

30 November 2015

Dr Richard Chadwick
General Manager, Adjudication
Enforcement & Compliance Division
Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Via email

Dear Dr Chadwick,

APPLICATION FOR AUTHORISATION OF A COMBINED WASTE TENDER PROCESS

Council Solutions, on behalf of the Corporation of the City of Adelaide and the Cities of Charles Sturt, Marion, Tea Tree Gully and Port Adelaide Enfield (**Participating Councils**), is interested in exploring whether there are any public benefits to be gained through a combined tender for waste collection, waste disposal and the receipt and processing of recyclables and organics.

Council Solutions, on behalf of itself and the Participating Councils, seeks authorisation from the Australian Competition & Consumer Commission (**ACCC**) to undertake this process via the lodgement of a Form B application.

Council Solutions wrote to the ACCC on 27 October 2015 to request a fee waiver or reduction. The ACCC responded on 2 November 2015 offering a partial fee waiver, a copy of the letter confirming this has been attached to this application. Please note the City of West Torrens was stated to be a Participating Council in the request for the fee waiver or reduction – they have since confirmed their withdrawal from the project.

Attached is the entire application for authorisation, which includes:

- a Form B application for authorisation;
- public and confidential versions of the supporting submission to which the Form B refers;
- a copy of the letter from the ACCC granting a partial fee waiver for this application; and
- confirmation of payment of the \$2,500 lodgement fee via the ACCC payment portal.

Please do not hesitate to contact me if there are any queries regarding this.

Kind Regards,



Taryn Alderdice
Contract Management Officer
Council Solutions

Form B

Commonwealth of Australia

Competition and Consumer Act 2010 — subsections 88 (1A) and (1)

AGREEMENTS AFFECTING COMPETITION OR INCORPORATING RELATED CARTEL PROVISIONS: APPLICATION FOR AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection(s) 88 (1A)/88 (1) of the *Competition and Consumer Act 2010* for an authorisation:

- to make a contract or arrangement, or arrive at an understanding, a provision of which would be, or might be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which would also be, or might also be, an exclusionary provision within the meaning of section 45 of that Act).
- to give effect to a provision of a contract, arrangement or understanding that is, or may be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which is also, or may also be, an exclusionary provision within the meaning of section 45 of that Act).
- to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act.
- to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

(Strike out whichever is not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of Applicant:
(Refer to direction 2)

A91520

- Council Solutions
- Adelaide City Council
- The City of Charles Sturt
- The City of Marion
- The City of Tea Tree Gully
- The City of Port Adelaide Enfield

- (b) Short description of business carried on by applicant:
(Refer to direction 3)

Council Solutions is a regional authority established under section 43 of the *Local Government Act 1993* (SA) through the joint initiative of Adelaide City Council and the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully (**Constituent Councils**) with the purpose of optimising the financial sustainability

of the Constituent Councils through the benefits of collaborative strategic procurement and contract negotiation and management.

The Participating Councils are all local government authorities and bodies corporate incorporated under the provisions of the *Local Government Act 1993* (SA) and provide the services as outlined in section 7 of that Act. For more detail, please refer to Part 3 in the submission supporting the Application (the **Supporting Submission**) which is lodged with this form.

- (c) Address in Australia for service of documents on the applicant:

Council Solutions

GPO Box 2252

Adelaide SA 5000

Attn: Taryn Alderdice

Email: taryn.alderdice@councilsolutions.sa.gov.au

2. **Contract, arrangement or understanding**

- (a) Description of the contract, arrangement or understanding, whether proposed or actual, for which authorisation is sought:
(Refer to direction 4)

The Applicants propose to jointly tender, negotiate and contract for the supply of:

- i. Waste collection services;
- ii. Receiving and processing of recyclables;
- iii. Receiving and processing of organics; and
- iv. Waste disposal services.

The Applicants also propose to make joint decisions regarding the ongoing administration of any resulting contracts. For more detail, please refer to Part 4 in the Supporting Submission.

- (b) Description of those provisions of the contract, arrangement or understanding described at 2 (a) that are, or would or might be, cartel provisions, or that do, or would or might, have the effect of substantially lessening competition:
(Refer to direction 4)

Please refer to Parts 4.1 & 4.2 in the Supporting Submission.

- (c) Description of the goods or services to which the contract, arrangement or understanding (whether proposed or actual) relate:

The proposed conduct relates to:

- v. Waste collection services;
- vi. Receiving and processing of recyclables;
- vii. Receiving and processing of organics; and
- viii. Waste disposal services.

For more detailed description of these services please refer to Part 5 in the Supporting Submission.

- (d) The term for which authorisation of the contract, arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:

The applicants seek authorisation for a total period of 17 years, comprising:

- A 3 year period for the joint procurement process, including investigation, market approach, negotiation, execution and mobilisation of the contracts;
- A standard market operating term; and
- The capacity to accept a longer than standard market operating term of up to 14 years where the proposal is linked with infrastructure investment, environmental initiatives or economic development.

For more detail, please refer to Part 6 in the Supporting Submission.

3. Parties to the proposed arrangement

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

Suppliers of:

- i. Waste collection; and

Operators of:

- ii. Receiving and processing of recyclables; and
iii. Receiving and processing of organics
iv. Waste disposal

services that are selected as a result of the competitive tender that is proposed to be issued by the Applicants as part of the proposed joint procurement process.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:
(Refer to direction 5)

Adelaide City Council
Colonel Light Centre
25 Pirie Street
Adelaide SA 5000

City of Charles Sturt
72 Woodville Road
Woodville SA 5011

City of Marion
245 Sturt Road
Sturt SA 5047

City of Tea Tree Gully
571 Montague Road
Modbury SA 5092

City of Port Adelaide Enfield
163 St Vincent Street
Port Adelaide SA 5015

The above are all local government authorities and bodies corporate incorporated under the provisions of the *Local Government Act 1993* (SA) and provide the services as outlined in section 7 of that Act. For more detail, please refer to Part 3.2 in the Supporting Submission.

4. Public benefit claims

- (a) Arguments in support of authorisation:
(Refer to direction 6)

Please refer to Part 8 in the Supporting Submission.

- (b) Facts and evidence relied upon in support of these claims:

Please refer to Part 8 in the Supporting Submission.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (c) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 7)

Please refer to Part 9 in the Supporting Submission

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the authorisation, in particular the likely effect of the contract, arrangement or understanding, on the prices of the goods or services described at 2 (c) and the prices of goods or services in other affected markets:
(Refer to direction 8)

Please refer to Part 11 in the Supporting Submission

- (b) Facts and evidence relevant to these detriments:

Please refer to Part 11 in the Supporting Submission

7. Contract, arrangements or understandings in similar terms

This application for authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the abovementioned contract, arrangement or understanding.

- (a) Is this application to be so expressed?

No

- (b) If so, the following information is to be furnished:

- (i) description of any variations between the contract, arrangement or understanding for which authorisation is sought and those contracts, arrangements or understandings that are stated to be in similar terms:
(Refer to direction 9)

N/A

- (ii) Where the parties to the similar term contract(s) are known — names, addresses and descriptions of business carried on by those other parties:

N/A

- (iii) Where the parties to the similar term contract(s) are not known — description of the class of business carried on by those possible parties:

N/A

8. Joint Ventures

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Competition and Consumer Act 2010*)?

No

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

N/A

- (c) If so, by whom or on whose behalf are those other applications being made?

N/A

9. Further information

- (a) Name and address of person authorised by the applicant to provide additional information in relation to this application:

Council Solutions

GPO Box 2252

Adelaide SA 5000

Attn: Taryn Alderdice, Contract Management Officer

Email: taryn.alderdice@councilsolutions.sa.gov.au

Phone: (08) 8203 7173

Mobile: 0437 448 783

Dated.....30/11/15.....

