

WRASA SUBMISSION (PART A) IN RESPONSE TO COUNCIL SOLUTIONS APPLICATION AA1000420-2 TO THE ACCC DATED MAY 2, 2018.

THIS SUBMISSION BENCHMARKS TO THE 2016 ACCC FINAL DETERMINATION A91520

Introduction

The following report reviews the conclusions formed in the 2016 ACCC Final Determination and benchmarks these against the revised 2018 Council Solutions application for Waste Disposal Services. Like the Waste Collection Services Application, WRASA believe the new application varies only marginally to the original application and provides little to no substantiation to support their public benefit claims. Additionally, the application does not address the public benefit and public detriment concerns specified by the ACCC in the 2016 Final Determination denying approval of the proposed conduct. Therefore, after assessing each claimed public benefit claim and potential public detriments in detail we respectfully request the ACCC deny this application.

Many of our comments replicate our comments submitted about the Waste Collection Services Application. Similarly, the Council Solutions Application for Processing and Disposal Services borrows most of its content from their Waste Collection Services Application.

Of special note is the fact that the recycling industry is in crisis and so it is perhaps the worst time for Councils to enter into a joint contract removing their flexibility to move with market changes. Although the proposed contract term has been reduced by Council Solutions, it still commits all Councils jointly for three years initially (plus the period from now to contract commencement for which the Councils have committed to the Council Solutions proposed conduct) in an environment where factors are changing dramatically each week and no resolution to the Recycling Industry crisis arising from the Chinese National Sword Policy has been found.

Transaction Cost Savings

ACCC Final Determination December 2016

111. Taking all of these considerations into account, on balance, the **ACCC is not persuaded there will be a net public benefit** as a result of the proposed conduct in the form of transaction cost savings.

ACCC Decision Rationale applied to the 2018 Proposed Conduct

Upon reviewing the ACCC's December 2016 Final Determination, we believe the following key points lead to the conclusion that no public benefit would result from the Transaction Cost Savings asserted in the 2016 Council Solutions application. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC's concerns:

*103. In this case, the ACCC considers that **the proposed conduct is likely to reduce or remove some duplication by participating councils** of tender-related tasks such as the preparation of tender documents, advertising of tenders, information sessions for prospective bidders, and some aspects of contract preparation.*

*104. However, the **transaction cost savings for participating councils are likely to be significantly offset by the additional costs required to coordinate internally within the group of councils.***

*105. The ACCC considers that, all things being equal, **the larger the number of councils and service streams in a collective procurement arrangement and the greater the complexity of the tender process, the greater the need for coordination within the bargaining group and the higher the coordination costs.** In this case, under the proposed conduct, the tender process is complex, and each council will remain significantly involved in the tender evaluation and assessment process, and will have to liaise with each other council in addition to Council Solutions when selecting service providers.*

WRASA acknowledge that savings may (or may not) be made for probity and legal costs but this is minor compared with the added costs resulting from the additional layer of internal coordination required by the Council Solutions proposal. As no reduction in Council labour is proposed, the addition of Council Solutions procurement team is a direct additional cost. Additionally, as Tea Tree Gully Council has elected not to participate in the 2018 procurement, any claimed transaction cost savings are further eroded versus their 2016 application. Furthermore, the City of Marion does not require waste disposal and the City of Port Adelaide Enfield only requires waste and organics services for half the term.

In the Council Solutions 2018 proposal, each step of the tender process (the development of the tender specification, the contract development plus the tender submission reviews and assessments) additionally requires review and agreement by each Council through their independent internal review processes. Therefore the need to negotiate and agree with the other Councils will undoubtedly increase the work involved, create greater complexity and increase coordination costs.

Furthermore, the tender pricing process proposed by Council Solutions, involving all Councils, would need to be repeated at a later date when Council Solutions subsequently receive tender submissions for waste, recycling and organics collection. The prices received under the current proposal will have the following detriment to the member Councils:

- (1) They will be inflated for risk associated with unclear disposal points; and
- (2) they will not include rates for collection and transport to processing facilities not inside Council Solutions' two disposal locations.

As detailed in the Victorian procurement guidelines, optimal tender practice is to initially tender for disposal and processing locations. Once the locations are confirmed, collection tender complexity is reduced proportionately for all Councils. However, under the framework of Council Solutions 2018 proposal, complexity and risk is increased.

With regards to the Processing and Disposal Services, a significant error has been made by Council Solutions in structuring their applications. Tenderers for processing and disposal for all three streams will not know if

they are required to take material from the (1) hard waste collections, (2) multi unit bulk bins and (3) public waste streams, all of which are known to be quite different from kerbside collection material in terms of contamination and value/cost.

Public Benefit

As the Council Solutions 2018 proposal does not substantially differ from their 2016 application and fails to address the ACCC's co-ordination costs and increased complexity concerns raised in the 2016 Final Determination (see reference 106, 110 and 111), WRASA believe there is **no public benefit**.

Improved Environmental Outcomes

ACCC Final Determination

229. The ACCC notes the potential for the proposed conduct to facilitate improved environmental outcomes, such as a waste to energy solution, through efficiencies or innovation in each service stream. The ACCC has already considered these issues above in respect of each service stream and concluded that there is likely to be some minimal benefit in respect of improved efficiencies in processing of recyclables and organics, **and no likely benefit in respect of waste collection and waste disposal.**

ACCC Decision Rationale applied to the 2018 Proposed Conduct

Upon reviewing the ACCC's December 2016 Final Determination, we believe the following key points lead to the conclusion that no public benefit would result from Improved Environmental Outcomes for waste collection as asserted in the 2016 Council Solutions proposal. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC's concerns:

*225. As indicated earlier, the ACCC considers that each participating council already has significant incentives to reduce the volume of waste going to landfill and these incentives will increase as the SWL rises over coming years, both with and without the proposed conduct. **It is therefore not clear that the proposed conduct would alter these incentives.***

*228. However, the ACCC notes that the participating councils can and do undertake their own community education programs, and so any environmental benefit from improved education is likely to be small. **Therefore, the ACCC considers that the proposed conduct is likely to result in a small public benefit in the form of improved environmental outcomes.***

*229. The ACCC notes the potential for the proposed conduct to facilitate improved environmental outcomes, such as a waste to energy solution, through efficiencies or innovation in each service stream. The ACCC has already considered these issues above in respect of each service stream and concluded that there is likely to be some minimal benefit in respect of improved efficiencies in processing of recyclables and organics, **and no likely benefit in respect of waste collection and waste disposal.***

As noted in our submission on Ancillary Services, we believe Council Solutions have made a major mistake by separating the disposal of waste and the processing of recycling and organics from the kerbside collection services from the disposal of waste and the processing of recycling and organics for the Ancillary Services. WRASA believes it is incredibly risky to combine the services creating undue complexity and detrimental distortion of the tender process. Tenderers for both processing/disposal (three streams) and Ancillary services (three services with three streams in each) will not have any clarity on whether they will be responsible for processing/disposal of ancillary services material (nine components, each separable in any combination).

With regards to education, there is no evidence that a group of four distant Councils will be able to achieve a better rate per tonne for processing/disposal or deliver better environmental outcomes by tendering jointly, especially as multiple facilities for the Councils are likely and expected.

We also note in 228 above, that the ACCC states that "councils can and do undertake their own community education programs" and wish to stress that Councils nationwide can and do already share educational resources without the need for a joint collection tender. This includes any support from processing and disposal facilities, arguably more effectively managed by individual Councils and Contractors directly rather than through an additional Council Solutions layer.

In the 2018 application, Council Solutions devote three pages to increased environmental outcomes from education, but fail to address the ACCC's concern that no public benefit is likely from joint collection services. Despite this, Council Solutions claim environmental benefits will result from a joint collection tender without providing any direct evidence to support this assertion. In fact, this proposal will promote poorer environmental outcomes as lessening of competition is likely plus the contract term and the rigidity of the specification is highly undesirable in the current recycling market.

Public Benefit

In summary, no evidence suggests environmental outcomes will be improved over and above a system developed over the past decades and which leads the nation in waste diversion. Therefore, WRASA support the ACCC's 2016 final determination that no environmental benefit will result from a joint collection tender as it applies to the processing and disposal services.

Stimulation of competition

ACCC Final Determination

208. In these circumstances, based on the information available, **the ACCC is not persuaded that the aggregation of volumes and contracts would be likely to result in a public benefit** in the form of stimulation of competition.

ACCC Decision Rationale applied to the 2018 Proposed Conduct

Upon reviewing the ACCC's December 2016 Final Determination, WRASA believe the following key points lead to the conclusion that it is unlikely a public benefit of increased competition would result from a joint waste services tender. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC's concerns:

205. The ACCC notes that the proposed conduct is likely to result in a larger number of collection points and larger volumes of recyclables, organics and residual waste being offered for tender in a single process, compared to the future without the proposed conduct.

206. The ACCC considers that a larger contract (in terms of scale and value) under the proposed conduct has the potential to stimulate competition in the supply of waste disposal services by attracting bidders (including potentially new suppliers) and helping to make previously uneconomic technologies and services viable.

207. However, previous tenders for waste collection, recyclables and organics appear to have been the subject of a high degree of competition and that a number of multinational companies are already present or interested in the relevant markets. The ACCC also notes that any benefit in the form of attracting bidders to the tender is likely to be offset by the detriment caused by parties being deterred or prevented from tendering (see detriments section from paragraph 232).

For Waste Disposal Services we make the following points in regards to the 2018 Application:

(1) The proposal seeks to increase competition through combining Council tonnage from geographically separated and unclustered Councils. This forces a poorer solution requiring two or more sites to service distant Councils, which Council Solutions have indirectly conceded by nominating two disposal point centroids.

