



WASTE CONTRACTORS &
RECYCLERS ASSOCIATION
OF N.S.W

ABN 72 805 135 472

15th August 2022

Ms Nadja Daellenbach
IPART NSW

By e mail as a PDF file to [REDACTED]

Cc Ms Jessica Hanna [REDACTED]

Competitive Neutrality Review for NSW Local Governments

Dear Ms Daellenbach, Ms Hanna & IPART Staff

Thank you for the opportunity to make initial comment on Competitive Neutrality Review for NSW Local Governments via this submission and for the recent online meetings where our feedback was provided through breakout rooms facilitated by Deloitte.

Many members of the Waste Contractors & Recyclers Association of NSW ('WCRA') are not fully aware of the Competitive Neutrality policy and process. In our view there is a strong need for education resources to be widely distributed. A one-page summary (cheat sheet) with links to further detail would be a good starting point.

To ensure a level-playing field, when local government is seeking to compete against the private sector, all costs incurred in the production of the output need to be considered, including but not limited to:-

- all direct costs such as labour, materials and premises
- indirect costs (overheads) such as personnel services, information technology support, security, administration, compliance, management
- the costs of financing relevant assets; and
- depreciation of all relevant physical assets.

The Competitive Neutrality policy has a major focus on price comparison, whereby government run agencies pay for goods and services, loans and their tax advantages compared to private business. Where WCRA believes there is a gap in the Competitive Neutrality policy is in the area of terms and conditions especially in a tender situation. For example, a local council issues an invitation to tender for waste and recycling collection services. If it is the council's preference to retain the collection service in house, then council will load the terms and conditions with fines and penalties and unfair assignment of risk. This then creates a competitive disadvantage to the private business sector thereby not allowing for competitive neutrality. Competitive neutrality cannot just be about pricing. It must be about ensuring a level playing field for all parties from start to finish. WCRA would be happy to discuss this further if required.

Please review our initial comments and we look forward to reviewing your draft recommendations in October 2022.

Yours faithfully

Tony Khoury
Executive Director