



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

1 November 2018

Mr Gavin Jones
Director, Adjudication
ACCC
GPO Box 520
MELBOURNE VIC 3001

By email: adjudication@acc.gov.au

GAVIN
Dear Mr Jones

**COUNCIL SOLUTIONS APPLICATIONS FOR AUTHORISATION AA1000419 AND
AA1000420**

Following the further hearing on 22 October, 2018 we remain concerned with the proposed Council Solutions' joint procurement proposal. The tendering process, scope of proposed contracts and the capital required to tender each preclude small to medium sized businesses submitting a tender and, of course, severely impacting competition in the waste collection supply chain.

We support the Small Business Commissioner of South Australia's views, specifically:

- The application for processing and ancillary services cannot be considered in isolation to the kerbside, when it is proposed that all three streams commence from May 2020 for a 10-year operating term. The three separate applications will achieve the same result as the 2016 application, and that result will be detrimental to competition in the South Australian waste industry.
- The geographic area covered by the proposed joint procurement proposal prevents small to medium sized businesses suppliers submitting a tender as they do not have the resources to tender for four council areas.
- The bank guarantees required for the contract proposed by Council Solutions will preclude small businesses from bidding. The capital requirements and bank guarantees for a contract of the size that is proposed are beyond the reach of small to medium size businesses.

Large, centralised tenders eliminate small to medium size businesses from the tender process. To sustain competition in the waste industry, tenders must ensure that these businesses have an equal opportunity to tender for supply contracts.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6121 5312 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

T 1300 650 460 E info@asbfeo.gov.au
www.asbfeo.gov.au

Office of the Australian Small Business and Family Enterprise Ombudsman
GPO Box 1791, Canberra City ACT 2601