(2) As mentioned in our previous submissions, the only additional provider that showed interest and does not have a local presence was Phoenix (Waste to Energy provider), however their waste to energy plants require triple the contract term and five times the tonnes available (with the inclusion of Port Adelaide Enfield). The reality is no further competition other than current suppliers in the market will submit tenders. Council Solutions note Delorean as a potential processor. This demonstrates our point that Council Solutions proposed conduct is not required to attract new entrants to the market. Indeed the data shows that new entrants and innovation is largely present for small to medium manageable and lower risk contracts.

(3) With regards to recycling, as mentioned previously and as the ACCC is no doubt aware, the Chinese National Sword Policy has established challenges for the recycling market in Australia (and globally) structurally and permanently. What is known is that the industry (Contractors, Government, Suppliers, etc.) is still uncertain as to how the challenges will be resolved. Many short term arrangements are being negotiated. The Council Solutions proposal which suggests more than one drop off point for recycling (two centroids) will achieve no additional competition given each centroid may have maximum 22,500 tonnes per year. These tonnes are not considered to be sufficient even during stable market conditions. The Council Solutions proposed conduct may actually result in less competition as recycling companies are extremely hesitant to enter long term arrangements at present, or if they do contract their terms are unfavourable for Councils. These unfavourable contract terms will not only include higher gate fee charges, but additionally transfer the risk of market volatility onto the Councils.

(4) With regards to organics, any additional tenderers for the Council Solutions proposed contract is unlikely due to geographical spread of the Councils, including the late addition of Port Adelaide Enfield. The current participants in the organics market are demonstrating innovation and services to Council customers and soil product purchasers beyond other composters around the country. For example, Peats Organics is producing

specialty soils from compost with specific nutrient contents for different agriculture crops such as vineyards or citrus. They are also providing tailored waste composting solutions for specific waste organics producers, for example, chicken farms or liquid waste producers.

Council Solutions note that a joint collection tender will provide “*all potential suppliers in the market with fair and equal opportunity to secure the contract*”. Each individual application will allow anyone to tender, however the chance that anyone could win is substantially reduced by virtue of Council Solutions’ proposed conduct. This point is highlighted by making the contract so large that only the biggest companies can afford the capital requirements including bank guarantees over \$1 million. This is amplified by Council Solutions either intentionally or accidentally aligning the approximate release dates for the proposed tenders. This will further encourage alternative tenders that group Application Services and further favour only the largest companies. As was seen with the Council Solutions process for procurement of Bitumen Supplies, the incredible complexity of pricing requirements and submissions meant that the assessment was impossible to complete thoroughly and accurately and simpler solutions were chosen. In the Bitumen Supplies contract case, it was awarded to the incumbent and unsuccessful tenderers seeking feedback on their unsuccessful tenders could not be told.

In summary, the ACCC concluded in paragraph 283, “*The ACCC considers **the proposed conduct is likely to result in some public detriment constituted by a lessening of competition** through:*

- *detering or preventing some suppliers from participating in the tender process or submitting competitive bids*
- ***reducing competition** for the supply of waste services to participating councils in the longer term*
- ***reducing competition** for the supply of waste services to non-participating councils*

Public Benefit

As the 2018 Council Solutions applications fails to address the ACCC’s public detriment concerns above, we respectfully request the **ACCC deny the 2018 application**.

Facilitating Improved Efficiency in the Supply of Processing and Disposal Services

ACCC Final Determination

Recyclables Processing - ACCC view

152. The ACCC recognises that the aggregation of recyclables volumes can, in certain circumstances, improve efficiency by helping the successful supplier or suppliers of recycling services to achieve or maintain efficient scale. Aggregation can facilitate lower average costs and reduce the risk associated with investment in new recyclables processing technology or facilities.

153. The ACCC accepts that the ongoing viable operation of a MRF depends on conditions in the end markets for the various recyclables. On this point, the ACCC notes the submissions by WRASA and SAWIN that the recycling sector is currently in a downward trend because of the low cost of commodities such as glass, which is currently limiting incentives for investment in upgrading existing or developing new recycling facilities in Adelaide.

154. In this case, based on the information available to the ACCC, the estimated volume of recyclables from the participating councils ranges from 30,000-40,000 tonnes which represents a significant proportion tonnes required to sustain a medium sized facility in Adelaide. However, the successful supplier or suppliers of recycling services to the participating councils would also be likely to have access to substantial non-municipal volumes of recyclables as well as other municipal volumes if it has contracts to supply councils that do not participate in the Council Solutions arrangement. The extent of public benefit therefore reflects the extent to which these alternative sources of recyclables are less preferred, more difficult or more costly to access compared to the participating council volumes. Accordingly, the ACCC concludes that the aggregation of participating council recyclable volumes under the proposed conduct is likely to result in some minimal public benefits in the form of improved efficiencies in the receipt and processing of recyclables.

Recyclables Processing - ACCC Decision Rationale applied to the 2018 Proposed Conduct

Since the ACCC's December 2016 Final Determination, the recycling market has worsened to crisis point with the Chinese National Sword policy excluding Australia's MRF sorted recyclables. WRASA believe the following key points lead to the conclusion that it is unlikely a public benefit of increased competition would result from a joint waste services tender. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC's concerns:

- the tonnes have reduced with Tea Tree Gully Council leaving the project
- Council Solutions have conceded that two disposal points will be required
- The tender has been complicated by 2 centroids and uncertainty around which tonnes will be awarded to which successful tenderer for each centroid
- The contract term is not long enough to support any investment (even though it would be unlikely at this stage) and too long to responsibly deal with the current crisis
- Recyclables processing for ancillary services is not known to be included or excluded, and if it is included, in what combination of the 3 services; 1, 2 or all?
- Council Solutions lack of waste management experience will be a liability as the Councils try to make the best of the crisis in recycling through negotiations with all contractors, of which there could be 5 involved in recycling.
- With current MRF infrastructure likely, contractors prefer to win manageable, low risk contracts regularly over time rather than one large contract infrequently
- We reiterate that MRFs are designed to process kerbside recyclables. Commercial (C&I) material is often just cardboard, which is just baled. Some commingled recyclables is produced by C&I but the majority of this comes in on side loaders. C&D material is processed by totally different facilities and machinery.

ACCC View – Organics Processing

164. The ACCC recognises that the aggregation of organics volumes can, in certain circumstances, improve efficiency by helping the successful supplier or suppliers of organic services to achieve or maintain efficient scale. Aggregation can facilitate lower average costs and reduce the risk associated with investment in new organics processing technology or facilities.

165. In this case, based on information available to the ACCC, the estimated volume of organics from the participating councils in this service stream is around 37,000 tonnes which represents a significant proportion of the estimated tonnes required to sustain a medium sized facility in Adelaide. However, the successful supplier or suppliers of organic services to the participating councils would also be likely to have access to substantial non-municipal volumes of organics as well as other municipal volumes if it has contracts to supply councils that do not participate in the Council Solutions arrangement. The extent of public benefit therefore reflects the extent to which these alternative sources of organics are less preferred, more difficult or more costly to access compared to the participating council volumes. Accordingly, while the aggregation of the participating councils' organics volumes has the potential to improve efficiency, the ACCC considers the size of any public benefit from facilitating improved efficiency in the supply of recyclables processing is likely to be minimal.

166. Accordingly, the ACCC concludes that the aggregation of participating council organics volumes under the proposed conduct is likely to result in some minimal public benefit in the form of improved efficiencies in the receipt and processing of organics.

Organics Processing - ACCC Decision Rationale applied to the 2018 Proposed Conduct

Upon reviewing the ACCC's December 2016 Final Determination and comparing it with the new Application we note the most important piece of detail being that there will be two facilities required, represented by the two centroids. This further dilutes any benefit that aggregated volumes may have, as identified by the ACCC. We also note:

- the tonnes have reduced with Tea Tree Gully Council leaving the project
- Council Solutions have conceded that two disposal points will be required
- The tender has been complicated by 2 centroids and uncertainty around which tonnes will be awarded to which successful tenderer for each centroid
- Organics processing for ancillary services is not known to be included or excluded, and if it is included, in what combination of the 3 services; 1, 2 or all?
- Council Solutions lack of waste management experience will be a liability as the Councils try to further introduce organics collections in multi units, businesses and in public. This will be a difficult task to coordinate between up to 10 parties including the Councils and Council Solutions.
- Organics contractors prefer to win manageable, low risk contracts regularly over time rather than one large contract infrequently.
- Port Adelaide Enfield entering mid term will be a complication.

ACCC View – Waste Disposal

183. The ACCC considers that in both the future with and the future without the proposed conduct, the South Australian Government is likely to prioritise greater diversion of waste away from landfill in metropolitan Adelaide, including by significantly raising levies paid by municipal councils to access waste disposal services. In both futures, councils are likely to face strong incentives to consider alternatives to landfill. In particular, the ACCC considers that the budgeted changes to levies paid by councils for waste disposal increase the cost of landfill disposal to a level where AWT and waste to energy technology are likely to start becoming a viable alternative to the landfill options employed by councils currently.

184. The ACCC understands that the minimum amount of residual waste required to sustain a viable waste to energy facility in Adelaide is about 150,000 tonnes per year.

185. The ACCC notes that initially only three of the five participating councils are seeking to procure waste disposal services as part of the Council Solutions arrangement, and their 46,000 tonnes of residual waste per annum represents around one-third of the minimum volume required to sustain a facility of this type in Adelaide.¹³¹ Therefore, while the proposed conduct may reduce some uncertainty and risk for a new entrant,

it is unlikely that a waste to energy supplier would invest in infrastructure on the basis of the Council Solutions tender alone.