Signed by/on behalf of the applicant

.....Taryn Alderdice.....
(Signature)

.....Taryn Alderdice.....
(Full Name)

.....Contract Management Officer.....
(Position in Organisation)

DIRECTIONS

1. Use Form A if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision and which is also, or might also be, an exclusionary provision. Use Form B if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision or a provision which would have the purpose, or would or might have the effect, of substantially lessening competition. It may be necessary to use both forms for the same contract, arrangement or understanding.

In lodging this form, applicants must include all information, including supporting evidence, that they wish the Commission to take into account in assessing the application for authorisation.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. Where the application is made by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which the application is made.
4. Provide details of the contract, arrangement or understanding (whether proposed or actual) in respect of which the authorisation is sought. Provide details of those provisions of the contract, arrangement or understanding that are, or would or might be, cartel provisions. Provide details of those provisions of the contract, arrangement or understanding that do, or would or might, substantially lessen competition.

In providing these details:

- (a) to the extent that any of the details have been reduced to writing, provide a true copy of the writing; and
 - (b) to the extent that any of the details have not been reduced to writing, provide a full and correct description of the particulars that have not been reduced to writing.
5. Where authorisation is sought on behalf of other parties provide details of each of those parties including names, addresses, descriptions of the business activities engaged in relating to the subject matter of the authorisation, and evidence of the party's consent to authorisation being sought on their behalf.
 6. Provide details of those public benefits claimed to result or to be likely to result from the proposed contract, arrangement or understanding including quantification of those benefits where possible.
 7. Provide details of the market(s) likely to be effected by the contract, arrangement or understanding, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the authorisation.
 8. Provide details of the detriments to the public which may result from the proposed contract, arrangement or understanding including quantification of those detriments where possible.
 9. Where the application is made also in respect of other contracts, arrangements or understandings, which are or will be in similar terms to the contract, arrangement or understanding referred to in item 2, furnish with the application details of the manner in which those contracts, arrangements or understandings vary in their terms from the contract, arrangements or understanding referred to in item 2.



**Australian
Competition &
Consumer
Commission**

Our Ref: C2015/31
Contact Officer: Tess Macrae
Contact Phone: 03 9290 1835

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Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
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www.accc.gov.au

2 November 2015

Taryn Alderdice
Contract Management Officer
Council Solutions

By email: taryn.alderdice@councilsolutions.sa.gov.au

Dear Ms Alderdice

Fee waiver request

I refer to your letter of 27 October 2015 to the Australian Competition and Consumer Commission (ACCC) in respect of a proposed application for authorisation by Council Solutions, on behalf of the Corporation of the City of Adelaide and the Cities of Charles Sturt, Marion, Tea Tree Gully, Port Adelaide Enfield and West Torrens (the Councils).

You advise that the proposed application will involve an agreement between the Councils to explore whether there are any public benefits to be gained through a combined tender for waste collection, waste disposal and the receipt and processing of recyclables and organics (proposed Form B application).

In your letter you have requested that the ACCC grant a fee waiver in respect of the proposed application.

In particular, you have requested that the fee to be paid in relation to an application for authorisation to be lodged by the Councils be waived in whole or in part.

In support of your request, among other things, you submitted that:

- the Councils are not profit making entities
- the budget for this fee is derived from taxpayers and is not set in current budgets, meaning payment of the fee for authorisation would divert funds away from other public functions.

Having regard to the above, as a person authorised to assess fee waiver requests for and on behalf of the ACCC, I wish to advise that the application fee to be paid by the Councils has been waived in part. An application fee of \$2500 will apply with respect to the application for authorisation to be lodged by the Councils.

This decision will remain in force for a period of three months. The three month period will expire on 2 February 2016.

A copy of this letter should accompany the application for authorisation to be lodged by the Councils. The cover letter to the application should mention that a letter from the ACCC

regarding a fee waiver is enclosed with the application. The application together with this letter will be placed on the public register at that time.

If the application for authorisation is lodged by the Councils after xx January/February 2016, a full application fee of \$7500 will apply, unless a subsequent request for a fee waiver is made and ultimately approved by the ACCC.

Should you have any queries in relation to this matter, please do not hesitate to contact Tess Macrae on 03 9290 1835.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal line.

Dr Richard Chadwick
General Manager
Adjudication

1. EXECUTIVE SUMMARY

The Adelaide councils of Adelaide City Council and the Cities of Charles Sturt, Marion, Tea Tree Gully and Port Adelaide Enfield (together, the **Participating Councils**) propose to jointly procure:

- Waste Collection services;
- Receiving and Processing of Recyclables;
- Receiving and Processing of Organics; and
- Waste Disposal services (together, the **Service Streams**)

Council Solutions Regional Authority (**Council Solutions**), a Regional Subsidiary whose role is to facilitate collaborative procurements, proposes to act on the Participating Councils' behalf and facilitate the procurement, negotiation and contracting process in relation to the acquisition of the above services.

The Applicants seek authorisation from the Australian Competition and Consumer Commission (**ACCC**) in respect of the following proposed conduct:

- Council Solutions, on behalf of the Participating Councils, to conduct collaborative competitive tender processes for services within the Service Streams, to evaluate the responses in collaboration with the Participating Councils and to negotiate on behalf of the Participating Councils the contractual framework;
- the Participating Councils to individually enter into separate contracts on identical or near identical terms with each Supplier/Operator (the contracts for all services within the Service Streams will be on the same general terms and conditions); and
- certain decisions regarding the ongoing administration and management of the resultant contracts to be made jointly by Council Solutions and/or particular Participating Councils.

The Applicants seek interim authorisation from the ACCC at the time of the draft determination in respect of this application to enable Council Solutions to commence with the tender and contract negotiation process.

Council Solutions submits the proposed conduct will result in no material public detriment and significant public benefits, including:

- transaction cost savings for both Participating Councils and Suppliers/Operators;
- improved purchasing power, leading to lower costs for Participating Councils;
- greater economies of scale and efficiency, underwriting investment in infrastructure;
- environmental benefits from the increased efficient diversion of waste from landfill; and
- improved incentive for new market entrants or expansion.

TABLE OF CONTENTS

1. Executive Summary	1
2. Confidentiality	4
3. Background	4
3.1 Council Solutions	4
3.2 The Participating Councils	5
4. The Proposed Conduct	5
4.1 Joint Tenders	6
4.2 Ongoing administration of contracts	6
5. Description of the Services	6
5.1 Waste Collection	6
5.2 Receiving and Processing of Recyclables	7
5.3 Receiving and Processing of Organics	8
5.4 Waste Disposal	8
6. Period for which authorisation is sought.....	9
6.1 Joint procurement process	9
6.2 Standard market operating term	9
6.3 Potential longer term requirement.....	9
7. Request for interim authorisation – timetable.....	10
8. Public Benefit.....	10
8.1 Transaction cost savings.....	10
8.2 Improved purchasing power	11
8.3 Greater economies of scale and efficiency	11
8.4 Environmental benefits.....	11
8.5 Improved incentive for new market entrants or expansion	12
9. Market definition.....	13
9.1 Waste Collection	14
9.2 Receiving and Processing of Recyclables	14
9.3 Receiving and Processing of Organics	16
9.4 Waste Disposal	16
10. Counterfactual	17
11. Public Detriment.....	17
12. Conclusion	18
ANNEXURE 1	19
Data for Participating Councils, Metropolitan Adelaide Councils & All Metropolitan Source Sectors.....	20
Participating Councils' current supplier arrangements	21

ANNEXURE 2	22
Some potential outcomes for each Service Stream	23
Additional waste handling Service Streams potential outcomes	24

2. CONFIDENTIALITY

This public version of the Supporting Submission excludes information that has been provided to the Australian Competition and Consumer Commission (**ACCC**) on a confidential basis. Confidential information has been excluded and replaced with the word “**CONFIDENTIAL**”.

