

10.3. Submission to Federal Inquiry into Local Government Sustainability

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ATTACHMENTS	Nil
CSP LINK	5. Our Civic Leadership 5.1 Lead North Sydney's strategic direction 5.2 Strong civic leadership and customer focussed services 5.4 Council services are efficient and easy to access

PURPOSE:

The purpose of this report is to inform Council:

- of the withdrawal of the IPART review of the local government financial model, as it will now be considered by the NSW Parliament's Standing Committee on State Development; and
- to present the draft terms of reference of The Federal House of Representatives Standing Committee on Regional Development, Infrastructure, and Transport's inquiry into local government sustainability.

EXECUTIVE SUMMARY:

- The NSW Government has withdrawn the review of the financial model of local government in NSW by the Independent Pricing and Regulatory Tribunal (IPART), with the announcement the matter will now instead be considered by the NSW Parliament's Standing Committee on State Development.
- There is a previous Council submission on the Terms of Reference for the IPART review, as endorsed by Council in their meeting of 11 March 2024. IPART has advised all previous submissions will be provided to the NSW Standing Committee on State Development to inform their review.
- A further review of local government financial sustainability has been announced by the Federal Government House of Representatives Standing Committee on Regional Development, Infrastructure, and Transport. The draft terms of reference are included in this report. Due to the deadline to provide feedback by 3 May 2024 a comprehensive draft submission will be circulated to Councillors prior to lodgement.

RECOMMENDATION:

- 1. THAT** Council note the previously announced IPART review of the financial model of local government will now be considered by the NSW Parliament's Standing Committee on State Development.
- 2. THAT** Council note the draft Terms of Reference from The House of Representatives Standing Committee on Regional Development, Infrastructure and Transport's review into local government sustainability.

Background

At its meeting of 11 March 2024, Council endorsed a submission on the terms of reference for the IPART review of the financial model for local government in New South Wales. This review was requested by the NSW Government following the previous IPART review of rate pegging.

Following completion of engagement on the IPART review terms of reference, IPART wrote to Council to advise that it has received “a letter from the NSW Government withdrawing the referral for the review of the financial model of local government to avoid unnecessary duplication, as the matter will now be instead considered by the NSW Parliament’s Standing Committee on State Development”.

IPART advised that submissions from stakeholders would be provided to the NSW Parliament’s Standing Committee on State Development in undertaking this review.

Subsequently, Council received a letter from Mr Luke Gosling OAM MP, Chair of The Federal House of Representatives Standing Committee on Regional Development, Infrastructure, and Transport, advising of a new Federal inquiry into local government sustainability.

Mr Gosling noted that the inquiry:

“will examine financial sustainability and funding frameworks of local governments, alongside changing infrastructure requirements and service delivery obligations. The Committee is seeking to understand the challenges faced by local governments in servicing infrastructure requirements across regional, rural, and remote locations”.

“Workforce shortages across Australia relating to infrastructure and other service areas more broadly, particularly in regional, rural, and remote areas, will also be a focus of the inquiry. The Committee will also inquire into issues relating to skills development and job security, along with labour hire and retention trends and practices to identify barriers and opportunities to support job security and local government service delivery obligations.”

The letter asks for submissions to be lodged by interested parties on the draft Terms of Reference by Friday 3 May 2024.

Report

The Federal House of Representatives Standing Committee on Regional Development’s inquiry has published its draft Terms of Reference for the inquiry, as below.

The House of Representatives Standing Committee on Regional Development, Infrastructure, and Transport will inquire into and report on local government matters, with a particular focus on:

- the financial sustainability and funding of local government;

- the changing infrastructure and service delivery obligations of local government;
- any structural impediments to security for local government workers and infrastructure and service delivery;
- trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices;
- the role of the Australian Government in addressing issues raised in relation to the above; and
- other relevant issues

Due to the deadline for feedback being the 3 May 2024, a draft submission on the terms of reference will be circulated to Councillors prior to final lodgement.

Consultation requirements

Community engagement is not required.

Financial/Resource Implications

There are no financial implications from this report.