

9th August 2013

The Honourable Mr. David Crisafulli, MP
Minister for Local Government
P.O. Box 15216
City East QLD 4000

Dear Minister,

On behalf of the Sunshine Coast business community we write to you in relation to the Sunshine Coast Regional Council's (SCRC's) Waste and Resource Management business activities which is limiting competition and contestability in the waste and recycling market.

The Chamber of Commerce and Industry Queensland (CCIQ) has been a strong advocate of the Queensland Government's commitment to improve waste and resource efficiency and the development of an industry led waste strategy for Queensland. Our members see the benefits and opportunities that can be realised through improved waste management, recycling and reuse.

CCIQ is concerned over reports that the SCRC's are acting to limit business opportunities and market share of the private waste industry operators, actions which we believe to be anti-competitive. CCIQ notes that the Queensland Competition Authority (QCA) recently completed an investigation into a Competitive Neutrality complaint, which found that the SCRC's Waste and Resources Management business had a competitive advantage over potential competitors and recommended this advantage be removed.

The QCA findings are consistent with feedback we have received from members operating within the SCRC area who are concerned that they have limited to no choice over waste service provider, are forced to pay excessive and unfair waste and recycling charges, and that they are in fact cross-subsidising the residential/household sector. Franchise/chain businesses are unable to benefit from negotiated state and national contracts which increases business operating costs placing them at a competitive disadvantage to businesses in other regions. Additionally businesses with an interest in adopting best practice waste avoidance, reuse and recycling practices for specific materials are being denied these opportunities which is clearly counterproductive to the State Government's waste reduction goals. Limiting competition and contestability in the waste and recycling market ultimately disadvantages business owners and contributes to higher business operating costs. This has the potential to make the Sunshine Coast region a less attractive place to own and operate a business.

Whilst CCIQ recognises the important role that local government plays in the provision of waste and resource recovery services, CCIQ does not support any strategy or policy which limits competition and the opportunity for Queensland businesses to seek cost/price savings. Accordingly CCIQ supports the position of the Waste and Recycling Industry Association Queensland's (WRIQ) and agrees that the Queensland Government should work with the SCRC to ensure that an open and fair operating market can exist on the Sunshine Coast for commercial waste and recycling services.

CCIQ welcomes the opportunity to work with all stakeholders towards a mutually beneficial outcome in this instance. Should you wish to discuss this matter further please do not hesitate to contact me on 07 3842 2279.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nick Behrens', with a long horizontal flourish extending to the right.

Nick Behrens
General Manager - Advocacy

CC: The Hon Andrew Powell MP, Minister for Environment and Heritage Protection