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## 1. Statement

Ipswich City Council (**Council**) is committed to ensuring that Ipswich Waste Services complies with its competitive neutrality obligations.

## 2. Purpose and Principles

The ‘competitive neutrality principle’ provides that a government entity conducting a business activity in competition with the private sector should not enjoy a net advantage over its competitors only because it is in the public sector.

If Council undertakes a business activity that is a ‘Significant Business Activity’ (see definition in section 10 of this policy), it must apply the competitive neutrality principle to reform that activity unless a public benefit assessment demonstrates that the benefit to the public of applying the competitive neutrality principle (in terms of both service quality and cost) will not outweigh the costs of doing so.

The purpose of this policy is to guide Council’s decision making to ensure that it is complying with the competitive neutrality principle when operating its waste services.

## 3. Strategic Plan Links

This policy aligns with the following iFuture 2021-2026 Corporate Plan theme:

- A Trusted and Leading Organisation

## 4. Regulatory Authority

*Local Government Act 2009 (Qld)*

*Local Government Regulation 2012 (Qld)*

*Queensland Competition Authority Act 1997 (Qld)*

## 5. Human Rights Commitment

Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

## 6. Scope

This policy provides a framework for achieving compliance of the Ipswich Waste Services Significant Business Activity with the competitive neutrality principle.

This policy applies to all councillors, council staff, contractors, and others that act on Council's behalf to ensure they work in accordance with this policy and in accordance with the applicable legislation.

Council has resolved to comply with the competitive neutrality principle with respect to Ipswich Waste Services by reforming that Significant Business Activity as a Commercial Business Unit conducted in accordance with the key principles of commercialisation (as defined in section 10 of this policy).

## 7. Roles and Responsibilities

POSITION	RESPONSIBILITIES
General Manager Environment and Sustainability	Sets specific financial and non-financial performance targets for IWS.
General Manager Environment and Sustainability	Clearly identifies the nature and extent of the Community Service Obligations, that may have impact on Competitive Neutrality, IWS must perform.
General Manager Environment and Sustainability	Sets performance targets for IWS' Community Service Obligations, that may have impact on Competitive Neutrality.
Chief Financial Officer	Separately costs IWS' Community Service Obligations, that may have impact on Competitive Neutrality.
Chief Financial Officer	Appropriately compensates IWS for performing its Community Service Obligations and discloses details of the compensation to the public, to ensure Neutrality.
General Manager Environment and Sustainability	Monitors IWS' performance against the performance targets.

Manager Resource Recovery	Use best endeavours to ensure IWS meets its performance targets.
Manager Resource Recovery	IWS removes any Competitive Advantage or Competitive Disadvantage wherever possible and appropriate.
Manager Resource Recovery	IWS promotes efficiency of the use of resources to ensure markets are not unnecessarily distorted.

## 8. Key Stakeholders

- Infrastructure and Environment Department
- Legal and Governance Branch
- Finance Branch

## 9. Monitoring and Evaluation

This policy will be reviewed in accordance with Council's four (4) year review cycle or sooner if required.

## 10. Definitions

**Commercial Business Unit** – is a business unit within Council that conducts business in accordance with the key principles of commercialisation.

**Competitive Advantage** – is an advantage that a business entity conducting a significant business activity (such as Ipswich Waste Services) has over a private sector business because the local government owns the activity. A competitive advantage may include, a financial advantage, a procedural advantage or a regulatory advantage.

**Competitive Disadvantage** – is a disadvantage a business entity conducting a significant business activity (such as Ipswich Waste Services) suffers over a private sector business because the local government owns the activity. A competitive disadvantage may include a Community Service Obligation.

**Community Service Obligation** – is an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do. An example of a community service obligation includes giving a price concession to a particular group of customers, such as pensioners or students.

**IWS** – is Ipswich Waste Services, a Commercial Business Unit within Council.

**key principles of commercialisation** – are defined in section 28 of the *Local Government Regulation 2012* and include compliance with the competitive neutrality principle.

**Significant Business Activity** – is defined in section 43(4) of the *Local Government Act 2009*, and is a business activity of a local government that is conducted in competition, or potential

competition with the private sector and meets the threshold prescribed under the *Local Government Regulation 2012*.

**11. Related Documents**

Waste Services Community Service Obligations Policy

National Competition Policy Implementation in Queensland, Competitive Neutrality and Queensland Government Business Activities. Queensland Government Policy Statement 1996.

**12. Policy Owner**

The General Manager (Environment and Sustainability Department) is the policy owner, and the Manager Resource Recovery is responsible for authoring and reviewing this policy.