

Relevant Information for Council

FILE: X117443.006 **DATE:** 26 June 2026

TO: Lord Mayor and Councillors

FROM: Veronica Lee PSM, Executive Director City Services

THROUGH: Monica Barone PSM, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.9 – Service Review – Domestic Waste Collections

For Noting

This memo is for the information of the Lord Mayor and the Councillors.

Purpose

To provide further information regarding the Service Review – Domestic Waste Collections.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 23 June 2026, further information was sought on the following:

Cost of the current domestic waste collection contract to date

Expenditure from 1 July 2019 to 31 March 2026, is \$126.2M inclusive of GST.

Date staff exercised the 2-year extension

26 February 2026. Council were informed via the CEO Update on 27 February 2026.

On 3 November 2025 Council held its Sourcing Framework Stage 1 Workshop. At this meeting Council was briefed on the in-scope contracts including the contract for the provision of domestic waste collection services. At this workshop Council was advised that staff were undertaking a service review of domestic waste collections and related functions and would report back to Council the findings. As part of this briefing Council was advised, that regardless of the outcome of the service review, the first option would need to be exercised to ensure continuity of service.

Management of bin stock

Cleanaway maintains an inventory of all bin sizes and types at its depot. New and replacement bins are delivered in response to work orders issued by the City after residents submit requests through the City's OneCRM system.

Cleanaway depot

114 Denison Street, Hillsdale. The depot only services the City of Sydney contract.

Wage and conditions comparison

As at 1 July 2025 Cleanaway's base rates for comparable operational roles are generally higher at the lower end of the classification structure than the City's Band A and B rates. However, the overall comparison is more nuanced when broader employment conditions and benefits are considered. The below table summarises the key conditions under the respective Enterprise Agreement and City of Sydney Award.

	Cleanaway Solid Waste Services – City of Sydney (Municipal) Enterprise Agreement 2023 - Hourly rates as per July 2025	City of Sydney award 2025 - Hourly rates as per July 2025
Classification	1 - General Attendant - \$31.17	Cleansing Crew Member - Grade A - \$31.40 – 35.36
	2 - Waste Collection - \$33.23	
	3 - Driver up to 14 ton - \$33.62	Cleansing Crew Operator - Grade B - \$36.79 – 41.43
	4 - Road sweeper - \$34.07	
	5 - Driver over 14 ton - \$37.48	
	6 - Driver/Operator SOLO system - \$38.48	N/A The City does not undertake Grade 6 or 7 tasks
Penalties	Ordinary hours 3am to 5pm with Saturday 50% for first 2 hours then 100% after and Sunday 100%.	Ordinary hours 5.30am to 8pm with Saturday 50% and Sunday 100%.
Shift work Penalties	Afternoon shift penalty (17.5%) - ordinary hours of work finish after 6.30pm but no later than 12.30am.	Afternoon shift penalty (15%) - ordinary hours which finish after 8pm and at or before midnight.

	Cleanaway Solid Waste Services – City of Sydney (Municipal) Enterprise Agreement 2023 - Hourly rates as per July 2025	City of Sydney award 2025 - Hourly rates as per July 2025
	Night shift penalty (30%) - ordinary hours of work finish after 12.30am and at or before 8.30am	Night shift penalty (30%) - ordinary hours which finish after midnight or commence after midnight but before 4am. Morning (15%)- ordinary hours which commence after 4am and before or at 5.30am.
Public Holiday	150% with Good Friday and Christmas Day at 300%	200%
Ordinary Hours	38 hours a week with opportunity to work 40 hour week.	38 hours a week
Flex/RDO	19 day month	Team Flexible work and compressed hours
Leave/Other significant benefits	All employees can access 12 months unpaid parental leave under FWA when they or their partner become new parents, and can access a further 12 months upon application. The National Employment Standard provides 18 weeks of government funded paid parental leave per family at National Minimum wage through Services Australia. Cleanaway offers eligible employees up to 18 weeks of make-up pay for primary carers (employer funded payment to bridge the gap between statutory government funded & employees' regular salary) and 2 weeks of fully paid leave for secondary carers.	26 weeks gender neutral parental leave 17.5% Annual leave loading or the higher of 17.5% vs the penalties that would have applied if worked.

Cleanaway collections in the south of the City

The Cleanaway contract was awarded in September 2018 and commenced on 1 July 2019. However, the contract did not include red bin collections, booked kerbside clean-up collections or illegal dumping services in the southern area of the City. Those services continued to be delivered internally by City of Sydney staff.

The remaining southern collection services were later transferred to Cleanaway through a contract variation approved by Council in late 2019, commencing in March 2020. This was done to harmonise service delivery across the local government area, improve operational efficiency and consolidate the domestic waste collection service under a single provider.

Considerations if there was a change in contractor

The procurement process is typically 3 years which allows for sufficient time for market engagement, tender evaluation, contract finalisation and a mobilisation period of at least 12 months for the incoming provider to secure the required fleet, equipment, depot arrangements and workforce. Following contract award, a detailed transition plan should commence at least 6 months before service commencement to support workforce recruitment or transfer, training, data and system migration, route planning, operational readiness and contingency arrangements to minimise the risk of service disruption.

A well-managed transition between 2 experienced collection service providers should have minimal impact on service delivery. This was demonstrated during the last contract transition, when the increase in customer enquiries was largely confined to the first 2 months of the new contract.

Workers compensation matters

The reference in the Morrison Low report to workers compensation as a driver for outsourcing requires clarification. The award of the Cleanaway contract in September 2018 was not a new decision to outsource domestic waste collection because contracted collection arrangements had existed across much of the City since approximately 2004. The Cleanaway contract continued those arrangements, however did not include the remaining internally delivered southern collection services.

Workers compensation issues were relevant to the later decision to vary the contract in late 2019 and transfer the remaining southern red bin, booked kerbside clean-up and illegal dumping services to Cleanaway. However, workers compensation was not the sole reason for that variation. Again, this was done to harmonise service delivery across the local government area, improve operational efficiency and consolidate the domestic waste collection service under a single provider. Work health and safety responsibilities cannot be outsourced. Under work health and safety legislation, all parties involved retain responsibility for ensuring the service is delivered safely. Under the contract, the contractor is responsible for managing its workforce and associated employment costs, including workers compensation insurance. These costs form part of the cost for the service paid by the City in accordance with the contract.

It should be noted that employees working in the south on the red bin, bulky waste and illegal dumping pick-ups were transferred to the City's public domain cleansing team.

Memo from Veronica Lee PSM, Executive Director City Services

Prepared by: Sash Vasilevski, Contracts and Procurement Manager

Approved

P.M. Barone

MONICA BARONE PSM

Chief Executive Officer