



The Hon Michael McCormack MP

**Deputy Prime Minister
Minister for Infrastructure and Transport
Leader of The Nationals
Federal Member for Riverina**

18 JUL 2018

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Mr Sims

I write to raise the concerns of representatives of the Waste and Recycling Association of South Australia (WRASA) representing 24 waste companies of all sizes in South Australia.

My understanding is that the Council Solutions procurement group made up of the Adelaide City Council, the City of Charles Sturt, City of Marion and the City of Port Adelaide Enfield have made an application to the Australian Competition and Consumer Commission (ACCC) for authorisation to conduct collaborative competitive tenders, evaluate responses in collaboration with each other and jointly negotiate a contractual framework for its proposed activities. WRASA are concerned of the possible competition issues (or lack of competition) that may arise should that application be granted.

I have been informed that a similar application by Council Solutions in 2016 to the ACCC was dismissed 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 have also informed me the new application submitted to the ACCC by Council Solutions is materially similar and fails to address the issues raised by the ACCC in 2016.

I am also informed that the four Councils are not all adjacent to each other and that this will have the potential to inhibit future opportunities for infrastructure development in resource recovery as well as increase transport costs which will ultimately be borne by ratepayers.

In regard to small businesses, granting such an application would make it harder for those smaller entities to tender due to the complexity of the tenders and the resources needed to comply with such tenders.

WRASA considers that the consequences of the proposed activities by Council Solutions will likely result in the closure of small businesses and a loss of local jobs and additionally, the potential for increased costs per Council to procure waste services.

I take this opportunity to thank you for your consideration of the concerns I have raised.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael McCormack". The signature is written in a cursive, slightly slanted style.

Michael McCormack MP