Solutions submission offers a unique opportunity to attract innovation and provide stability, as the combined volumes are far more attractive to such an industry opportunity than the uncertainty created by separate market approaches.

As previously highlighted to the ACCC, the City of Charles Sturt has a long history of joint procurement projects via the G6 Procurement Group, and now Council Solutions. We also have extensive experience in collaboration for waste and recycling services and in particular processing services, these include:

- Green organics processing in partnership with the East Waste group of Councils (March 2015);
- Waste processing and disposal in partnership with the Waste Care SA group of Councils (September 2014);
- Sorting and processing of mixed recyclables in partnership with the City of Tea Tree Gully (October 2010).

Based on our extensive history of positive experience with joint procurement, we are seeking to pursue a continued focus on strategic and collaborative procurement through the Council Solutions application and urge you to consider favourably the community benefits of this application.

I look forward to receiving the ACCC's draft determination and working with you to ensure the process is a success.

Yours sincerely



Paul Sutton
Chief Executive Officer