186. The ACCC notes there are currently two other groupings of councils in metropolitan Adelaide (East Waste and Northern Adelaide Waste Management Authority (NAWMA)) which, in recent years, have each individually produced around 50,000 tonnes of residual waste per year.¹³² It is possible that by bringing together the residual waste volume of the three participating councils, a waste to energy supplier would be able to negotiate with three parties (Council Solutions, East Waste and NAWMA) rather than six parties in order to secure the minimum amount of residual waste required to sustain a waste to energy facility.

187. In this regard, the ACCC notes the submission by Phoenix Energy that municipal sources of waste are more likely to be able to guarantee a minimum volume of waste, significantly longer tenures and more consistent waste compositions, which are more attractive to financiers of a waste to energy project.

188. However, the ACCC also notes WRASA's observation that the development of a waste to energy plant is likely to be important infrastructure for the state which may require government input.

189. Overall, while the ACCC recognises the aggregation of waste volumes between councils may assist in lowering the risk of investment in technologies (such as waste to energy), the ACCC considers that there is significant uncertainty about whether the proposed conduct would be likely to facilitate investment that would not otherwise occur in the future without the proposed conduct. The ACCC is therefore not satisfied that the proposed conduct is likely to result in public benefit in the form of improvements in the efficient supply of waste disposal services.

ACCC Decision Rationale applied to the 2018 Proposed Conduct

The 2018 Final Determination centred around waste to energy facilities. Two aspects not mentioned by the ACCC were that a waste to energy facility typically requires a 20 year contract and the new facilities are situated to service a regional group of surrounding Councils rather than a geographically spread group. Transporting extra distance quickly adds significant cost to disposal location solutions.

Further to the above:

- Waste to energy facilities in Australia are unproven and extremely high risk. On that basis it is unlikely Council Solutions could deliver a best value garbage(residual) disposal solution
- The market is still working out the best solutions for extraction of resources prior to incineration (or similar) and end use of by products such as fly ash. It is not prudent to accept tenders when all data claims are as yet unproven in Australia
- State governments are becoming more involved in waste as levies increase. Their input will be mandatory for waste to energy planning and approvals
- The lead time for a waste to energy facility can be 5 years or more. The interim waste disposal period would likely be more expensive than straight forward and proven solutions and the project delayed beyond estimated timetables.
- Port Adelaide Enfield does not join in until 2024
- The previous Regional Subsidiary established for garbage (residual) disposal (Wastecare SA) proved expensive for individual Councils and ended up failing after just 1 contract term

Public Detriment

As the Council Solutions 2018 proposal fails to acknowledge or address the 3 reasons the ACCC detailed in rejecting their service efficiency claim in 2016, **a public benefit cannot be substantiated** and therefore cannot be claimed.

Improved Efficiencies through Information Sharing and Cost Savings

ACCC Final Determination December 2016

126. Overall, the ACCC considers that:

- **No public benefit is likely** in respect of better contract management as increased costs of coordination are likely to offset any efficiencies in coordination.
- Some small public benefits are likely to result from efficiencies in delivering community education programs.

ACCC Decision Rationale applied to the 2018 Proposed Conduct

WRASA notes that this Application has separated processing services from the rest of the waste collection services. Upon reviewing the ACCC's December 2016 Final Determination, we believe the following key points lead to the conclusion that a public benefit is unlikely to result from the asserted improved efficiencies through information sharing and cost savings from the 2016 joint waste services tender. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC's concerns:

*122. The ACCC notes that, while Council Solutions will have a role in the ongoing contract management, **day-to-day operational contract management would be undertaken by each participating council**. Any efficiency benefit would therefore be based on broader contract management issues common to each council's individual contractual arrangement.*

123. The ACCC accepts that the proposed conduct is likely to result in increased information sharing and collaboration between participating councils and Council Solutions, and that this in turn may enhance the Applicants' ability to negotiate with service providers during the life of their contracts.

*124. However, compared to the future without, where each council would manage its contract independently, **in the future with the proposed conduct each council would be likely to incur additional coordination and administration costs** through the establishment and implementation of the Contract Working Group, and the need to coordinate responses to broader contract management issues with up to six parties (five councils plus Council Solutions). The ACCC considers that **this increased cost of coordination is likely to offset any benefits gained through collaboration and coordination**.*

*125. In relation to the potential for improved efficiency through the joint delivery of community education programs, the ACCC accepts that the proposed conduct would be likely to allow the participating councils to improve efficiency in the development and implementation of community education programs ... However, the ACCC notes that the participating councils can and do undertake their own community education programs. Therefore, while the ACCC accepts this public benefit, it considers that **any efficiencies that would be likely to be gained** when compared to the future where each council undertakes its own community engagement programs **are likely to be small**.*

As introduced above, for the processing and disposal services, three main faults have been identified that arguably make the 2018 Application for processing and disposal services an even worse outcome for the public, including participating Council ratepayers, than the 2016 proposed conduct.

(1) The contract terms are a compromise between the standard long contract (7-10 years) and short term arrangements required during the current recycling market in particular. Recycling at 3 years would prove unsustainable in the current market and residual waste at 4 + 3 + 3 only allows for current operators to provide prices due to the timeframe to write off new capital. Council Solutions suggests it is for new technologies but these will not be contracted for 3 years or 3 + 3.

(2) The geographic location of these Councils has forced Council Solutions to provide a convoluted qualification around two centroids which means tendering facilities cannot be certain of the tonnes to be received and must provide a collection of prices for all possible combinations of potential Councils. For recyclables and organics processing, the following combinations of pricing will need to be supplied by each tenderer.

Recyclables Only

Combination No.	Centroid 1	Combination No.	They may tender for Centroid two also
1	Port Adelaide Enfield 2024 (PAE 2024) alone	16	Port Adelaide Enfield 2024 (PAE 2024) alone
2	Charles Sturt (CS) alone	17	Charles Sturt (CS) alone
3	Adelaide City (ACC) alone	18	Adelaide City (ACC) alone
4	Marion (M) alone	19	Marion (M) alone
5	PAE + CS	20	PAE + CS
6	PAE + CS + ACC + M	21	PAE + CS + ACC + M
7	PAE + CS + M	22	PAE + CS + M
8	PAE + ACC + M	23	PAE + ACC + M
9	PAE + M	24	PAE + M
10	PAE + ACC	25	PAE + ACC
11	PAE + CS + ACC	26	PAE + CS + ACC
12	CS + ACC + M	27	CS + ACC + M
13	CS + ACC	28	CS + ACC
14	CS + M	29	CS + M
15	ACC + M	30	ACC + M

One must then imagine trying to compare these combinations from each tenderer for recyclables only to decide which is best for all Councils.

Unfortunately, further complexity has been identified. In the Ancillary Services application Council Solutions note that they can elect to use their disposal/processing contractor for any of the residual waste, recycling or organics if they think it is better than the solution provided by the respective collectors for each of the bulk bins from multi unit dwellings, public bins and hard waste. With reference to the recycling, we can advise, and any person in the waste industry will agree, that recycling from bulk bins and public bins has significantly greater contamination, therefore recycling processors will want to charge a higher gate fee for that material, especially with the new Chinese regulations. This means that for recycling, the table of 30 options above will need to be replicated for 3 different service combinations (6 combinations) and 4 different Councils (15 combinations). This equates to 90 combinations for 30 prices above, or 2700 prices, if Council Solutions wanted to accurately seek the best pricing for the tender structure they have proposed. Like the 22,000 pricing options for their Bitumen Supplies tender, the number of options either is impossible for the tenderers to correctly submit and/or impossible for Council Solutions to correctly assess.

WRASA note that Council Solutions have attempted to streamline the contract management component of their 2018 application by reducing the number of Council representatives. However, by reducing their representation, creating only one service specification and not allowing Councils to opt out of the service, each Council will, for Ancillary Services especially, lose the ability to customise the service required by their ratepayers, which currently has differences amongst the Councils. This will result in a net public detriment.

Council Solutions have also defined the responsibilities of Council Solutions and the Councils in an attempt to reduce the Contract Management complexity as follows:

Responsibility	Owner	Est.% of Time
1.Innovation, value adds & maximising performance	Council Solutions	5 - 10%
2.Compliance	Council Solutions	
3.Conformance	Council Solutions	
4.Operational	Councils x 4	90 - 95%

However, they have failed to quantify their claim by providing any substantiation of the time they assert they will save. Council Solutions have stated they will be responsible for items 1-3 above, however these items would only total approximately 5% of the total time invested in contract management. They also fail to mention that these responsibilities are already contained in the collection specifications and are generally listed as the responsibility of the contractor. The remaining 95% of time expended on managing the operations of the contract 5 days a week, 52 weeks a year is retained by each 4 Councils. Again, little has changed from the prior application leaving little benefit if any in relation to Contract Management.

WRASA are certain that the Disposal and Processing Services application has been structured in a manner that will result in Councils and ratepayers being worse off than the 2016 application and will be extremely difficult for Council Solutions and participating Councils to assess accurately and make an informed decision on tenders.

Many issues will also arise from the uncertainty around possible different collection contractors of material (kerbside vs public vs bulk bins) for the same Council in terms of consistent education across each individual Council, responsibility for contamination and compliance for contractors with regards to policing contamination.

Public Benefit

As the Council Solutions 2018 proposal for Processing/Disposal Services has reduced benefit for Councils and ratepayers than their 2016 application, nor does it address the ACCC's concerns in its Final Determination, we believe education; administration and Contract Management costs will be higher and increase complexity. Therefore, on balance, we believe there is **public detriment**.

Public Detriments

ACCC Final Determination December 2016

283, “The ACCC considers **the proposed conduct is likely to result in some public detriment constituted by a lessening of competition** through:

- *detering or preventing some suppliers from participating in the tender process or submitting competitive bids*
- **reducing competition** for the supply of waste services to participating councils in the longer term
- **reducing competition** for the supply of waste services to non-participating councils

ACCC Decision Rationale applied to the 2018 Proposed Conduct

Upon reviewing the ACCC’s December 2016 Final Determination, WRASA have identified the following three public detriments that will result from the proposed conduct. The commentary below benchmarks the 2016 conclusions to the 2018 application to assess if the new application addresses the ACCC’s concerns.

