



Inquiry into the ability of local governments to fund infrastructure and services

TERMS OF REFERENCE

That the Standing Committee on State Development inquire into and report on the ability of local governments to fund infrastructure and services, and in particular:

- (a) the level of income councils require to adequately meet the needs of their communities
- (b) examine if past rate pegs have matched increases in costs borne by local governments
- (c) current levels of service delivery and financial sustainability in local government, including the impact of cost shifting on service delivery and financial sustainability, and whether this has changed over time
- (d) assess the social and economic impacts of the rate peg in New South Wales for ratepayers, councils, and council staff over the last 20 years and compare with other jurisdictions
- (e) compare the rate peg as it currently exists to alternative approaches with regards to the outcomes for ratepayers, councils, and council staff
- (f) review the operation of the special rate variation process and its effectiveness in providing the level of income Councils require to adequately meet the needs of their communities
- (g) any other related matters.

The terms of reference for the inquiry were referred to the committee by the Hon Ron Hoenig MP, Minister for Local Government on 8 March 2024 and adopted by the committee on 14 March 2024.¹

Committee membership

Hon Emily Suvaal MLC	Australian Labor Party	<i>Chair</i>
Hon Sam Farraway MLC	The Nationals	<i>Deputy Chair</i>
Hon Mark Buttigieg MLC	Australian Labor Party	
Dr Amanda Cohn MLC *	The Greens	
Hon Scott Farlow MLC *	Liberal Party	
Hon Emma Hurst MLC	Animal Justice Party	
Hon Stephen Lawrence MLC	Australian Labor Party	
Hon Peter Primrose MLC	Australian Labor Party	

* Dr Amanda Cohn MLC substituted for Ms Cate Faehrmann MLC from 15 March 2024 for the duration of the inquiry.

* The Hon Scott Farlow MLC replaced the Hon Taylor Martin MLC as a substantive member of the committee from 8 May 2024.

¹ *Minutes*, NSW Legislative Council, 19 March 2024, p 981-982.