3. BACKGROUND

This submission is lodged by Council Solutions Regional Authority (**Council Solutions**) on behalf of itself and the Adelaide councils of Adelaide City Council and the Cities of Charles Sturt, Marion, Tea Tree Gully and Port Adelaide Enfield (together, the **Participating Councils**) in support of an application to the ACCC for authorisation to jointly investigate the options to tender, negotiate, contract and administer the provision of:

- Waste Collection services;
- Receiving and Processing of Recyclables;
- Receiving and Processing of Organics; and
- Waste Disposal services (together, the **Service Streams**)

Waste management within South Australia has been the subject of a number of governmental policies and strategic plans which has resulted in two key strategic targets for local governments to contribute to:

1. Target 67 of South Australia’s Strategic Plan: *Reduce waste to landfill by 35% by 2020 (baseline: 2002-03); Milestone of 25% by 2014.*¹
2. South Australia’s Waste Strategy 2011-2015: *Metropolitan Municipal Solid Waste diversion of 70% by 2015.*²

Whilst the latest Recycling Activity Survey³ shows South Australia met the 2014 milestone for the reduction of waste going to landfill, it also shows the Metropolitan diversion target was not reached, with only 59.4% achieved.

In establishing the South Australian Waste Strategy for 2015-2020 Zero Waste SA has noted

*Waste management represents a considerable proportion of local council operating budgets, including infrastructure investment and operation, delivery, contract management, education and awareness. Increased collaboration and optimisation of resources and effort, made possible through consistency across municipalities, could bring substantial savings.*⁴

It is against this background the Applicants wish to collaborate to achieve the public benefits outlined below.

3.1 COUNCIL SOLUTIONS

Council Solutions is a Regional Subsidiary established under s43 of the *Local Government Act 1999* (SA) (**LG Act**) by the Corporation of the City of Adelaide and the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully (the **Constituent Councils**) in December 2012. Council Solutions’ primary purpose is the commitment to improving the financial sustainability of the Constituent Councils through collaborative strategic procurement, contract negotiation and management. This service can also be provided to other councils within South Australia under the Council Solutions Charter and Council Solutions has fostered a relationship with the non-Constituent Participating Council to this end. Council Solutions is funded by councils by way of an administration fee levy on contracts.

¹ SA Strategic Plan, 2011

² South Australia’s Waste Strategy 2011-2015, 2011, Zero Waste

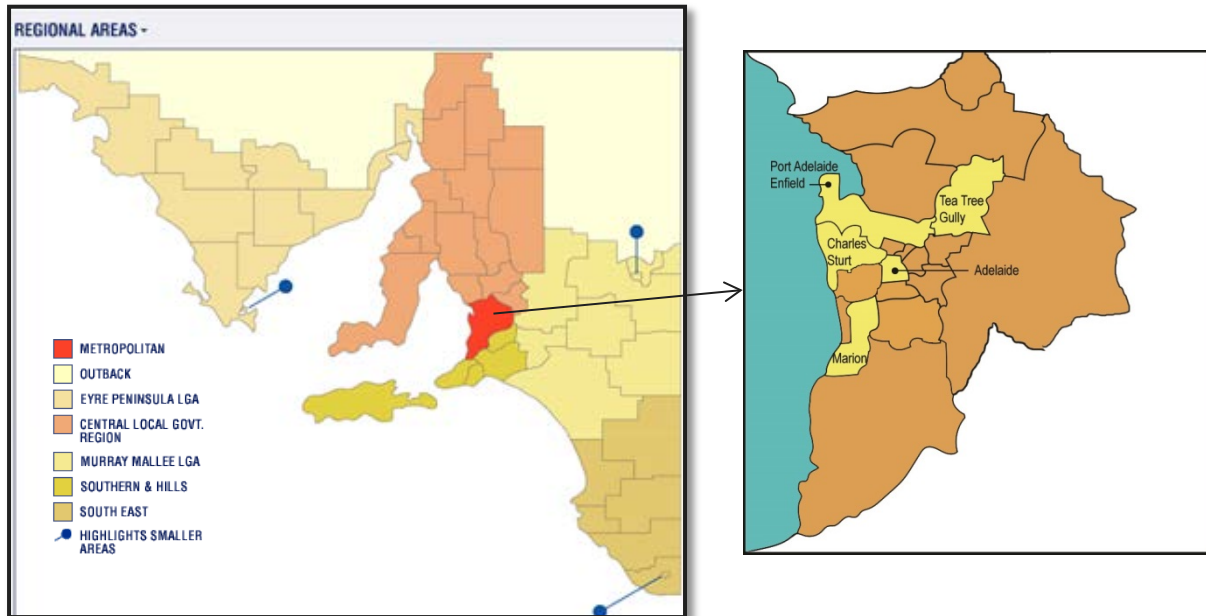
³ South Australia’s Recycling Activity Survey: 2013-14 Financial Year Report, February 2015, Zero Waste SA

⁴ Waste Strategy 2015-2020, Consultation Draft 2015, Zero Waste SA

Council Solutions intends to take the lead in the proposed conduct for which authorisation is sought.

3.2 THE PARTICIPATING COUNCILS

The Participating Councils are situated within the Metropolitan Adelaide area with most sharing one or more geographic boundaries with another Participating Council. Their specific location is depicted in Map 1 below.



Map 1: Location of the Participating Councils with the Metropolitan Adelaide area

The functions and powers to the Participating Councils are set out in the LG Act which specifically states local government is required to provide a range of services, including waste collection.

7-Functions of a council

The functions of a council include—

() ...

(b) to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including ... waste collection ...).

Further information regarding the Participating Councils is given in Annexure 1.

4. THE PROPOSED CONDUCT

Authorisation is sought for:

- Council Solutions, on behalf of the Participating Councils, to conduct collaborative competitive tender processes for services within the Service Streams (including the sharing of information), to evaluate the responses in collaboration with the Participating Councils and to negotiate on behalf of the Participating Councils the contractual framework;
- the Participating Councils to individually enter into separate contracts on identical or near identical terms with each Supplier/Operator (the contracts for all services within the Service Streams will be on the same general terms and conditions); and
- certain decisions regarding the ongoing administration and management of the resultant contracts to be made jointly by Council Solutions and/or particular Participating Councils.

The proposed tender structure is outlined below.

4.1 JOINT TENDERS

Council Solutions intends to undertake a number of competitive tender processes for the services within the Service Streams. For each competitive tender process:

- the process will be open to all suitably qualified Operators and/or Suppliers to bid for the contracts;
- the process will be run in accordance with Council Solutions' Probity Plan, incorporating the Evaluation Plan which provides the framework and guidance for the tender evaluation process;
- all tenders will be evaluated by Council Solutions, a working group consisting of representatives from each of the Participating Councils and other expert advisors as required. Council Solutions, on behalf of the working group, will recommend one or more Operators or Suppliers to the Participating Councils for their consideration and independent decision.
- a probity advisor will be engaged to attend all industry engagement meetings, briefings and presentations if required, major tender evaluation meetings, any negotiations and all other relevant meetings and will advise on probity matters for the duration of the tender processes.

For each tender process a sole Operator or Supplier may be awarded contracts to service all Participating Councils on an exclusive basis, or two or more Operators or Suppliers may be awarded contracts to exclusively supply groups of Participating Councils. These contracts may be individual contracts between each Participating Council and the successful Operator or Supplier, but on identical or near identical terms.

As an example, Council Solutions may initially undertake two primary tender processes, one for the waste handling Service Streams (i.e. Receiving and Processing of Recyclables, Receiving and Processing of Organics and Waste Disposal), and a second for Waste Collection. In the waste handling tender process, each of the Service Streams may form a separate part of the tender and prices will be sought from Operators for providing the services on a 'whole of group' basis, a regional or geographic split or to individual Participating Councils for each Service Stream. In the Waste Collection Service Stream prices will be sought from the Suppliers for providing the service on a 'whole of group' basis, a regional or geographic split or to individual Participating Councils. Where not all Participating Councils require a 'Secondary Requirement' (see 5.1 Waste Collection below), these may be offered as a separable requirement within the Waste Collection tender process or through separate individual tender processes.