1. ***Detering or preventing some suppliers from participating in the tender process or submitting competitive bids***

251. The ACCC notes that there is **significant uncertainty about the extent to which the arrangements would attract tenders** from waste services providers that would not otherwise participate in tenders to supply the participating councils in the likely future without the proposed conduct. This, combined with **the likelihood that some potential tenderers will not participate in the RFP due to its increased scope and complexity and the greater costs involved**, leads the ACCC to conclude that there is a real chance that the proposed conduct will lead to **fewer participants** in the tender process than would be the case without the proposed conduct.

252. The ACCC considers that **fewer participants in the tender process would reduce the competitive tension between tenderers and therefore be likely to result in public detriment**.

255. Accordingly, the ACCC concludes that **the proposed conduct is likely to result in some public detriment constituted by a lessening of competition** by deterring or preventing some suppliers from participating in the tender process or submitting competitive bids.

WRASA acknowledges that the 2018 application has separated the processing and disposal services so it is clear that a tenderer can tender for just Recyclables processing, for example. However, because all waste services are being tendered at the same time, Council Solutions will gravitate towards combined tenders rather than potentially selecting 7 tenderers or more. Data from previous ACCC applications show the vast majority are awarded to a single tenderer. The size, complexity and high risk will favour the largest companies that can diversify their contract services and spread the risk over more than one waste stream and/or service.

2. ***Reducing competition for the supply of waste services to participating councils in the longer term***

271. While the participating councils have both financial and statutory obligations to provide cost-effective waste services to ratepayers, **the ACCC considers that the proposed conduct has the potential to result in the awarding of a contract or contracts which substantially reduce the overall number of suppliers of waste services to the participating councils**. This could occur **within service streams** where there are currently multiple providers or across councils where there are, in some cases, different providers of services to different participating councils due to centroids.

272. The ACCC is of the view that compared to the likely counterfactual, the proposed conduct would be likely to:

- **reduce the ability of existing providers to innovate and continually improve** their offers to supply waste services over time through successive and frequent opportunities

- **make entry into the supply of waste services** in metropolitan Adelaide less likely by making entry on an incremental basis more difficult.

273. The ACCC accepts that the RFP is intended to generate competition ‘for the market’ in respect of the waste service requirements for the participating councils. However, **the ACCC is concerned that if the proposed conduct results in fewer waste service providers** in metropolitan Adelaide, **competition** for provision of these services to the participating councils **will be lessened in the longer term** as existing suppliers are likely to be in a stronger position to compete in subsequent tender processes.

274. Overall, the ACCC considers that there is a real chance that **the proposed conduct will result in fewer providers of waste services providers** in metropolitan Adelaide and that this is likely to constitute some **public detriment** in the form of reduced competition in the longer term.

3. *Reducing competition for the supply of waste services to non-participating councils*

281. *However, for the reasons set out at paragraphs 270 to 274, the ACCC considers that the proposed conduct is likely to result in fewer waste service providers in metropolitan Adelaide and is likely to advantage existing suppliers in future municipal waste tender processes in Adelaide. The ACCC considers that this is likely reduce competition for the provision of waste services to other councils in Adelaide that do not participate in the Council Solutions arrangement.*

282. *Overall, the ACCC considers that there is a real chance that the proposed conduct will result in some public detriment in the form of reduced competition in the supply of waste services to councils in Adelaide that do not participate in the Council Solutions arrangement.*

WRASA acknowledges that this particular 2018 application has reduced in scope the processing/disposal only, albeit for three services. However, all three Applications are due to be released for tender at approximately the same time. Due to the complexity demonstrated above, this sets the scene for a combined tender that reduces competition significantly in one fell swoop.

As with the Collection Services Application, WRASA believes that Council Solutions have been misleading in their presentation of market size statistics. For disposal and processing, equipment used to process kerbside recyclables cannot be used to process C&D recyclables such as concrete rubble and timber. Residual waste received from C&D is generally sorted with excavators or other equipment, whereas kerbside garbage is not sorted through for extraction of recyclables. This means that kerbside tonnes are not transferable to C&D tonnes, for example, if a business loses kerbside tonnes. In the market this is proven by seeing that ResourceCo process C&D recyclables and SKM/Visy process kerbside recyclables. Therefore the correct analysis of the market is not to exaggerate the opportunities to assume a contractor can access significant capital at a time when they have just lost a contract in order to restructure their business. The correct analysis is to use the tonnes that are being collected in the services which form the Applications in question.

For recyclables processing, for example, Council Solutions suggest that their proposed conduct constitutes just 1.8% of the available market, even though they are 30.01% of households. Recyclables processors such as Visy or SKM cannot simply transfer their business to C&D or even C&I as different machinery, processes and expertise are involved. That is why different companies service the different sectors using different sites. Undeniably, the member Councils of the Council Solutions grouping (without the two withdrawn constituents) represent 30.01% of the recyclables that go through the plant machinery that process kerbside recyclables.

In their seven point response to the ACCC’s public detriment concerns, Councils Solutions state in 7c: ***“If there was any loss in competition, the resultant detriments, such as increased prices or lower quality of service, would impact on the Participating Council’s ratepayers and communities. The Participating Councils, however, in assessing the Proposed Conduct, see the benefits in collaboration and do not believe there will be any detriments to service or competition.”*** In this statement, Council Solutions appear to understand that their application may result in a loss of competition, increased prices or a low quality service that would negatively impact ratepayers and the community. However, they appear to discount these risks, potential costs to ratepayers and the long-term competition concerns expressed by industry and the ACCC as they “do not believe there will be any detriments” but fail to provide any evidence to support their “belief”.

Public Detriment

As Council Solutions 2018 proposal does not provide any evidence to counter the ACCC's concerns regarding the likely public detriments of **reduced long-term competition** in the Adelaide market, other than an unfounded "belief" that there won't be any detriments, we respectfully ask the ACCC to **deny the application**.

Summary

Claimed Public Benefit	2016 ACCC Final Determination	Addressed Council Solutions Proposal	2018 Public Benefit Assessment
Transaction Cost Savings	111. ACCC is not persuaded there will be a net public benefit	Worse than the 2016 application. No claim substantiation provided.	P u b l i c Detriment
Improved Efficiencies through Information Sharing and Cost Savings	126. No public benefit is likely in respect of better contract management as increased costs of coordination are likely to offset any efficiencies in coordination	Worse than the 2016 application. No claim substantiation provided.	P u b l i c Detriment
Facilitating improved efficiency in the supply of waste processing services	143. ... no to minor public benefit	Worse than the 2016 application. No claim substantiation provided.	P u b l i c Detriment
Improved environmental outcomes	229. no likely benefit in respect of waste disposal	Worse than the 2016 application. No claim substantiation provided.	P u b l i c Detriment
Stimulation of competition	208. , the ACCC is not persuaded that the aggregation of contracts would be likely to result in a public benefit. Combined tonnes may provide a minor benefit	Worse than the 2016 application. No claim substantiation provided. No acknowledgment or response to the ACCC's public detriment concerns	P u b l i c Detriment
Public Detriments	The ACCC considers the proposed conduct is likely to result in some public detriment constituted by a lessening of competition	Worse than the 2016 application. No claim substantiation provided. No acknowledgment or response to the ACCC's public detriment concerns	P u b l i c Detriment

Based on the above assessment, WRASA believes the new application does not vary substantively to the original application, provides little to no substantiation to support their public benefit claims and does not address the public benefit or public detriment concerns specified by the ACCC in the 2016 Final Determination denying approval of the proposed conduct. Therefore, after assessing each asserted public

benefit claim and the potential public detriments in detail we respectfully request the ACCC **deny this application.**

WRASA SUBMISSION (PART B) IN RESPONSE TO COUNCIL SOLUTIONS APPLICATION TO THE ACCC DATED May 4, 2018

WRASA has reviewed the new 2018 Council Solutions application and provide the comments below.

The following introductory points should be noted:

- I. Although Council Solutions engaged Wright Corporate Strategy (clause 4.2.1), no evidence has been conveyed by Council Solutions from Wright in the Application and a copy, or excerpts from the Wright report have not been included at all.
- II. No reference is made to the findings from the 2016 ACCC Final Determination, nor does the new Application recognise the issues raised by the ACCC.
- III. As was the case throughout Council Solution's 2016 Application to the ACCC, Council Solution's new Application has provided a collection of unsubstantiated statements with no further evidence provided. Many statements made in the new Application were found by expert evidence and the ACCC determination to be incorrect in 2016, however they have been repeated in the new 2018 Application. These statements are referred to throughout this submission.

Working through the new Application we provide the following comments:

Executive Summary

1. Page 1, Clause 1 -The proposed contract is now three single contracts which binds all Councils for each of the three waste streams. This is being undertaken in the absence of a tender specification, contract document discussion and agreement process between the Councils and Council Solutions.
2. Page 1, Clause 1 - Council Solutions proposes to be the agent for procurement, negotiation and contracting. They have provided no further detail about how they will address their lack of waste industry knowledge and experience.
3. Page 1, Clause 1 – Council Solutions make a set of claims for public benefit (similar to the 2016 proposal that have already been exhaustively investigated during 2016 by the concerned stakeholders, plus the ACCC. In addition to WRASA's submission Part B below, please also refer to the WRASA'S submission Part A titled 'Council Solutions 2018 Application benchmarked to the 2016 ACCC Final Determination' where this issue is canvassed in greater detail.

