

24 September 2018

General Manager, Adjudication Branch  
Australian Competition and Consumer Commission  
Attention: Jaime Martin

By email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

Dear Sir/Madam

**Application for Authorisation (AA1000428) - Campbelltown City Council and Ors**

Council refers to the Waste Contractors and Recyclers Association NSW's (WCRA) submission dated 27 August 2018 in relation to the above Application, and respectfully provides the following comments.

In respect of WCRA's comments in relation to issues surrounding market uncertainty, the concerns raised will be explored by way of industry consultation. This process has already commenced, with informal consultation undertaken during 2017, and a formal consultation is planned to ensure that industry has sufficient opportunity to provide comment in relation to current market issues, including those surrounding CDS legislation and China's National Sword Policy. The Councils value this input in order to guide preparation of a tender specification that is aligned to contemporary market conditions and expectations.

In respect of WCRA's comments in relation to the proposed contract term, this timeframe was purposely selected on the basis that it reflects the timeframe of the current Authorisation, and of advice received from industry during the initial consultation undertaken in 2017. This advice supports the belief of the Councils that a contract term of 15 years with a further five year option would allow sufficient time for processing companies to amortise capital investments, and provide sufficient time in the event that new waste processing infrastructure was required to be constructed.

Further, the Councils are of the view that the rationale for this contract term is explained in considerable detail within the Application, particularly in clauses 6.13 to 6.21 (*Background to proposed conduct*, pg. 14), 11.40 to 11.50 (*Lack of competition in Residual Waste sub-market*, pg. 34) and 11.60 to 11.69 (*Guaranteed supply of Waste Material and critical mass*, pg. 38). Residents of Campbelltown, Camden, Wollondilly and Wingecarribee Councils have benefited significantly through reduced waste disposal costs from the existing regional waste processing contract, which allowed for the negotiation of competitive gate rates primarily due to the 15 year commitment made by the Councils providing the processing industry a high measure of certainty.



Finally, while the Councils are of the view that many of the 'conditions' proposed by WCRA bear no direct relationship to the proposed regional tender process, due consideration will be given to these comments during the tender preparation and evaluation phases.

Please do not hesitate to contact Council's primary contact officer, Mr Peter Rimmer, Domestic Waste Services Coordinator if you require further clarification in relation to this response. Peter can be reached by email [peter.rimmer@campbelltown.nsw.gov.au](mailto:peter.rimmer@campbelltown.nsw.gov.au), phone 02 4645 4689 or mobile 0409 386 377 any time.

Yours sincerely



Jim Baldwin

**Director City Development**