



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

18 June 2018

Mr Gavin Jones
Director, Adjudication
ACCC
GPO Box 520
MELBOURNE VIC 3001

By email: adjudication@acc.gov.au

Dear Mr Jones

AA1000419 and AA1000420 – Council Solutions – Submission

We refer to your invitation of 17 May 2018 seeking comment on competition issues relating to Council Solutions' joint procurement proposals.

We note that the proposals have again raised concerns from small to medium businesses associated with waste management in South Australia. Those concerns are set out in submissions made to ACCC and in correspondence to my office.

Our 21 October 2016 submission to the ACCC on the original proposal remains pertinent. The current proposal has addressed some of the concerns raised by ASBFEO and others, but still has significant implications for SMEs trying to win business through the tender process.

We remain concerned that bigger centralised tenders make it harder for SMEs to respond successfully. The simple reality is that the larger and more complicated a tender becomes, the greater the imbalance between the tendering parties. In addition, there is also likely to be an imbalance between the well-resourced businesses and the smaller ones. The latter typically lack the skills and resources to properly make their case.

Another issue that we previously commented on was the contract term. While the term has been reduced from 17 to 10 years, we believe this is still too long if an SME has previously lost out in the tender process.

The South Australian Small Business Commissioner has also written to you about this matter. We endorse the comments he has made about the proposal and its impact on SMEs in the South Australian industry. In particular, there is a need to ensure that SMEs have a real opportunity to tender for this work.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6263 1558 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO

Australian Small Business and Family Enterprise Ombudsman