Parties to the Proposed Conduct

4. Page 4, Clause 3 – We note that the City of Tea Tree Gully Council is no longer party to the Council Solutions tender contract.
5. Page 4, Clause 3.1 – Council Solutions note \$63.5 million of Council expenditure in total for their procurement services for any Council service they have tendered. The combined operating expenditures of the constituent Councils for just 12 months is approximately 10 times that at \$698 million or over \$1 billion including capital expenditure programs. This figure could be considered to be higher if additional participating Councils were included. This raises serious concerns that Council Solutions is an unproven part of the Councils' procurement process. This is reinforced by the fact that since 2016, only eight tenders have been advertised on Tenders SA by Council Solutions on behalf of a variety of combinations of the Councils, continuing the extremely low historical representation prior to the previous 2016 application.

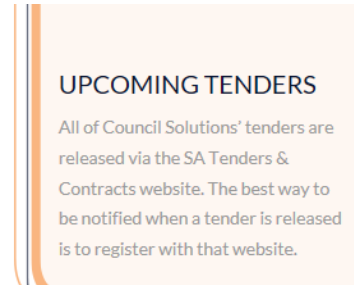
Tenders SA records show that zero of the eight tenders have been awarded suggesting that inherent problems exist with decision making, timeframes and therefore the costs of the Council Solutions tender process .

WRASA further note that Council Solutions financial health continues to deteriorate with their 2016/17 financial report showing a loss increase from \$6,000 in the previous year to \$76,000. Their website shows no upcoming tenders (see item one and two below), whereas their constituent Councils individual websites show a combined 12 current tenders, including a new Pest Control Tender whom Council Solutions are currently administering. The evidence suggests that Council Solutions has sought to secure a large combined waste contract as it provides them with the essential financial stability and workload to sustain unviable operation.

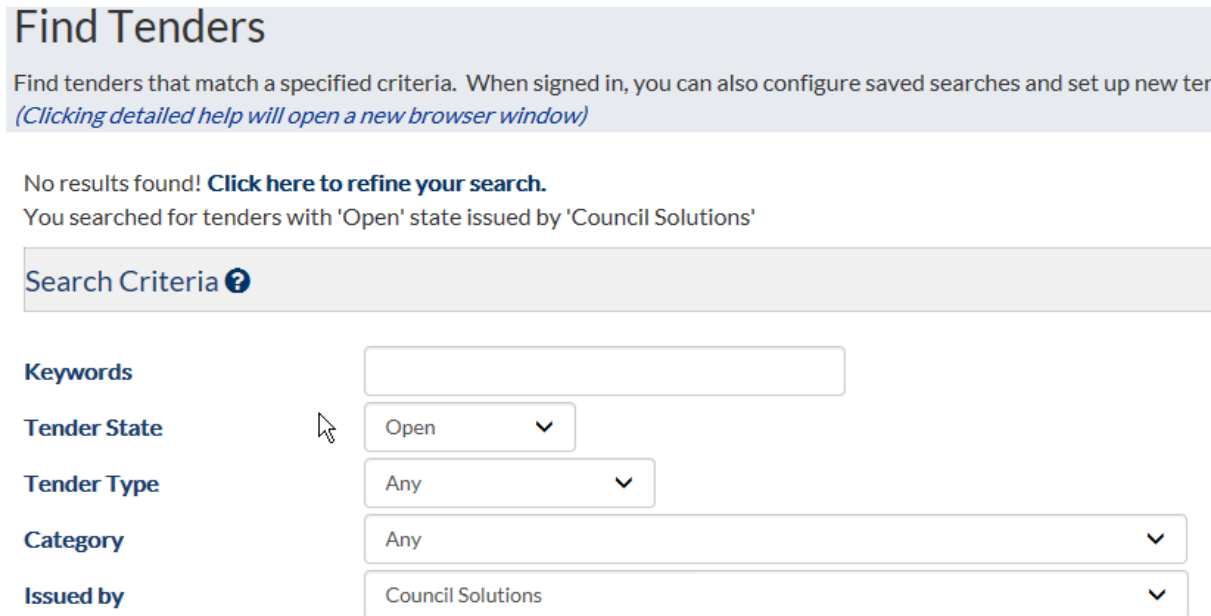
Item One – Council Solutions website shows zero upcoming or current tenders

UPCOMING TENDERS

There are currently no advance notices of upcoming tenders.



Item Two – Tenders SA website shows no current Council Solutions tenders



6. Page 4, Clause 3.2 – WRASA note that the number of rateable properties tabled by Council Solutions fall within or close to the “sweet spot” for municipal collection contract size as highlighted by Professors Dollery and Burgan in our 2016 submissions. No new evidence has been provided that would suggest any net public benefit.

7. Page 6, Clause 3.2 map – A major issue identified with the previous Application was the wide spread of the five Councils over three State Government designated regions. The new Application sees four Councils in three regions. This has resulted from the Council Solutions process of inviting all or a majority of Adelaide metropolitan Councils to participate but as only four Councils have elected to participate, there is a wide geographical spread between the four Councils. This undermines the capability of Council Solutions to achieve waste processing cost savings, evidenced by their requirement for multiple centroids. WRASA emphasise the fact that the model from other states where Councils work within state government defined procurement regions (when it is determined to be beneficial) is necessary to avoid un-clustered Councils establishing inefficient and disruptive groups that can cause long term negative impacts to its own ratepayers and also neighbouring Council ratepayers. In Adelaide, in conjunction with the federal government’s

Regional Development Australia program, the State Government has established the four South Australian Government Regions for metropolitan Adelaide as follows from the RDA website (www.rdametroadelaide.com.au/node/25):

The Adelaide Metropolitan region may be described as the region that includes the four South Australian Government Regions which in turn comprise the 17 respective local councils.

Eastern Adelaide Government Region

City of Prospect
 Corporation of the Town of Walkerville
 City of Norwood Payneham and St Peters
 Campbelltown City Council
 Adelaide City Council
 City of Burnside
 City of Unley
 City of Tea Tree Gully

Western Adelaide Government Region

City of Port Adelaide Enfield
 City of Charles Sturt
 City of West Torrens

Northern Adelaide Government Region

City of Playford
 City of Salisbury

Southern Adelaide Government Region

City of Mitcham
 City of Marion
 City of Holdfast Bay
 City of Onkaparinga

These are the clusters in which the Councils should be assessing collaborative procurement (if deemed necessary by respective Councils), especially for waste disposal, recyclables processing and organics processing. This is in direct contrast to the Council Solutions groupings where only one or two Councils are taken from each region.

8. Page 7, Clause 3.2 – Council Solutions submit that Section 7 of the Local Government Act states that each Council must provide services and facilities that benefit **its** area, support programs that benefit **its** area and plan for the requirements of **its** area. No new evidence has been provided by Council Solutions to suggest that the new Application will now help each individual participating Council in ensuring **its** area and ratepayers are prioritised over an uncertain and un-clustered group tender. The only evidence submitted to date, and in the absence of tender specifications, suggests a compromised outcome for ratepayers.

The Proposed Conduct

Description of the Proposed Conduct

9. Page 7, Clause 4.1 - The new Application now requires that the participating Councils commit to a joint contract for each processing/disposal stream (but with multiple centroids which undermines their whole reasoning for the Application). At this point, with no specification written (more advanced Victorian collaborative procurement guidelines require a specification for ACCC approval) and evidence presented thus far showing that Councils (and ratepayers) will be worse off and ongoing contract management by an inexperienced Council Solutions team in a dynamic industry with recycling in crisis, establishing a joint contract commitment with little knowledge of the final product and ongoing challenges is extremely likely to deliver net public detriment and negative distortions to the Adelaide markets, which pricing and recycling evidence indicates is the most progressive and cost effective waste industry market in Australia.

Context to the Proposed Conduct

10. Page 7, Clause 4.2.1 – Council Solutions state that the Wright Corporate Strategy report advises significant benefits however no evidence is provided and they seem to repeat benefits submitted by Council Solutions in 2016 which were considered by the ACCC to be unproven or hopeful at best. These are unsubstantiated claims and no new evidence has been provided that would suggest any net public benefit.

11. Page 7, Clause 4.2.1 – Council Solutions advise that this Application is for a joint contract. With regards to the organics processing, recyclables processing, waste disposal or processing it is concerning that:

a. The proposed conduct, given its geographic spread, gives the opportunity for one supplier to establish a broad and controlling presence in the market inefficiently.

b. Best practice for collection contract tendering is for a Council to confirm the disposal and processing locations prior to tendering for collection services. Changes to disposal and processing locations during a collection contract often leads to higher collection prices that are based on contracted ‘alternate facility rates’ that are ultimately funded by the ratepayer. Importantly, under this highly likely scenario where the successful tender’s base price will have to be adjusted via a standard ‘alternate facility transport rate’, the market will be not tested as to the full costs of the previous collection Application with regards to the successful tenderer. This often results in higher costs to a Council, as against costs obtained by a variety of tenderers based on them tendering on known disposal and processing locations. This results in the likelihood that the successful tenderer is not the best value, once all the variables have been considered.

c. WRASA note that during a “consultation” briefing in October 2017, one of the WRASA members was advised that all tenders (collection, processing, disposal, etc.) would be released around the same time. This would have promoted a scenario similar to the situation in 2016 that attracted heavy criticism due to the variety of possible submission combinations. This additionally provides an opportunity for only a limited few out of the many current operators in Adelaide (i.e. large multinationals with the capital backing to submit alternate tenders for all services), This can only be to the ultimate detriment of the public due to the loss of players in the industry resulting in reduced competition in the medium to long-term.

d. The use of centroids, which although may be close to facilities, are not precise. This requires that risk will need to be added to the pricing for the extra distance that may need to be travelled within the radius. **For garbage alone this could amount to an estimated (with Marion excluded) 30 trucks x 10 minutes per load x 3 loads per day x 5 days x 52 weeks. This amounts to collection contractors having to cost in an additional 3,900 hours at a cost of approximately \$400,000 per year or \$4,000,000 over the contract term. For recycling and organics the cost could be the same**

(fortnightly collection) or higher with contractors unable to substantiate which Councils they will win or if Ancillary Services (waste, recycling or organics) will be included or excluded.