Some of the potential outcomes of this example are illustrated in Annexure 2

4.2 ONGOING ADMINISTRATION OF CONTRACTS

The daily administration of the contracts may be facilitated by the Participating Councils individually, however Council Solutions will also establish working groups (**Contract Working Group**) comprising of representatives from each Participating Council and Council Solutions. The Contract Working Group will participate in joint activities (including the sharing of information) and decisions which may include, but are not limited to, assessment of supplier performance, pricing reviews, exercising contract options, contamination management, customer service and community education.

5. DESCRIPTION OF THE SERVICES

5.1 WASTE COLLECTION

Waste Collection services may involve kerbside, bulk bin, hard waste and parks and footpath collections and associated ancillary services.

Kerbside collection is the Primary Requirement and includes collection of domestic waste, recyclables and organics in each of the respective council areas through utilisation of the three-bin system. Suppliers will be required to provide weekly and fortnightly services.

Bulk bin collection is the collection of waste from higher density multi-unit dwellings (**MUD**) where the use of the three-bin system is impractical and/or from council locations, such as depots and community centres. The frequency of this requirement would be at the nomination of the Participating Council.

Hard waste collection includes collection of larger household waste that cannot be captured within normal waste bins and will generally require manual collection. Suppliers will be required to provide this service at the Participating Councils' election. This service would be for domestic collection only.

Park and footpath collection includes the removal of waste and recyclables from public bins in parks, community spaces, public areas and on streets and footpaths. The frequency of this requirement would be at the nomination of the Participating Council.

The supply and maintenance of mobile garbage bins (**MGB**) may also be required under Waste Collection, which may include a requirement for radio-frequency identification (**RFID**) tags to be fitted with the supply of the MGB. Alternatively, the supply and/or retrofitting of RFID tags may be required.

Bulk bin, hard waste, park & footpath and MGB are all Secondary Requirements for the purposes of Waste Collection. The Participating Councils' needs to collectively acquire the Secondary Requirements are primarily driven by council policy. Where the market is able to offer innovative, environmentally positive and commercially beneficial solutions a Participating Council may elect to amend their policy and participate in a Secondary Requirement for the benefit of their ratepayers.

The Participating Councils' anticipated initial requirement for Waste Collection is outlined in Table 1 below.

Participating Council	Primary Requirement	Secondary Requirements			
	<i>Kerbside</i>	<i>Bulk Bin</i>	<i>Hard Waste</i>	<i>Park & Footpath</i>	<i>MGB</i>
Adelaide City Council	✓	✓	✓		✓
City of Charles Sturt	✓	✓	✓	✓	✓
City of Marion	✓	✓			✓
City of Tea Tree Gully	✓	✓	✓	✓	✓
City of Port Adelaide Enfield	✓	✓	✓		✓

Table 1: Participating Councils' anticipated initial Waste Collection requirements

5.2 RECEIVING AND PROCESSING OF RECYCLABLES

Recyclables include paper and cardboard, glass, plastics, aluminium and steel. Under a Waste Collection contract, recyclables will be delivered to a materials recovery facility (**MRF**). The Receiving and Processing of Recyclables requires a single or multiple MRFs to receive, screen and sort the recyclables according to material. The MRF Operator will then on-sell each type of recyclable to a business for use in production processes. Recyclables that cannot be sold are disposed to landfill, possibly under a Waste Disposal contract or through the Operator's own arrangements.

Traditionally councils have paid for the receiving and sorting of recyclables, however recent market trends have led to some local governments entering into arrangements where they receive payment for their recyclables.

5.3 RECEIVING AND PROCESSING OF ORGANICS

Organics comprise of two main forms of organic waste: garden waste, such as grass clippings, prunings, weeds and leaves, and food waste and scraps. Under a Waste Collection contract, organics will be delivered to a transfer or receiving facility. The Receiving and Processing of Organics service requires a single or multiple transfer or receiving facilities to sort the organics to remove contaminants, compost to produce an end product, such as renewable energy, organic fertilizers, soil conditioners and mulches, and then market and sell the end product.

There may also be an arrangement for the end product to be supplied to or bought back by the Participating Councils.

5.4 WASTE DISPOSAL

The requirement for waste disposal services is for the receiving, processing and/or disposal of waste not treated by a Receiving and Processing of Recyclables or Receiving and Processing of Organics contract. This waste may include:

- Residual kerbside waste
- Bulk bin waste
- Hard waste
- Waste from park and footpath collections
- Contaminated recyclables
- Contaminated organics
- Organic waste delivered by residents under bulk drop off arrangements.

This requirement is generally serviced by traditional landfill Operators, however there is a growing interest in and development of Alternative Waste Technologies (**AWT**) and Waste to Energy (**WtE**) in this space. AWT and WtE look to

recover energy in the form of electricity or heat, typically involving the thermal and/or biological treatment of a waste source including processes such as direct combustion, anaerobic digestion, gasification and pyrolysis. Related activity involves physical/mechanical production to manufacture of refuse derived fuel.⁵

There may be an opportunity for AWT and/or WtE to be utilised as part of the waste disposal requirement.

The Participating Councils' need to collectively acquire Waste Disposal is primarily driven by council policy and existing arrangements. Where the market is able to offer innovative, environmentally positive and commercially beneficial solutions a Participating Council may elect to amend their policy and participate in Waste Disposal for the benefit of their ratepayers.

The Participating Councils' anticipated initial requirements for waste handling is outlined in Table 2 below.

⁵ *Reforming waste management – Creating certainty for an industry to grow*, August 2015, Environment Protection Authority SA, page 68

Participating Council	Receiving and Processing of Recyclables	Receiving and Processing of Organics	Waste Disposal
Adelaide City Council	✓	✓	✓
City of Charles Sturt	✓	✓	✓
City of Marion	✓	✓	
City of Tea Tree Gully	✓	✓	✓
City of Port Adelaide Enfield	✓		

Table 2: Participating Councils' anticipated initial waste handling requirements

6. PERIOD FOR WHICH AUTHORISATION IS SOUGHT

ACCC authorisation is sought for a total period of 17 years comprising:

- A 3 year period for the joint procurement process, including investigation, market approach, negotiation, execution and mobilisation of the contracts with rolling commencements from April 2018;
- A standard market operating term for each Service Stream; and
- The capacity to accept a longer than standard market operating term of up to 14 years for a Service Stream where the proposal is linked with infrastructure investment, environmental initiatives or economic development.

6.1 JOINT PROCUREMENT PROCESS

Council Solutions intends to publish the first tender in the first half of 2016 with a market and evaluation period of eight months. Subsequent tenders are expected to be published in early 2017 with similar market and evaluation periods. Contract commencement is expected from April 2018, with a rolling start across the Service Streams and the Participating Councils to allow for current contractual arrangements to conclude. Given the complexity of the tender arrangements, the potential for new or upgraded infrastructure and standard start-up timelines, an extensive mobilisation period has been targeted.

6.2 STANDARD MARKET OPERATING TERM

The current standard market operating term is impacted by different factors for each Service Stream. As a guide for the purposes of this application, the following has been considered to be the likely term the Applicants will use in their approach to the market.

- Waste Collection: the initial term of a collection contract is typically in the region of seven years with extension options of around three years, providing a total term of around 10 years, generally considered the optimum life of a collection vehicle. As each Participating Council's current arrangements have varying end dates it is anticipated there would be a 'rolling start' to any arrangements.
- Receiving and Processing of Recyclables & Receiving and Processing of Organics: the typical initial term for a processing contract is around seven years with extension options of up to three years, providing a total term of around 10 years.
- Waste Disposal: the initial term of a typical landfill disposal contract is in the order of five years with extension options of up to three years, providing a total term of around eight years.

