

Councils' rubbish bid on the nose

RICHARD EVANS

A FAILED bid by a group of five metropolitan councils to control the supply of more than one-third of Adelaide's waste management showed "complete disrespect" to industry participants, a leading business advocate said yesterday.

Small Business Commissioner (SA) John Chapman said a decision by the Australian Competition and Consumer Commission (ACCC) to prevent Council Solutions from procuring the supply of waste collection, recyclables, organics collection and processing and waste disposal services, showed there was no public benefit to the proposal.

"For nearly 12 months my office and many waste management, collection and recycling sector businesses have been fighting the councils' anti-competitive plans to bulk up waste management services with a long-term contract," he said.

"This proposal simply favoured a big multinational coming in and taking a near monopoly position in the Adelaide waste management market for up to 14 years."

Council Solutions is a regional authority comprising Adelaide City, Charles Sturt, Marion, Tea Tree Gully and Port Adelaide Enfield councils.

A key ACCC concern around the proposed arrangement was that the scope and nature of the joint "request for proposal" process would introduce unprecedented complexi-

ty for bidders which would prevent some businesses from taking part.

"The ACCC is not satisfied that a joint procurement process would produce a public benefit that would outweigh the effects of a lessening of competition," ACCC commissioner Sarah Court said.

Mr Chapman said the key concern about the proposal was that it would favour a large multinational company because SA businesses would not have the capital capacity to tender for such a large segment of Adelaide's waste management services.

He cited Scouts SA as a likely loser had the joint initiative, which was granted an interim authorisation for the project in February this year, succeeded.

"The Scouts community makes money from a container recycling operation," Mr Chapman said. "Annual fees are \$50 in SA, \$200 in other states.

"They are subsidised by waste recycling here. Mums and dads are being affected, it affects the whole community."

The ACCC may grant an authorisation when it is satisfied the public benefit from the conduct outweighs any public detriment by lessening competition.

Collaborations are intended to reduce transaction costs, pool resources and achieve economies of scale and the ACCC has previously authorised 27 similar arrangements.

There is a 21-day appeal period.



VERTICAL VILLAGE: An artist's impression of the Echelon towers on the former Trims site.

\$250m tower has all trimmings

RICHARD EVANS

MORE than 500 construction jobs are expected to be created when work begins on an ultra-luxury \$250 million Adelaide CBD development in the next few months.

The 31-storey Echelon development on the historic Trims clothing store site on King William St will boast residential and commercial components, said property developer Gerry Karidis, who is behind the project.

The project, which received Development Assessment Commission approval late last

week, will include two towers with a total of 141 residential apartments, Mr Karidis said.

"Having apartments within the top floors means everyone living in this vertical village enjoys a panoramic bird's-eye view of our beautiful city centre, parklands, hills and sea," said Mr Karidis who plans to be the building's first resident.

The 114m-tall building has already sparked significant interest, he said. More than 20 per cent of the two and three-bedroom apartments have already been sold.

Specialised retailers and high-end eateries are planned

for the landmark development, which will include a rooftop silver-service restaurant and bar, cafes, day spa, medical facilities and a state-of-the-art lifestyle entertainment area.

There will be 18 floors of commercial space across the two towers, for either purchase or lease, while an additional two floors of retail space will include a restaurant and services to support the upper floors of the towers. Construction will start early in 2017 and is expected to take two years to complete. Hundreds more permanent jobs are expected to be created upon completion.

Bellamy's to resume trading

INVESTORS in Bellamy's Australia are bracing for another bleak day as the infant formula group delivers an update on lacklustre trading conditions taking a deep toll on its performance.

Trading in Bellamy's shares is scheduled to resume today, nine days after the stock was put in a trading halt then suspended while the company prepared an announcement for shareholders.

It comes as pressure mounts on chairman Rob Woolley and chief executive Laura McBain – who have overseen an aggressive growth strategy focused on the Chinese market – following a plunge in the group's share price earlier this month.

Bellamy's shares tumbled 43.5 per cent in one session early this month, wiping \$508 million off its market value after the company warned sales in China were falling short of expectations.

Shares in the Launceston business were trading at almost \$15 as recently as late August. They closed at \$6.68 in their last session before the company requested the trading halt, then the voluntary suspension – a move allowing it more time to scrutinise its figures before delivering the fresh trading update to the market.

New role for high-flyer

FORMER Adelaide Airport managing director Phil Baker has been appointed independent chairman of the South Australian Freight Council (SAFC).

He oversaw several multi-million-dollar projects at the airport, including the runway extension and development of the new terminal.

Mr Baker is also chairman of the Adelaide Convention Bureau, a director of Flinders Ports Holdings, Renewal SA and Port Hedland International Airport Group of Companies.



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