With regards to Council Solutions proposal for processing and disposal, WRASA stress that as the Federal and State Governments already have established regional waste management infrastructure programs in place, any major infrastructure planning and procurement that is not aligned will have serious long-term consequences for the region, surrounding regions and neighbouring Councils in particular.

12. Page 8, Clause 4.2.2 – Council Solutions have failed in their application for processing services to clearly articulate the number of tonnes they are seeking to manage. This clause contains four subsections for “Waste Processing” including:

(1) Waste generation – Council Solutions have included MSW, C&I and C&D, so they appear to be talking about garbage, not recycling or organics. C&D and C&I should be excluded as they are collected and processed separately.

13. Page 89, Clause 4.2.3 – WRASA note that Council Solutions have over stated the market size by using the entire MSW market. They have included all MSW, including material taken to landfills by Councils from street maintenance and construction operations, all Council commercial waste and all material taken to landfills privately (from renovations etc.), instead of using only kerbside collected waste.

Proposed Tender Structure

14. Page 9, Clause 4.3.2 – Council Solutions note that evaluation criteria will be established and communicated, which has been standard practice for many years. Council Solutions listing of parties involved is reasonable, however as articulated and proven in 2016, having Council Solutions manage the tender process does not take work away from assessment staff at each individual Council.

It is very unlikely that a Council tendering for a \$50 million contract via Council Solutions will only have one Council representative involved in the assessment and decision making process. In fact, as the contract will still have the same value for the Council, it will need to be a diligent process and required to retain an evaluation team, rather than one Council representative.

As Council Solutions note, the staff on the evaluation team at each Council will still need to submit their individual requirements for the tender specification, approve probity plans, tender schedules, pricing combinations, evaluation criteria, and the conditions of contract. The result is that the workload for each Council to prepare and assess the tenders will be the same as the current situation and each Council’s Probity Officer will still be obliged to monitor and review the work of the respective Council staff.

Additionally, the Council Solutions proposal differs greatly to standard practice and the Victorian procurement model where the tender specifications are completed prior to confirming each Councils commitment to the project and prior to requesting the ACCC approval. This provides Councils and subsequently the ACCC with detailed plans to allow each party to make an informed decision regarding the impact of the services being offered. Council Solutions note that a “Negotiation Plan” will be required which will (1) increase an individual Council’s workloads surpassing an individual Council tender submission and (2) reduce each Council’s ability to customise and refine their service requirements. As concluded in the 2016 final determination, this phase of joint procurement increases coordination time, adds complexity and ultimately increases costs to Councils and ratepayers

15. Page 10, Clause 4.3.2 – Council Solutions state they will award all four (4) collection contracts to one (1) contractor. However, as is often the case, different Councils will see advantages, in particular pricing and service, from different supplier tender submissions and therefore some Councils will need to select a less preferable supplier to support the combined Council Solutions contract.

16. Page 10, Clause 4.3.3 – WRASA wishes to stress the importance of the duties and responsibilities listed in this clause for each Council and Council Solutions. Council Solutions state that each Council will be responsible for the management of individual ratepayer queries, bin requests and new services. However, our member knowledge of waste collection contracts confirms there is an essential link between operational management and contract management. Council Solutions will be responsible for KPIs, data, contract options and pricing reviews, even though they have NO experience in waste contracts. From our members, WRASA can confirm that the different Councils have different internal reporting, KPI's, systems and processes for data, pricing, contract compliance and day to day political requirements involving waste services. Again, many changes will need to be made to each Councils' waste management processes and compromises made to align with the service that Council Solutions will provide, which is yet to be specified. It is important to note the emphasis that the control of the waste management contract will be largely removed from each Council ("central contract management role" for Council Solutions versus "retain some contract management responsibility" for each Council.) Council Solutions lack of experience, track record on this project to date, poor financial strength, baptism with a massive contract (possibly half a billion dollars with other services) and geographical structure, sets the scene for major contract difficulties and highly concerns the WRASA members. These concerns were not addressed by Council Solutions in 2016 and they have not been addressed with this new Application.

17. Page 11, Clause 4.3.4 –Table 2 clearly highlights that each Council must still go through every step of a standard tender process. In addition it makes no mention of the need to negotiate and compromise with other Councils and Council Solutions.

Relevant Provisions of the Competitions and Consumer Act 2010

18. Page 11, Clause 4.4 – As industry has previously responded to a very similar Council Solutions Application in 2016, resulting in the ACCC undertaking a thorough assessment of the evidence supplied by industry, we believe this revised Application should be assessed for ANY evidence that address the issues raised by the ACCC in their Final Determination denying approval. No references have been made to the issues from the ACCC Final Determination in 2016 and, like 2016, the new Application contains only unsubstantiated claims, most of which are repeats of 2016 Council Solutions submissions. For all of the reasons uncovered during 2016 by a number of parties and further reasons presented by interested parties this year, it is clear that the proposed conduct will NOT provide any public benefit and WILL substantially lessen competition through their cartel conduct.

Rationale for the Proposed Conduct

19. Page 11, Clause 4.5.1 – As with the 2016 Application, Council Solutions have endeavoured to make the link between the state's targets and their existence and objectives. WRASA believes this requires further investigation and warrants the following comments:

- a. Council Solutions have provided no detailed targets, objectives, plans or contract specifications. Council Solutions state that the Councils have plans that align with the state targets. Therefore, the Councils are already well positioned to address targets, compared with Council Solutions, who have no waste management experience.
- b. Investigation of the previous Application found that waste diversion percentages were poorer for large contracts and the Adelaide Metro 'optimally sized' Councils were already producing nation leading results.
- c. The Councils have been performing well against waste diversion targets, while progressing with new waste diversion initiatives throughout current and previous contracts. The evidence suggests that the Councils have a better chance through optimal size, flexibility and adaptability to meet targets than they would if they became a part of a Council Solutions controlled contract.

d. The next major increase in diversion percentages will possibly be made through taking garbage to a waste to energy facility. The 2016 ACCC process found that the tonnes available from a Council Solutions tender were totally insufficient for a waste to energy facility, which would require a state coordinated effort using established regions for transport efficiency.

Term of Authorisation

20. Page 12, Clause 4.6 – The contract term has been revised from Council Solution’s original term of approximately 14 years to 2 x 10 year terms over a 23 year period. Given the estimated useful life of collection vehicles is 8-10 years, there are no economies of scale to be achieved by having a collection contract term longer than 8-10 years. A contract term in excess of 8-10 years only serves to add uncertainty and risk and therefore cost to the ratepayers. Other elements of this contract term issue are ignored, such as when processing and disposal contracts start and finish, which contracts will be shorter or longer than 2 x 10 years (lower or higher prices) and will all tenderers be able to participate. Another issue overlooked by Council Solutions in their proposed conduct, is the lead time required to set up a contract of this size. This collection contract will require an estimated 72 trucks, which would require a build time greater than the time period allowed in this proposal, leaving Councils with a ‘limbo’ period between current contracts expiring and trucks being available in the new service. Furthermore, tendering risk increases proportionally with longer tender lead times as contractors have to estimate pricing further into the future. The impact of a greater risk profile is higher pricing.

Under the proposed conduct of 2 x 10 year terms, the same lead times will be required for the second tender period. If other Council Solutions constituent Councils participate in the second tender, the lead time will need to be extended, further increasing the risk profile for tenderers and potentially prices for ratepayers. This is an example of diseconomies of scale that exist in larger contracts, as confirmed by Professor Brian Dollery’s review of the impacts of Council mergers in Qld:

*However, due to the effects of these forced amalgamations nearly a quarter of all councils (13 councils) were now found to exhibit diseconomies of scale. The proportion of Queensland residents represented by local governments **operating in the diseconomies of scale segment of the cost curve in 2009/10 had thus increased to 84%.***

*However, in the disaggregated analysis performed by Drew, Kortt and Dollery (2016) **economies of scale were only observed for expenditure on parks and gardens, which constitute around 5% of ongoing Queensland council expenditure. On the other hand, no scale economies were observed for either road or domestic waste collection and removal expenditure.** (See attached report p 11).*

Documents to be Submitted to the Board

21. Page 13, Clause 4.7 – Council Solutions proposal states within this clause that ‘Relevant papers have been provided to the ACCC at Annexure 1...’. As a minimum, Council Solutions should provide excerpts from the ‘Relevant papers’ to industry to substantiate the unsupported claims and respond to the concerns raised in the ACCC Final Determination in 2016.

Market Information and Concentration

Market Definition

22. Page 13, Clause 5.1 – Council Solutions note that the Councils are legally obliged to make decisions that benefit their ratepayers. It is therefore imperative that Council Solutions provide substantiation to support their claims of Net Public Benefits and more importantly provide evidence responding to the Net Public Detriment concerns raised in the ACCC’s Final Determination. This will ensure that Council Solutions and neighbouring Councils ratepayers are not disadvantaged by the proposed conduct.

Relevant Industry

23. Page 13, Clause 5.2 – Council Solutions note they will appoint processors and disposal locations later. The preferred practice is to decide on processing and disposal locations before progressing to collection tenders. The reasoning is that different disposal locations have varying material, contamination and compaction requirements at differing locations, all of which have a direct and considerable impact on collection tender pricing. Again, this ‘reversed tender’ process increases the risk profile to collection tenderers potentially resulting in higher tendered pricing.