6.3 POTENTIAL LONGER TERM REQUIREMENT

As outlined further in 8.5 Incentive for New Market Entrants or Expansion and 9 Market Definition below, it is anticipated a joint tender by the Participating Councils may attract alternative proposals that incorporate

significant infrastructure investment, economic development, new environmentally positive technology and/or a new market entrant to establish within South Australia. It is expected any such proposal by a Supplier or Operator will require a longer contract term over which to amortise their capital expenditure to secure the substantial investment and for the Participating Councils to realise the full benefits. Council Solutions considers that 14 years is the timeframe required for a Supplier or Operator to have sufficient supply certainty to justify the investment to be made. As such, the Applicants request authorisation for 17 years is granted to allow them to accept an offer where infrastructure investment, environmental initiatives or economic development is dependent on a longer operating term.

7. REQUEST FOR INTERIM AUTHORISATION – TIMETABLE

The Applicants seek interim authorisation from the ACCC in respect of this application in order to allow for an approach to market by March 2016. A delay in publishing the first tender will impact on the project timelines and will have a negative impact on the time allowed for the market to respond, the tenders to be evaluated and contracts to be negotiated, potentially reducing the value of the collaboration.

The Participating Councils will not enter into contracts for any Service Streams before the ACCC issues a final determination in relation to this application. Consequently, granting interim authorisation will not affect current arrangements in place with each Participating Council in relation to the Service Streams and interim authorisation will not affect competition in any relevant market.

Allowing the Applicants to proceed in a timely manner and ensure the potential Suppliers and/or Operators have the greatest opportunity to respond to and participate in the tender could have the effect of increasing competition. Accordingly, interim authorisation is sought at the time of the draft determination to commence the tender and contract negotiation process.

8. PUBLIC BENEFIT

The proposed conduct will result in significant and sustained improvements to community welfare in the form of cost savings, efficiency improvements, environmental benefits and attraction of investment.

8.1 TRANSACTION COST SAVINGS

The tendering process for local government in South Australia is a detailed process that involves considerable time and resources, including the preparation of tender documents, advertising of tenders, receipt and evaluation of tenders and negotiation with the successful tenderer/s. This is followed by the subsequent contract preparation, execution and ongoing administration. The process for tendering for waste management services in South Australia, like other States and Territories, is not trivial.

A collaborative tendering and contract process will be a significantly more efficient process by eliminating the duplication of work by each of the Participating Councils as well as the tenderers. The efficiency savings for the Participating Councils include the additional time and resources each Participating Council would incur by conducting a separate tender process. Councils are not profit making entities and cost savings can be expected to benefit ratepayers and enable resources to be used in the provision of other services to benefit their residents.

Where combined with an extended contract term, the staggering of the purchase of new trucks under a Waste Collection contract allows for their significant capital expenditure to be amortised in a smoother way, assisting in minimising increases in the contract rates payable by the Participating Councils, the benefit of which would be felt by the ratepayer.

The ACCC has previously recognised a public benefit in the form of efficiency savings, including the removal of duplicated administrative costs, in a joint tender for waste services by councils.⁶

8.2 IMPROVED PURCHASING POWER

The aggregated requirements of the Participating Councils for each Service Stream will place them in a stronger bargaining position. The potential to win a larger, regional contract is likely to stimulate competition between Suppliers and Operators vying for the combined volume of services for each Service Stream compared to each Participating Council individually negotiating the services for smaller volumes. Obtaining the services at a lower price or with a higher level of service is ultimately a benefit for ratepayers.

By collaboratively procuring the Participating Councils' requirements, Council Solutions will be able to attract high quality and competitive bids.

The ACCC has previously recognised a public benefit in the stronger bargaining position and the subsequent inducement of more favourable tenders in a joint tender for waste services by councils.⁷

8.3 GREATER ECONOMIES OF SCALE AND EFFICIENCY

In relation to the Waste Collection Service Stream, a successful Supplier will have a greater area to service and a greater number of residences, resulting in efficiencies and economies of scale in the delivery of the services. Where the Participating Councils share common boundaries there are geographical synergies and, even where there is no common boundary, the close proximity of all the Participating Councils provides the potential to share trucks and employees across the council areas to cover for truck break downs.

In relation to the waste handling Service Streams, unified drop off points may lead to a lower gate fee through economy of scale. The processing of combined volumes of recyclables and organics will result in efficiencies and economies of scale in the delivery of the processing services, lowering the cost per tonne.

Whilst the proposed conduct is certainly likely to improve economies of scale, it will also reduce financial risk and increase operational certainty for the Operators and Suppliers. In addition, across all Service Streams there could be a range of minor but accumulated benefits such as streamlined contract administration, centralisation of call centres, improved flexibility and higher quality of source separation that will result from the proposed conduct.

It is acknowledged this benefit is linked to the extent a common Operator or Supplier is appointed.

The ACCC has previously recognised a public benefit in the form of improved economies of scale realised through lower costs per tonne collected/processed in a joint tender for waste services by councils.⁸

8.4 ENVIRONMENTAL BENEFITS

The harmful effects of reliance on landfill has been long established and accepted. These include

- leachate
- odour emission
- vermin, birds and other disease vectors
- storage and handling of dangerous substances

⁶ A91483 Maitland City Council & Ors, Determination, 9 July 2015; A91489 & A91490 Metropolitan Waste and Resource Recovery Group & Ors, Determination, 9 July 2015

⁷ A91387 Bathurst Regional Council & Ors, Determination, 12 February 2014

⁸ A91483 Maitland City Council & Ors, Determination, 9 July 2015; A91489 & A91490 Metropolitan Waste and Resource Recovery Group & Ors, Determination, 9 July 2015; A91500 Redland City Council & Brisbane City Council, Determination, 8 October 2015

- fire risk; and
- landfill gas, including anaerobic decomposition of organic material producing greenhouse gasses contributing to climate change.⁹

In response, the South Australian government has implemented waste strategies that have resulted in “significant initiatives ... [being] implemented to divert and recycle waste material instead of simply disposing of them to landfill”.¹⁰ Whilst South Australia has the highest publicly reported diversion rate in Australia at 79.7%, the diversion rate for Metropolitan Municipal Solid Waste is 59.4%, below the 2015 target of 70%.¹¹ There is still more to be done. Zero Waste SA believes this target is achievable “if most recyclables remaining in the waste stream and food organics [are] collected, ... but will need continued consistent effort on education and food waste systems roll out.”¹²

The Environment Protection Authority SA has noted there is a need to modernise existing infrastructure,¹³ without which there may be implications for recovery rates, efficiency and the volume of contaminated material being returned to landfill but a barrier for Operators is the significant cost to upgrade processing equipment to improve quality and diversify end product. The proposed conduct will contribute to the achieving of the targets above as the joint process may result in an Operator increasing investment in recyclables processing infrastructure to cope with the increased volume of recyclables. Any upgrade will use newer and more efficient technology.

Waste Disposal is where the most attention for AWT and WtE is focused. As these are relatively new technologies and an emerging field in resource recovery, pricing is currently not competitive with traditional landfill disposal. The combined volume of the Participating Councils with a longer term contract may provide the guaranteed volume for an Operator to offer an innovative, environmentally positive and commercially beneficial solution that utilises AWT or WtE. Even if AWT and/or WtE is not utilised, the proposed conduct may result in increased investment in organics processing infrastructure, allowing for both lower emissions during the processing as well as a higher quality end product that can decrease future water consumption in agricultural settings.

The proposed conduct will also allow for a unified strategy and education program which will maximise the improvement possible in diversion rates in the shortest time.

The environmental benefits of the proposed conduct are an ongoing benefit for the public at large, not just for the Participating Councils’ communities.

The ACCC has previously recognised a public benefit in the form of improved recovery rates for recyclables and diversion of organic material from landfill in a joint tender for waste services by councils.¹⁴

8.5 IMPROVED INCENTIVE FOR NEW MARKET ENTRANTS OR EXPANSION

To the extent that a common provider is selected, the prospect of a joint tender may provide an improved incentive for new market entrants or existing waste service providers to expand their current operations.

