



Senator the Hon Matthew Canavan

Minister for Resources and Northern Australia

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2061

Dear Mr Sims,

I write regarding concerns raised by the Waste and Recycling Association of South Australia (WRASA) over the recent Draft Determination and Interim Authorisation made by the Australian Competition and Consumer Commission (ACCC) for an application lodged by Council Solutions.

Council Solutions, a procurement group established by the Adelaide City Council, the City of Charles Sturt, City of Marion and the City of Port Adelaide Enfield, have applied for authorisation to conduct collaborative competitive tenders, evaluate responses in collaboration with each other and jointly negotiate a contractual framework for its proposed activities.

As previously I raised with you by way of letter in October 2016 in relation to a similar application by Council Solutions, I hold great concerns regarding any decision to grant an exemption to actions that otherwise would or might substantially lessen competition or to allow cartel-like behaviour.

Strong competition laws are extremely important to protect small businesses in Australia. Decisions that may lock small business out of contracts can lead to less investment, less innovation and less dynamism in the Australian economy.

I am advised that Council Solutions' application in 2016 was dismissed by the ACCC, noting in its final determination that there would not be a net public benefit as a result of the proposed conduct and that such a proposal would lessen competition in the Adelaide waste industry. The ACCC also found that there would be no reduced transportation costs and no environmental benefit would flow from a joint collection tender.

WRASA's representations indicate that this new application made by Council Solutions is materially similar to their previous application and fails to address the bulk of the issues raised by the ACCC in 2016. As such, my caution at exempting any activities that otherwise would or might substantially lessen competition or allow cartel-like behaviour remains.

As well as there being no net public benefit and the potential for poorer services and increased procurements costs, WRASA considers that if the proposed activities by Council Solutions are permitted, they are likely to result in the closure of small businesses and a loss of local jobs.

I take this opportunity to thank you for your consideration of the concerns I have raised regarding any potential impact on competitive processes.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Canavan', with a long horizontal flourish extending to the right.

MATTHEW CANAVAN

Cc: Waste and Recycling Association of South Australia (WRASA)