

Australian Competition & Consumer Commission
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Attention: Tessa Cramond

Dear Ms Cramond

**RE: LETTER OF SUPPORT - AA1000419 PROCESSING SERVICE STREAMS -
COUNCIL SOLUTIONS SUBMISSION**

The City of Marion is fully supportive of Council Solutions' submission to the Australian Competition and Consumer Commission (ACCC) for Processing Service Streams.

The City of Marion confirms that it is participating in the procurement of:

- receiving and processing of Recyclables;
- receiving and processing of Organics;
- and not for Receiving and processing or disposal of Residual Waste, as this service will continue to be provided to the City of Marion by the Southern Region Waste Resource Authority (SRWRA) regional subsidiary.

At Marion, as with all other Councils, we are committed to reducing the cost of services to our community, recognising our residents are faced with cost of living pressures on the family budget. They expect (and we strive to deliver) efficiencies in how their local Council operates and their rates are spent.

This is challenging for any level of government as well as for businesses in an environment where costs are increasing. Local government is faced with the additional burden of cost-shifting from other tiers of government while the introduction of rate capping in South Australia will place further pressure on Council budgets.

However, we are hopeful that with strategic initiatives to collaborate in service provision across Council boundaries, and with initiatives such as what Council Solutions is proposing, we will be able to continue to do more with less. We firmly believe that the Proposed Conduct will deliver resident-value through:

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people as the traditional and continuing custodians of the land.

- increased service efficiencies.
- cost savings in tendering / procuring waste services through reducing the replication of work for both participating Councils and potential suppliers through alignment of specifications and service standards and the administration of a single tender process.
- environmental benefits from the increased diversion of waste from landfill.
- lower costs for participating Councils through improved purchasing power.
- increased competition from the stimulation of the market that this will bring.
- infrastructure investment and increased service efficiencies, leading to further environmental benefits.

Marion is aware of the impact China's National Sword position has had on the recyclables commodity markets nationally. Council Solutions and the Participating Councils:

- are committed to ensuring commercial and risk sharing mechanisms (such as appropriate rise and fall provisions) are utilised in the contracts so that fair, sustainable and transparent contract arrangements are established.
- have given consideration to appropriate operating terms in this market, which has been reflected in the differing initial terms outlined in Table 3 of AA1000419, combining flexibility with commercial certainty to underpin any innovation in response to National Sword or other market changes.

Marion also notes that:

- contracts are due to commence from 2020, providing two years for the market to settle and implement the solutions they generate now to National Sword.
- we will be required to go to market to establish new contracts for the provision of recyclables processing irrespective of the Proposed Conduct. By collaborating with the other Participating Councils we will be reinforcing and supporting the changes that occur in the market, which will be more effective with our combined volume than if we were to go to market separately.

Marion's procurement policy requires us to seek the best value for money via open and transparent competition for services to ensure the optimal outcomes for our residents and fair and equitable treatment of suppliers. The Proposed Conduct, we believe, supports this important, high-level objective. In addition, Council has a long-term vision that we will reduce waste to landfill and continually improve our environment, which the Proposed Conduct supports.

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Finally, we are fully committed to working in close collaboration with other Councils, the State Government and businesses to deliver better services to our community.

Evidence of this commitment is our involvement in the Southern Region Waste Resource Authority (SRWRA) with the cities of Holdfast Bay and Onkaparinga, Council's 20-year history with the G6 Procurement Group and now Council Solutions along with supporting local government procurement on a broader scale. All these have delivered benefits for our residents that will be built-upon should the submission be successful.

Marion has directed Council Solutions to act on our behalf and facilitate the procurement of the processing service streams, and accordingly unreservedly support the Proposed Conduct.

Yours faithfully



Adrian Skull

Chief Executive Officer

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