For example, Adelaide has been relatively well served by the local organics processing industry over recent years. This joint procurement may provide an opportunity to support industry development through

⁹ *Background paper to South Australia’s Waste Strategy 2005-2010*, 2005, Zero Waste SA, pages 6 - 8

¹⁰ *South Australia’s Recycling Activity Survey: 2013-14 Financial Year Report*, February 2015, Zero Waste SA, page 12

¹¹ *Ibid*, pages 29-30

¹² *Waste Strategy 2015-2020*, Consultation Draft 2015, Zero Waste SA, page 10

¹³ *Reforming waste management – Creating certainty for an industry to grow*, August 2015, Environment Protection Authority SA, page 10

¹⁴ A91483 Maitland City Council & Ors, Determination, 9 July 2015; A91489 & A91490 Metropolitan Waste and Resource Recovery Group & Ors, Determination, 9 July 2015

investment in processing infrastructure. Alternatively, the combined volume of material may underpin development of AWT and/or WtE technology, providing not only the environmental benefits highlighted above but also infrastructure investment and economic development.

Further, the volume of recyclables supplied by the councils may underpin the investment in the establishment of new processing facilities by an Operator that would be unlikely to arise if the Participating Councils each separately engaged an Operator to supply the Services. Whilst there are several relatively small MRFs in Adelaide currently, it is anticipated a joint procurement of this size has the potential to encourage investment to build or upgrade to modern MRF infrastructure.

Additionally, it is anticipated the combined size of the Participating Councils at 35.3% of the population and 37% of the rateable properties¹⁵ in the Metropolitan Adelaide area may encourage new entrants to the Waste Collection market to establish, thereby increasing competition.

The ACCC has previously recognised a public benefit in the form of improved incentives for capital investment (to the extent a common provider is selected) in a joint tender for waste services by councils.¹⁶

9. MARKET DEFINITION

Council Solutions notes in previous determinations regarding local governments conducting joint tenders for waste management services the ACCC has not considered it necessary to specifically define the relevant market and has identified broad areas of competition that may be affected by the proposed conduct rather than precisely identifying particular markets.

Council Solutions considers the relevant area of competition is that for the collection of waste, disposal of waste and receiving and processing of recyclables and organics within the Adelaide Metropolitan area. The Service Streams comprised in the tender/s have different characteristics and are not substitutable for one another. Each of these are addressed separately below.

It is recognised there are three main source sectors for waste being:

- i. Municipal Solid Waste (**MSW**)
- ii. Commercial and Industrial (**C&I**)
- iii. Construction and Demolition (**C&D**).

The first source sector, MSW is “solid waste generated from domestic (household) premises and council activities such as street sweeping, litter and street tree lopping. May also include waste dropped off at recycling centres, transfer stations and construction waste from owner/occupier renovations”.¹⁷ The Service Streams contemplated by the proposed conduct is wholly within, but does not cover this entire source sector, however for the purposes of market definition the size of MSW in its entirety will be used. The C&I and C&D source sectors are predominately managed by the private sector via separate contracts with generators of those waste types.

According to Zero Waste SA’s *South Australia’s Recycling Activity Survey: 2013-14 Financial Year Report*, there was a combined total of 4.5million tonnes of waste disposal to either landfill or resource recovery sites in 2013/14. The MSW source sector comprised 18.8% of this waste across the state. Across all three source

¹⁵ All data regarding rateable properties is taken from *2015 South Australian Local Government Directory*, issued by the Local Government Association of South Australia. All data regarding population is taken from Australian Bureau of Statistics, Catalogue 3218.0 *Regional Population Growth* Released 21 March 2015, Table 4, Estimated Resident Population, Local Government Areas, South Australia, as at 2014.

¹⁶ A91401 Northern Sydney Regional Organisation of Councils, Determination, 9 April 2014; A91387 Bathurst Regional Council & Ors, Determination, 12 February 2014

¹⁷ *South Australia’s Recycling Activity Survey: 2013-14 Financial Year Report*, February 2015, Zero Waste SA, page 75

sectors, 79%¹⁸ of the waste came from the Metropolitan area, which accounts for 89% of the State's rateable properties and 74% of the population.

Further information regarding the Participating Councils' market share, including their current suppliers, is given in **CONFIDENTIAL** Annexure 1. Should a sole Supplier or Operator be awarded a contract for all Participating Councils in each Service Stream, Council Solutions submits it may not greatly alter the current market structure as many of the Participating Councils are currently independently with the same Supplier or Operator in each Service Stream. A summary of market participants is provided in Table 3 below.

9.1 WASTE COLLECTION

The relevant area of competition for Waste Collection is that for the collection of municipal waste within the Metropolitan Adelaide area. 12 of the 19 Metropolitan councils currently outsource the collection of their residual waste through open public tender processes whilst the balance deliver the service in-house (including through the utilisation of a Regional Subsidiary). All 19 Metropolitan councils outsource the collection of their recyclable and organics collection, however nine do so collectively through Regional Subsidiary arrangements.¹⁹ The revenue that industry generates from these local government contracts is a very reliable income stream over the duration of the contract.

The competitive tender process will be open to all suitably qualified Suppliers to bid for the contracts. Municipal kerbside collections in Metropolitan Adelaide are currently delivered by three contractors, one waste management authority and two councils:

- Solo Resource Recovery
- Suez Environment (formerly SITA Environmental Solutions)
- Transpacific Cleanaway
- Eastern Waste Management Authority (**East Waste**) (Regional Subsidiary)
- Cities of Onkaparinga and Mitcham.

Other potential Suppliers across Australia include:

- REMONDIS Australia
- Veolia
- J.J. Richards

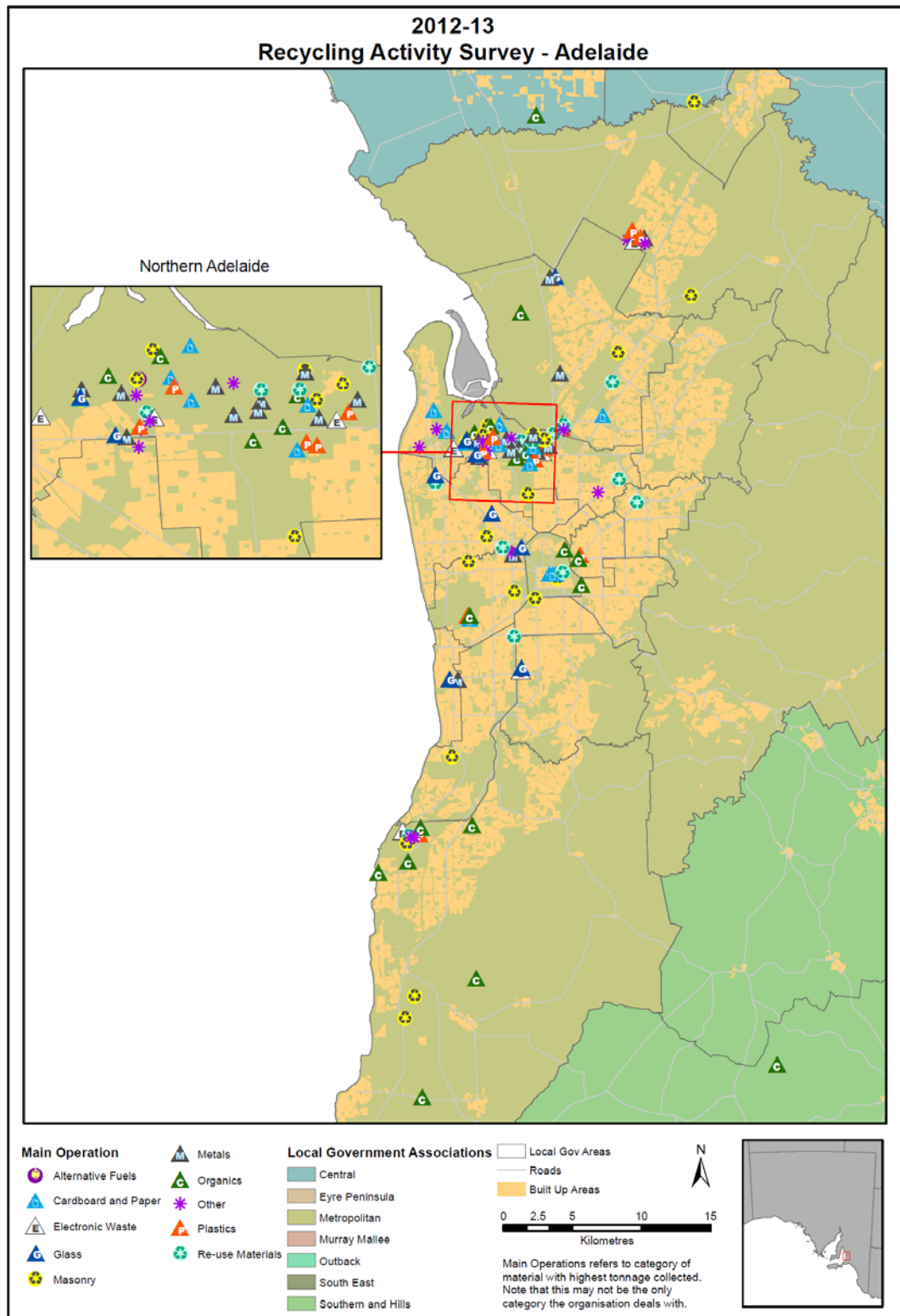
9.2 RECEIVING AND PROCESSING OF RECYCLABLES

The relevant area of competition for the Receiving and Processing of Recyclables is that for the receiving and processing of all material delivered for resource recovery excluding organic material in the Metropolitan area. The Participating Councils account for 1.3% of the recyclables from Metropolitan areas. Activity in the resource recovery sector in South Australia has steadily grown over the past 10 years and it is anticipated it will continue to grow.²⁰ Map 2 below shows the numerous locations where recycling activity occurs across Adelaide.

¹⁸ Ibid, page 21

¹⁹ There are two Regional Subsidiaries for Waste Management that includes collection. The first, Eastern Waste Management Authority (**East Waste**), comprises 6 Metropolitan councils, being 19.6% of the Metropolitan population and 19% of the rateable properties. The second, Northern Adelaide Waste Management Authority (**NAWMA**), comprises a mix of Metropolitan and Regional councils. Their Metropolitan portion is 3 councils, comprising 19.5% of the Metropolitan population and 17.8% of the rateable properties.

²⁰ *Reforming waste management – Creating certainty for an industry to grow*, August 2015, Environment Protection Authority SA, page 3



Map 2: Approximate geographical location of main sites for recyclers / re-processors in Adelaide²¹

The competitive tender process will be open to all suitably qualified Operators to bid for the contracts. Operators that might compete for the Receiving and Processing of Recyclables are likely to be operators of

²¹ South Australia's Recycling Activity Survey: 2013-14 Financial Year Report, February 2015, Zero Waste SA, page 23

MRFs. Operators include Visy Recycling, SKM Recycling and Northern Adelaide Waste Management Authority (**NAWMA**).

9.3 RECEIVING AND PROCESSING OF ORGANICS

The relevant area of competition for the Receiving and Processing of Organics is that for the receiving and processing of organic material in the Metropolitan area. The Participating Councils account for 4.6% of the organics from Metropolitan areas. Map 2 above shows the breadth of locations where organic processing occurs across Adelaide.

The competitive tender process will be open to all suitably qualified companies to bid for the contracts. There are two well established Operators in the Adelaide market, being Jefferies and Peats Soil, with Integrated Waste Services recently emerging as an alternative Operator. Other potential Operators across Australia include Suez Environment (formerly Sita Environmental Solutions) and Veolia.

9.4 WASTE DISPOSAL

The relevant area of competition for Waste Disposal is that for the receiving of all residual waste within the Metropolitan area. The Participating Councils account for 8.2% of the landfill from Metropolitan areas. It should be noted not all Participating Councils currently require this Service Stream as outlined in Table 2; the City of Marion will utilise the landfill operated by their Regional Subsidiary the Southern Region Waste Resource Authority (**SRWRA**), whilst the City of Port Adelaide Enfield have other arrangements in place.

The Metropolitan Adelaide market is very competitive with a number of operators and significant reserves of landfill airspace. The volume of waste delivered to landfill has been in decline as a result of improved diversion to resource recovery facilities and this trend is likely to occur in the future.

The competitive tender process will be open to all suitably qualified Operators to bid for the contracts. Landfill Operators servicing Metropolitan Adelaide include:

- Integrated Waste Services
- Transpacific
- NAWMA
- SRWRA
- Southern Waste ResourceCo.

Waste Collection		Receiving & Processing Recyclables		Receiving & Processing Organics		Waste Disposal	
Current Participants	Potential Participants	Current Participants	Potential Participants	Current Participants	Potential Participants	Current Participants	Potential Participants
Solo Resource Recovery	REMONDIS Australia	Visy Recycling		Jefferies	Suez Environment	Integrated Waste Services	
Suez Environment	Veolia	SKM Recycling		Peats Soils	Veolia	Transpacific	
Transpacific Cleanaway	J.J. Richards	NAWMA		Integrated Waste Services		NAWMA	
East Waste						SRWRA	
City of Onkaparinga						Southern Waste ResourceCo	
City of Mitcham							

Table 3: Summary of market participants

10. COUNTERFACTUAL

If the ACCC does not grant authorisation for the proposed conduct, each of the Participating Councils will issue individual tenders for each of the Service Streams and individually evaluate and negotiate the resulting contracts.

Council Solutions considers this approach would be likely to significantly diminish the ability of Council Solutions and the Participating Councils to realise the cost savings, efficiencies and environmental benefits sought by the proposed conduct. It is considered the following outcomes will be likely if individual tenders were to occur:

- higher transaction costs and higher contract rates, which may be passed on to ratepayers through higher rates or reduction in other services;
- fewer Suppliers and Operators tendering due to the additional administrative burden of five individual tenders and contracts for each Service Stream;
- proposals for processing using 'status-quo' technology, with the opportunity for infrastructure upgrade, expected to improve recovery rates, delayed or lost;
- possible lack of consistency between contract terms inhibiting Suppliers and Operators to independently achieve the same economies of scale and reduction of scale and reduction of operational risk; and
- fragmentation, rather than unification, of waste education and policy, reducing the likelihood of achieving the MSW diversion target of 70% by 2020 for Metropolitan Adelaide.

Following the individual tender processes, the outcomes may be similar to the outcomes described for the proposed conduct, that is, there may be single or multiple Suppliers or Operators providing the Services to each of the Participating Councils but without the associated public benefits outlined above.

11. PUBLIC DETRIMENT

Council Solutions submits the proposed conduct does not result in any significant public detriment and any public detriment would be outweighed by the substantial public benefit outlined above.

Any public detriment will also be mitigated by the following factors:

- i. The tender process will be public and conducted according to local government procurement standards. The process will allow for the maximum number of Suppliers and Operators to compete to provide the Services. A probity advisor will also be engaged to advise on all probity matters for the duration of the tender process.
- ii. The structure of the tender/s is such that more than one Supplier and/or Operator may be successful in each of the four Service Streams. The Participating Councils retain the right to accept or reject tenders. If the individual terms offered to a Participating Council are more favourable than those offered on a collective basis, the Participating Council can choose to accept the individual proposal.
- iii. Council Solutions plans to conduct a pre-tender briefing with potential tenderers in order to consider any Supplier or Operator's concerns and barriers presented by the intended structure of the services offered by the Applicants in the tender.
- iv. The Suppliers will be free to compete for contracts with other consortia of Adelaide Metropolitan councils and the Operators will be able to offer services to customers other than the Participating Councils, including industry clients and other South Australian councils.
- v. The joint tender is not limited to Suppliers or Operators who can service all five Participating Councils, given the tender process will allow for Suppliers or Operators to provide services to

individual Participating Councils as well as to all Participating Councils or groups of Participating Councils (e.g. on a regional basis) and therefore the proposed conduct will not result in fewer organisations having the capability to participate.

