

16 August 2018

Ms Tessa Cramond
Adjudications
Australian Competition and Consumer Commission
GPO Box 520
Melbourne Vic 3001

By email: adjudication@acc.gov.au

Cc: tessa.cramond@acc.gov.au

Dear Ms Cramond

Submission in relation to Council Solutions application for authorization AA1000414 (Kerbside Collection) – Draft Determination

We refer to the draft determination issued by the ACCC on 20 July 2018 proposing to grant authorization AA1000414.

Jeffries Group is a fourth-generation South Australian family business whose purpose is to create value from organic resources, thus ensuring a long-term sustainable organics-recycling model for South Australia. Jeffries currently receives and processes a large proportion of the kerbside-collected green organics from Adelaide metropolitan councils. Jeffries is a member of AORA and it will be noted that this submission largely addresses the same concerns that have been raised by our industry association.

It is Jeffries submission that:

1. There will be no public benefit delivered by the proposed arrangement. Adelaide is currently a highly competitive market, already serviced by a large number of providers and facilities. The proposed joint tender will not result in any efficiencies in transport or processing due to the geographical spread of the participating councils.
2. The joint tender process itself will also not be more efficient as it will add cost and complexity due to the combinations and permutations that must be considered.
3. The joint procurement will not produce sufficient administration savings to offset the additional costs being added by the extra layer of bureaucracy that Council Solutions represents.
4. The quality of the organic material being received via kerbside collection services is vitally important for the viability of our business and this is likely to be compromised by the joint procurement model for the following reasons:
 - Council Solutions being interposed as the contract manager will diminish opportunities for joint waste education initiatives with Councils.
 - Council Solutions being interposed as the contract manager will frustrate the process of dealing with contamination events and issues, which are currently effectively managed directly with collection contractors and Council staff.

It is respectfully suggested that the majority of any perceived benefits that the Participating Councils may derive from the proposed joint procurement process could be achieved by adopting a common

tender document and a common contract document, neither of which would require a determination from the ACCC. The potential benefits of any co-operation beyond this have not been sufficiently made out by the applicant, while the public and industry detriment has been well articulated by many interested parties.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'MJ', with a long horizontal line extending to the right.

Martin Jeffries
Managing Director
Jeffries Group
+61 417 808 643
mlj@jeffries.com.au