Market Share

24. Page 14 & 15, Clause 5.3. - WRASA agrees with most of the figures that Council Solutions has tabled in this clause, however note the following:

- a. As the City of Onkaparinga perform their own garbage collection service and outsource their fortnightly recycling and four weekly organics services to approximately 70,000 households, or 11% of all GAR Councils, an estimated 6-7% of the work is unavailable.
- b. We believe the categorisation of Councils is misleading. If the Council Solutions application is approved and awarded to one contractor as intended, approximately 75% of the Councils will be unavailable to tender for 8-10yrs, due to NAWMA having just started a new contract. It is clear in the event Council Solutions application is approved by the ACCC, this will result in a lack of tendering opportunities during the next decade which will lessen competition. Less than 25% of the market will be available over the next decade.

A realistic view of tender opportunities was shown in 2016 and we believe the following table provides a more accurate assessment of the available market after the proposed conduct. Critically, Council Solutions numbers are misleading due to inclusion of non metro Councils, mistaken categorisation of Councils and advantageous inclusion of Onkaparinga garbage as open to tender. The following table shows the correct Adelaide metro councils, current service numbers and their tender status.

From this it is clear that following a Council Solutions tender, only 24% of the market will be open to tender before NAWMA becomes available again in 8-10 years.

Council	Region		Subtotal	%
Tea Tree Gully	Available		42000	
West Torrens	Available		28600	
Unley	Available		19400	
Holdfast bay	Available		19300	
Onkaparinga Recycling & Organics	Available		37000	146300 24.36%
Onkaparinga Garbage	In house		37000	37000 6.16%
Port Adelaide Enfield	Council Solutions		61000	
Charles Sturt	Council Solutions		55200	
Adelaide City	Council Solutions		22500	
Marion	Council Solutions		41500	180200 30.01%
Burnside	East Waste		22000	
Adelaide Hills	East Waste		20000	
Campbelltown	East Waste		25200	
Norwood, payneham and St Peters	East Waste		18200	
Walkerville	East Waste		3500	
Prospect	East Waste		8600	
Mitcham	East Waste		32500	130000 21.65%
Gawler	NAWMA		10500	
Playford	NAWMA		37500	
Salisbury	NAWMA		59000	107000 17.82%
Total			600500	600500 100%

Competitive Constraints

25. Page 16, Clause 5.4.1 – Council Solutions have raised the concept of competitors and noted that the other Councils are competitors for the acquisition of waste services. They have incorrectly identified their market position. Simply put, the very few larger organisations that would be capable of tendering for the proposed Council Solutions contract would be willing to perform all Adelaide Councils, although perhaps not all at once. For that reason, other Councils are NOT competitors. If Council Solutions awards a contract, that tenderer is able to win other contracts.

In fact, Council Solutions is the entity seeking approval and they have NO competitors. From the start of the process to the end of the contract they have no other entities that are able to compete to manage the work, due to the entity being established by the Councils, and then, with internal management, having a drive of its own to financially succeed.

With regards to waste companies being competitors for the work available, this is more applicable given that the ACCC is trying to determine whether there will be a lessening of competition in the market.

As was proven with factual statistics and other local market information in 2016, larger municipal contracts:

- a. Favour a smaller number of larger suppliers (for example, Brisbane City Council where only 2 companies (both large multinationals) submitted tenders)
- b. Attract fewer tenderers
- c. Establish a foundation for the successful tenderer to dominate surrounding areas in other services

Council Solutions' comments in Clause 5.4.2 are also not entirely correct. WRASA addressed the likelihood of new competitors in 2016 by finding that the organisations Council Solutions stated they will attract from other states already have offices in Adelaide and have already tendered for waste services. In any case, the reality is that the South Australian market is the most competitive in Australia, in particular for waste collection, delivering the cheapest bin collection rates in Australia. The cheapest bin collection rates in Australia are the direct result of sustained competition in a market. Given the wide geographical spread and long distances between the participating Council Solutions Councils, collection costs will only increase not decrease given the inefficiencies of additional travel distances, traffic issues and potential for more accidents. New competition is unlikely to provide a cheaper option that is sustainable and provides a similar high quality service as is being provided by Australia's major waste companies already present in Adelaide.

Furthermore, the statement, *"There is unlikely to be any entry of new competitors to the Participating Councils in the procurement of Waste Collection Services unless any member of East Waste or FRWA decided to procure Waste Collection Services outside of its applicable Regional Subsidiary"* highlights the point that collaborative tenders or Council groupings closed to open tender reduce competition. In this one statement, **Council Solutions confirm the competition concerns expressed by industry and the ACCC's Final Determination.** If these two smaller Council groupings have reduced competition, then impact of Councils Solutions proposed conduct will create a far larger public detriment. WRASA believes on this point alone the Application should therefore be denied.

26. Page 16, Clause 5.4.3 – There are many erroneous statements in this clause including:

- "Potential suppliers have significant bargaining power and are able to exert strong influence," but as previously stated Adelaide has the country's lowest collection prices and is incredibly competitive.
- "Ongoing contract management are critical, expensive and time consuming responsibilities for the Councils," with the implication it will be cheaper under Council Solutions with no waste experience, another tier of decision making and more parties to agree on each decision, plus the additional cost of Council Solutions services.
- "Should a council wish to exit a contract (*suggesting poor procurement or management*) the potential interruption to service and cost and effort for the Council can be prohibitive." We are certain it would be much worse if the Council wrests control of the contract with Council Solutions due to the added bureaucracy, and the vested interest that Council Solutions has in continuing the contract income. In the case that the service provided to one Council breaches the contract, would the other Councils also have to break the contract or would the one Council need to retain poor service provision for the length of the contract?
- "Potential suppliers also have access to a significant pipeline of Council opportunities." This issue was dealt with in detail in 2016 and with the exception of Tea Tree Gully, nothing has changed and Council Solutions have provided no evidence to support their subjective comment. If the Council Solutions contract was awarded, only 25% (maximum) of the local market would be available for tender over the next 8 to 10 years and an additional 30% of the market (being Council Solution's) would be tied up for 20 years.
- "The majority of potential suppliers for the provision of a three bin system is only one element with many providing multiple other services." This is actually true for only a small percentage of

suppliers and there is evidence that companies that lose several contracts sub contract their services, sell infrastructure or leave the area entirely, ultimately reducing competition.

To summarise, focusing on the concept of bargaining power and given the fact that Adelaide has some of the lowest kerbside collection rates in the country while at the same time as receiving high quality three bins systems and achieving high diversion rates, it is clear that the bargaining power is balanced. The Council Solutions proposal would skew that power through lessening of competition while establishing a contract that does not benefit the public and create forces which have proven elsewhere to generate higher prices, reduced service quality and lower landfill diversion rates. We note also that Council Solutions will need to seek revised pricing from the winning tenderer once the undefined disposal points are finalised. This puts the member Councils and Council Solutions in a poor negotiating position and will undermine the tender process as only the successful collection tenderer will have the opportunity to revise its collection prices.

Public Benefit

27. Page 17, Clause 6 – WRASA has consulted with our members and find the public benefit claims summarised in this clause totally misleading. Council Solutions continue to make statements that ignore the submissions by all interested parties during 2016 as well as the comprehensive ACCC Final Determination. Their statements are simply repeats of their 2016 claims and remain unsubstantiated.

a. How can Council Solutions assert tender process efficiencies will occur when it was determined by the ACCC from 2016 that the extra level of bureaucracy and the added requirement for individual Councils to negotiate and compromise with other participating Councils will create complexity and increased workloads for Councils. Even with the services separated, they have created a tender structure which individual Councils could have performed more efficiently.

b. WRASA recognise that the ACCC determined that there may be some education related environmental benefits realised from the process, but Council Solutions fail to acknowledge the ACCC's conclusion that there would be "no likely benefit in respect of waste collection" (See Final Determination 229). Furthermore, WRASA reaffirm our position from investigation of other large contracts that their landfill diversion is generally poorer and their price higher, which means more resources and more emissions. Lower productivity per truck hour comes from the broad geographical spread of the participating Council Solutions member Councils, more difficult driver management and overall contract supervision.

c. How can Council Solutions assert lower costs via purchasing power, increased competition and improved service efficiencies when all of the evidence provided from 2016 proved the opposite, for example, Brisbane City Council prices reportedly being approximately 15% greater than average rates for Adelaide and Adelaide households being provided with better services, such as mandatory three bin systems with food waste diversion while achieving significantly higher landfill diversion rates. This is currently being undertaken with an average of one tenth of the households of Brisbane City.

Again, although the ACCC has likely identified this, we reaffirm that Council Solutions have made statements that are absolutely untrue and unsupported by any evidence.

Public Benefits That Will Occur

Tender Process Cost Savings and Efficiencies

28. Page 22, Clause 11.1.1 – Council Solutions state they will reduce administration costs without providing any real evidence to support their assertion. As concluded by the ACCC in the 2016 Final Determination, WRASA believe costs will increase due to the increased complexity as each Council will need to sign off on every stage of the tender and each aspect of contract management during the term. Additionally the negotiations will need to occur between each Council while being led by an entity with no waste management experience. History shows that individual Councils do not shed staff or reduce administration costs when they participate in a joint tender process. Administration is simply duplicated and the individual Council staff spend further time managing the joint tender administration. In short, another layer of administration is added to the detriment of Ratepayers.

29. Page 23, Clause 11.1.1 – Council Solutions have again argued that waste contractors workload increases significantly when submitting individual tenders. We reaffirm that our members would prefer to prepare, cost and submit individual tenders as (1) the risk (and therefore the cost to Ratepayers) of contracting separately for appropriately sized contracts is much lower and (2) the work involved in assessing each area material, contamination and risks still needs to be completed with only perhaps the basic insurance/company/quality type schedules work being reduced, which is literally only a few hours work. In total, a joint tender process only saves approximately 5% of tender preparation time, as approximately 95% of the time invested is on operational research, costings and pricing.