In previous applications the ACCC has recognised that joint tendering between councils for waste management services is likely to result in a public benefit that outweighs any likely public detriment, including any lessening of competition.²²

12. CONCLUSION

For the reasons set out above, Council Solutions submits that the extensive public benefits of the proposed conduct will significantly outweigh any public detriment.

²² A91483 Maitland City Council & Ors, Determination, 9 July 2015; A91489 & A91490 Metropolitan Waste and Resource Recovery Group & Ors, Determination, 9 July 2015; A91387 Bathurst Regional Council & Ors, Determination, 12 February 2014

ANNEXURE 1

DATA FOR PARTICIPATING COUNCILS, METROPOLITAN ADELAIDE COUNCILS & ALL METROPOLITAN SOURCE SECTORS

Council	Population		Rateable Properties		Land Area		Estimated quantity residual waste		Estimated quantity recyclables		Estimated quantity organics	
	People	% of All Metro Councils	Properties	% of All Metro Councils	Land area	% of All Metro Councils	Tonnes	% of All Metro Sectors	Tonnes	% of All Metro Sectors	Tonnes	% of All Metro Sectors
Corporation of the City of Adelaide	22,690	1.80%	22,735	3.88%	15.6	0.65%						
City of Charles Sturt	112,714	8.94%	54,067	9.23%	54.8	2.29%						
City of Marion	88,292	7.00%	41,011	7.00%	55.6	2.33%						
City of Tea Tree Gully	98,575	7.82%	39,393	6.73%	95.2	3.99%						
City of Port Adelaide Enfield	122,205	9.69%	59,579	10.18%	91.7	3.84%						
TOTAL	444,476	35.25%	216,785	37.03%	313	13.10%	74,970	8.20%	33,580	1.30%	45,880	4.60%
All Metropolitan Councils	1,261,033		585,473		2,388		262,228		258,087		126,121	
All Metropolitan Sectors*							914,000		2,591,000		997,000	

* Municipal, Commercial & Industrial and Construction & Demolition; Recyclables excludes Fly Ash and Clay, Fines, Rubble & Soil

Data Sources:

Population:	Australian Bureau of Statistics, Catalogue 3218.0 Regional Population Growth Released 21 March 2015, Table 4. Estimated Resident Population, Local Government Areas, South Australia. As at 2014.
Rateable Properties:	2015 South Australian Local Government Directory, issued by the Local Government Association of South Australia.
Land Area:	Australian Bureau of Statistics, Catalogue 3218.0 Regional Population Growth Released 21 March 2015, Table 4. Estimated Resident Population, Local Government Areas, South Australia. As at 2014.
Tonnes of waste Participating Councils:	Office of Green Industries SA, supplied 11/09/15. Information supplied on a CONFIDENTIAL basis.
Total tonnes of waste:	South Australia's Recycling Activity Survey: 2013-14 Financial Year Report, February 2015, Zero Waste SA.

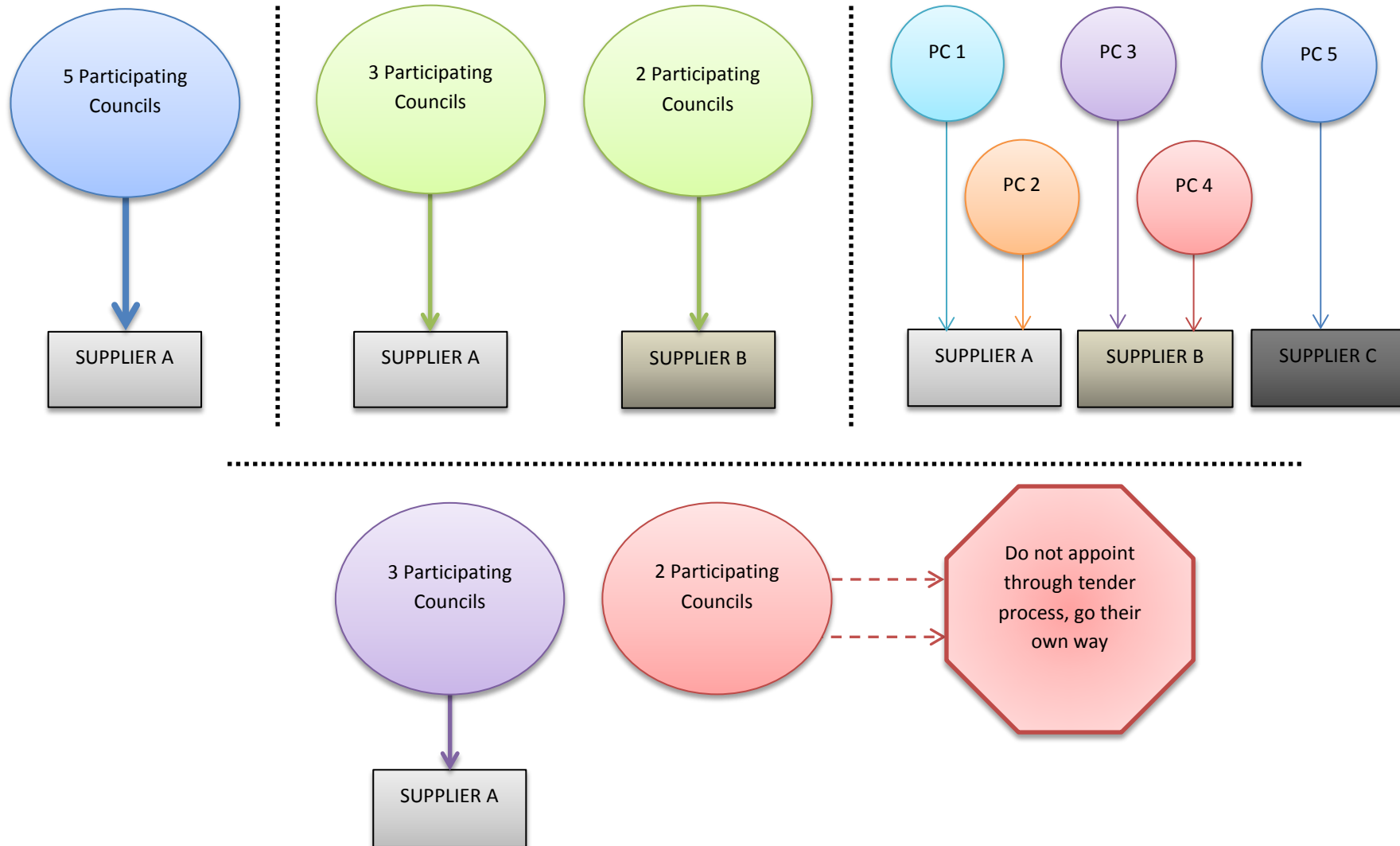
PARTICIPATING COUNCILS' CURRENT SUPPLIER ARRANGEMENTS

Council	Waste Collection					Waste Disposal	Processing	
	Kerbside	Bulk Bin	Hard Waste	Park & Footpath	MGB		Recyclables	Organics
Corporation of the City of Adelaide	Solo	Veolia	Solo	In-house	Solo	Transpacific	Visy	Jeffries
City of Charles Sturt	Solo	Solo	Solo	Western Refuse	Solo	Transpacific	Visy	Jeffries
City of Marion	Solo		In-house	In-house	Solo	SRWRA	Solo	Solo
City of Tea Tree Gully	Solo	Solo	Solo	Solo	Mastec	IWS	Visy	Jeffries
City of Port Adelaide Enfield	Transpacific	Transpacific	Transpacific	Atkins Waste Services	Trident Plastics	IWS	Cleanaway	IWS

ANNEXURE 2

SOME POTENTIAL OUTCOMES FOR EACH SERVICE STREAM

Note: 'Split' of Participating Councils is for example only. Any permutation could occur based on consideration of tender responses.



ADDITIONAL WASTE HANDLING SERVICE STREAMS POTENTIAL OUTCOMES

Each of the scenarios outlined for Waste Collection may occur in each of the waste handling Service Streams. Additionally, the following scenarios may also occur.

