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**From:** Adam Faulkner  
**Sent:** Tuesday, 25 September 2018 3:22 PM  
**To:** Rouw, John  
**Cc:** Jones, Gavin; Cramond, Tessa; Hobbs, Tanya; Mitchell, Sophie; Hartcher-O'Brien, Imogen  
**Subject:** NAWMA Comments on Council Solutions

Mr Gavin Jones  
Director – Adjudication  
Australian Competition & Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

-by email-

Dear Sir

Please accept this electronic correspondence as NAWMA public register submission on the Council Solutions Draft Determination AA1000414 and AA1000419 respectively. These brief comments are not necessarily the view of the NAWMA Board or its Constituent Councils. NAWMA does not support, or not support, the Council Solutions application(s) to jointly procure collection or processing services.

#### **AA1000414**

1. NAWMA strongly disputes the submission of MRA Consulting Group, dated 24 August 2018, specifically the commentary listed on (unnumbered) page 4 under **Cost Advantages** and **Figure 2**. NAWMA's published 2016/2017 Budget, being the reference year referred to by MRA, provides an average of \$181/tenement for collection, disposal and processing of waste, recycling, organics and hard waste for NAWMA's three (3) Constituent Councils. The average collection and disposal/processing cost per tenement of \$181 is clearly far below the MRA benchmark of \$215/tenement. A copy of the full NAWMA 2016/2017 Budget and supporting workbooks are available on request, or can be easily discoverable as they are publicly available. Unfortunately MRA have not taken the time or care to examine the Grants Commission reference information, nor have they sought to understand what demarcated costs relate only to collection and disposal/processing for NAWMA Constituent Councils.
2. Council Solutions states that 'by nominating two centroid locations, greater equity is provided by reducing the advantage or disadvantage to any potential supplier by virtue of the location of their processing facility relative to the collection contractor's depots and the Participating Councils.' NAWMA argues that the nominated centroids **disadvantages NAWMA** as our operations, processing and disposal infrastructure are located a significant distance away from the Northern Centroid. NAWMA would argue the Southern Centroid disadvantages all players apart from one (1).
3. While it is acknowledged this is more of a tender enquiry, NAWMA notes that Council Solutions have nominated a compaction rate of 225kg/m<sup>3</sup> in their tender pack. NAWMA would encourage Council Solutions to reduce the compaction rate to 180kg/m<sup>3</sup> with a tolerance to 200kg/m<sup>3</sup> for the recycling stream.

#### **AA1000419**

1. NAWMA notes the shorter three (3) year Initial Term for recyclables processing. NAWMA would argue that this stream, when compared to the waste and organics stream, may require the most significant capital investment, yet the capital and risk must be amortised over the shortest term.
2. Council Solutions states that 'by nominating two centroid locations, greater equity is provided by reducing the advantage or disadvantage to any potential supplier by virtue of the location of their processing facility relative to the collection contractor's depots and the Participating Councils.' NAWMA argues that the

nominated centroids **disadvantages NAWMA** as our operations, processing and disposal infrastructure are located a significant distance away from the Northern Centroid. NAWMA would argue the Southern Centroid disadvantages all players apart from one (1).

3. NAWMA supports the flexibility to appoint two (2) suppliers for the recyclables stream, but would question whether this erodes the efficiencies and cost advantages purported by the applicant.

- Ends -