
From: Martin Jeffries
Sent: Thursday, 14 June 2018 12:20 PM
To: Adjudication
Cc: Cramond, Tessa
Subject: AA1000419- Council Solutions - submission

Categories: Submission

Dear Ms Cramond,

Re: AA1000419 – Council Solutions - submission

We refer to the ACCC's invitation for interested parties to make a submission on the application for authorisation received from Council Solutions on 4 May 2018.

Jeffries Group is a fourth-generation South Australian family business whose purpose is to create value from organic resources, thus ensuring a long-term sustainable organics-recycling model for South Australia. Jeffries currently receives and processes a large proportion of the kerbside-collected green organics from Adelaide metropolitan councils.

It is Jeffries submission that there will be no public benefit delivered by the proposed arrangement. Adelaide is currently a highly competitive market, already serviced by a large number of providers and facilities. The proposed joint tender will not result in any efficiencies in transport or processing due to the geographical spread of the participating councils. The joint tender process itself will also not be more efficient, it will add cost and complexity due to the combinations and permutations that must be considered, and the outcome will also produce no administration savings to offset the additional costs being added by the extra layer of bureaucracy that Council Solutions represents.

It is Jeffries further submission that there will be public detriment as a result of the proposed arrangement. As set out above, the proposal will increase costs due to the increased complexity of the tendering process and the extra bureaucratic layer of Council Solutions applying a 1% levy to each contract.

Most importantly, this application will reduce competition in the Adelaide market. If this application is successful, it will reduce to less than 25% of the Adelaide metropolitan councils that will be open for individual tenders, and lock around 30% of the total market away for a period of 10 years. This will have a significant detrimental effect on business and result in business closures, adding to the public detriment.

It is respectfully suggested that the majority of any perceived benefits that the Participating Councils may derive from the proposed joint process could be achieved by adopting a common tender document and a common contract document, neither of which would require a determination from the ACCC. The potential benefits of any co-operation beyond this have not been sufficiently made out by the applicant, while the public and industry detriment has been well articulated by many interested parties.

Yours sincerely,

Martin Jeffries
Managing Director

Jeffries Group