Council Solutions highlight that individual Councils would ordinarily have their own service specification, conditions of contract, evaluation criteria and customisations. These are lost to the Council Solutions high level (low detail) specification.

To summarise, as the ACCC's Final Determination concluded from the evidence provided in 2016, the extra time and financial costs are far outweighed by the time and financial costs of coordinating the collaboration. The application process thus far, with opposition from the industry it concerns, being just one example of that.

31. Page 24, clause 11.1.1 – Council Solutions submit that there is no consistency or standardisation when Councils tender separately. WRASA can confirm that consistency or standardisation with other Councils that are tasked with looking after THEIR OWN ratepayers should not be a priority and instead each Council should specify exactly the service it requires after consultation with its ratepayers. The Councils in and surrounding Adelaide are already using the model contract to establish basic contract requirements and customising as required for their own tenders. Council Solutions comments on tender documents are misguided which is demonstrated by the absence of their own specification documents which should have been prepared by now.

32. Page 24, – On a similar point, Council Solutions have stated that there will be a clear and significant reduction of unnecessary duplication of work for all parties from the Proposed Conduct without providing any evidence or acknowledging the complexity concerns raised in the 2016 Final Determination. We make the following points:

a. all of the documents and schedules Council Solutions list to make the workload look substantial already exist for waste contracts at each Council (many use the previous contract that has been refined for the next contract) and already exist in the model contract. By Council Solutions making a new high level (low detail) specification, the Councils will have more work to verify that it suits THEIR OWN Council and ratepayer needs. This is another example of the change to Council Solutions creating more work for Councils and increasing the risk of a vague specification which often occurs when previous contract documents are not used as a base for the new contract.

b. As mentioned previously, each of the documents will still need to be reviewed by each individual Council and the responsibility for making decisions for each Council as part of any Council Solutions process WILL NOT be left with one officer. The single Council representative at a Council Solutions meeting will still have to brief and discuss with internal staff at each Council. Correspondence and meeting time will increase, not decrease.

c. The Reduction of replication of resources and work section lists the Council staff resources used in a tender. These resources will still be used, perhaps with the exception of the probity officer. However Council Solutions seem to be remiss in not mentioning that they will charge an administration fee for their involvement as an extra level of administration, which is believed to be around 1%, or approximately \$5 million for the group of services to be tendered. Although this covers ongoing work, Council Solutions involvement in the contracts is undoubtedly more expensive than the Council's doing the work in house. \$5 million would pay for 1-2 people at each Council to manage the contracts over the 10 years. This currently occurs at present with these staff additionally undertaking and managing normal Council waste duties (including but not limited to customer service, education, EPA liaison, internal briefing and reporting and strategic planning for the Council). The Council Solutions proposal does not state that these internal Council resources will now be removed, hence increasing wage costs overall. In practice they cannot be, as they will still be required to check Council Solutions correspondence, decisions and importantly, performance for their own Council.

33. Page 24, final dot point – regarding 'Reduced tender process administration costs', Council Solutions have again listed steps in the process. Aside from being miniscule compared with the cost of the contract, all of these steps will need to involve officers from each Council. The ACCC Final Determination concluded

this would be the case and Council Solutions have provided no further evidence that this 2018 Application would be any different. To say there is a clear benefit is misleading and unsubstantiated.

34. Page 25 – WRASA did previously agree that the relatively small cost of probity and legal advice could be shared amongst the Councils however now we believe that the increasing complexity of the proposed conduct will require significant legal and probity resources.

35. Page 25 – Regarding contract management, WRASA apologise for making the same points repeatedly, but WRASA would be remiss in not pointing out that again Council Solutions have provided no evidence to support what has already been found in 2016 to be ill-informed and unsubstantiated. Council Solutions exerts the premise that it will take over maximising performance, compliance and conformance, but their team, including their new CEO, has no waste management experience.

Environmental Benefits

36. Page 27, clause 11.1.2 – we fail to understand how Council Solutions propose to minimise education campaign costs when they need to deal with 3 bin systems, hard waste systems, bulk bin systems that are all completely different between Councils. The first job of alignment, which seems to be their inference, will either require a multi million dollar bin replacement or retrofit program or they will be forced to simply replicate the work of 4 individual councils as the changes they proposed are too problematic.

37. Page 28, Clause 11.1.2 – The ACCC’s Final Determination concluded that there would perhaps be some environmental benefits from the Council Solutions proposed conduct for education, but not for collection. We note for processing that:

a. By Council Solutions referring to the state targets does not mean they will help to achieve them. In fact evidence from around Australia suggests that larger contracts are less effective at diverting waste from landfill due to their inflexibility over long contract terms and drive anonymity above “sweet spot (optimal)” size which makes kerbside bin checking and tagging more difficult to effect.

b. Council Solutions hopes to gain efficiencies from a joint education program. It may gain some printing cost savings but there remains the fundamental problem of all of the participating Councils having different bin colours. These are perhaps the major part of education in each community as the primary identifier of bin type and waste stream.

c. with two centroids, and therefore two contractors for each of recycling and organics, Council Solutions will need to combine the plant and contract requirements of those 4 facilities into a combined education program. This is highly unusual. We have not been able to identify any other contract in Australia with two MRFs and two organics facilities. Even if all Council systems were the same, there is no evidence that the Council Solutions team, with no waste education experience, can perform better than Council staff with experience and operational knowledge. This would be in contradiction to established education outsourcing in a field where the proven best way to reduce waste to landfill is by rejecting and tagging bins at the time of collection.

37. Page 38 – Regarding contributing to state government targets, WRASA members find it arrogant and misguided that Council Solutions suggests that with no waste experience and without providing any plans or evidence, that they will achieve targets that the industry and Councils have been unable to achieve. This also ignores the evidence that South Australia has nation leading waste diversion results that are the result of decades of collaboration between contractors and Councils. There has been no evidence provided that they will be able to do that.

They also state that the proposed conduct is more likely to promote infrastructure investment. This is false because:

- I. their tonnes on offer are geographically spread requiring multiple centroids
- II. their tonnes are insufficient for any waste to energy facility
- III. the recycling market will not want to invest over the next few years in large new plants
- IV. history shows innovation is more prevalent in small to medium contracts and given the tonnes and market conditions in this instance this is likely to remain true

Public Detriment

38. Page 39, Clause 12 – Council Solutions summarise their Application by suggesting “*there will be negligible to no public detriment*” despite failing to address the three (3) Public Detriment concerns expressly raised in the ACCC’s 2016 Final Determination or by providing evidence to counter the following concerns:

1. Making it difficult for potential suppliers to submit bids that are competitive and are certain to be assessed diligently and selected in the face of numerous contracts, alternative tenders, submissions for combination of services and potentially thousands of pricing options.
2. Reducing competition for the supply of waste services to participating Councils in the longer term.
3. Reducing competition for the supply of waste services to non-participating Councils. Although separating the collection tender is positive on the face of it, Council Solutions advise it will still tender for all Councils and subsequently all disposal and processing services which only spreads the prior Application over a longer period of time. The single joint contract, whilst providing partial reduction in the number of combinations of tender pricing it must assess, also creates a single contract which all Councils must agree to up front and on an ongoing basis. No customisation is available without significant negotiation and/or compromise.

39. Page 40, clause 12 – mitigating factors. WRASA provide the following comment on Council Solutions’ purported mitigating factors against public detriment:

a. public tenders are standard practice. Even with probity it is possible (and probable) that assessment is not thorough when the complexity of thousands of options must be considered

b. the maximum term is 10 years, but the recycling and waste terms extension options are impractical and the garbage(residual) is insufficient for any new technology.

c. the extension terms are a token attempt to reduce the risk of this sort of tender in the current market. The terms will still yield a poor result for ratepayers and individual Councils

d. the Councils have committed to the tender process but they can still reject all tenders or ultimately determine their final path. Council Solutions needs this contract to remain financially viable and the Councils can allow them to “test the waters” without fully committing

e. the RFT is for four Councils and three separable processing streams but within that contains a lot of uncertainties and potential for pricing combination requirements in the thousands. Also, the other waste services are being tendered under a separate application but at the same time so even more complication with alternative tenders combining, for example, collection and processing streams or collection and ancillary services, is certain.

f. stakeholder engagement consisted of 1 session where Council Solutions advised brief details of what they planned to do to get their second applications to the ACCC. They did not seek feedback. Tender briefing sessions are commonplace but the important task is preparation of the tender specification, which is overdue and pivotal.

g. suppliers can compete for other tenders but the proposed conduct obviously dries up the opportunities over the next decade and favours the largest companies. As has been demonstrated several times, a potential supplier cannot simply switch to C&I and C&D sectors for tonnes given the current competition in those sectors, requirement for other expensive trucks, plant and equipment, and different processes and systems. We agree that MSW, C&I and C&D are all in the same waste industry but Council Solutions’ statement is akin to a state-wide bread manufacturer and distributor being told they can easily switch to manufacturing and distributing butter. Even harder for a small food manufacturing company.

h. there may be no barriers to submitting a tender however will the way in which it is being presented to market mean that competition is lessened or the public receive a large, inflexible, inefficient and complicated to assess contract? Definitely yes.

i. again, suppliers can tender for any services they choose, which is common and almost always allowed through alternative tenders, encouraged by Councils at the time of tender. The question is the likelihood of Council Solutions being able to assess thousands of prices in the interest of 5 parties with interests and services that currently vary significantly. And what is the likelihood of high quality contracts for ratepayers with 4 Councils, Council Solutions and a potential for 7 contracts with further contracts possible.

Conclusion

As the Application does not provide any evidence to substantiate their net public benefit assertions and fails to address the concerns raised in the ACCC's Final Determination, we respectfully request the ACCC deny this Application.

Waste and Recycling Association of South Australia Inc.

18 June 2018