

SENATOR **John Williams**
The Nationals Senator for New South Wales

24th February 2016

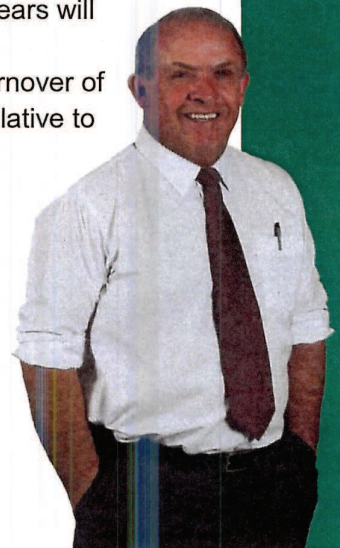
Mr. Rod Sims
Chairman
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Mr. Sims,

I have been approached by a party that is concerned with the ACCC's decision in favour of the Council Solutions proposal for waste collection and associated services in South Australia.

Below I will outline what is seen as the negatives in the Council Solutions arrangements. I ask that you take these points into consideration when making your final determination.

1. Jointly these Councils represent 37% of rateable households of metropolitan Adelaide
2. The Council Solutions proposal if accepted will lock all but the winning tenderer out of providing waste services for the more than one-third of households for up to 17 years.
3. As 38% of metropolitan Adelaide councils' waste tenders are already controlled by two joint council authorities (Northern Adelaide Waste Management Authority and East Waste), approval of the Council Solutions proposal would effectively monopolise 75% of the market. This is not dissimilar to the monopoly held by Coles and Woolworths in the grocery sector and the problems that have arisen from this dominance.
4. East Waste, representing 20% of the 75%, is not open for tender, therefore all remaining tenderers will be competing for just 25% of the metropolitan Adelaide business.
5. For smaller businesses, being locked out of the market for up to 17 years will affect their viability and most likely result in job losses.
6. As Council Solutions will apply a 1% levy per annum of the annual turnover of each contract (estimated to cost \$5m over the term), costs will rise relative to the competitive pricing/low margins already prevailing in Adelaide.
7. There will be reduced competition
8. A joint tender focused on lower prices will not result in improved environmental outcomes as Council are already able to share resources on environmental initiatives.
9. Costs will rise because of the geographical differences of the participating Councils.



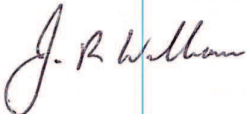
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10. Due to the promised savings, if they eventuate, some Councils are rejecting contract extensions that would save the ratepayer in excess of \$250,000 per annum. Yet other Councils are accepting contract extensions for collections and processing that undermines the Council Solutions premise of increased buying power.
11. I understand the industry is virtually unanimous against the Council Solutions proposal.

The above are just some of the reasons why the ACCC should reconsider its draft approval, or at the very least, extend the deadline for submissions for several weeks to allow all companies to participate in this consultation process.

I look forward to your prompt reply.

Yours sincerely



John R Williams
The National Senator for NSW

