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11th October 2018

Dear Sir / Madam,

ATTENTION: ACCC Adjudication regarding Council Solutions Draft Determinations AA1000419 and AA1000420 adjudication@acc.gov.au

We write again to the ACCC in regards to the Draft Determination for the Processing Services and our opposition to the joint Council procurement of these services.

We have been operating as commercial vegetation composters since 1990 and in this time the industry has thrived in a naturally competitive way.

We previously indicated that we were not in favour of the Council Solutions tender as it will make it more difficult for our own company to tender for work within the Adelaide area. Now that the tender documents have been released, it is obvious to us that this indeed is not a tender that will benefit small business in South Australia. Being located in Lonsdale, we would hope that we could potentially have access to the tonnages generated by one or two of the Councils in the grouping (for example, Marion Council). The capital requirements and the scale to receive the material from all of the Councils (which we believe is required to lodge a competitive bid) would not be financially possible and therefore we could not tender. A tender for only one of the Councils would not be considered by Council Solutions. We have also noticed that the bank guarantee has not been stated in the documents at this point, which for our sized company is one of the first aspects of a tender we review. As an unknown it will likely favour the larger processors and collectors.

We feel that this tender is still linked to the collection and ancillary services tender as Council Solutions states that alternative tenders across all tenders will be considered. In this way it is the same as the 2016 tender with all or most services likely to be awarded to one of the big companies. Reduced opportunities for our business will have negative impacts on our future.

We are perplexed that the ACCC has not considered the long term affects this will have on the Adelaide waste management industry. The Adelaide industry has worked well in the past and currently has some of the best diversion rates in the country. SA Composters has been part of this achievement helping to reduce the amount of waste being dumped into landfill at the same time helping soil health in South Australia.

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We have prided ourselves on the service options and the variety of choice we can provide to our customers. This we believe is the hallmark of the small to medium sized businesses in the South Australian Waste Industry. This sets us aside from our competitors. If Council Solutions is allowed to progress to large tenders that only benefit large multinationals, the industry would find itself with no competition, reduced opportunities and therefore no efficiencies or improvements in service to customers in the long term.

We again ask that the ACCC rejects the Council Solutions Application.

We consent to this submission being made public.

Yours Sincerely
Matthew Quinn
Director
SA Composters