

Resolution of Council

25 November 2024

Item 16.6

City of Sydney Insourcing Framework

The original motion was moved by Councillor Wilson and seconded by Councillor Maxwell.

It is resolved that:

- (A) Council note that the City delivers services and capital works through a mix of in house delivery and external contractors;
- (B) Council support the ongoing delivery of good public services for the benefit of the community and residents of the City of Sydney;
- (C) Council support the delivery of key council services by City staff where appropriate but recognises that using external providers can offer the opportunity to save ratepayers money, provide a higher level of service through access to specialised skills, expertise, technology and equipment, and increase our service flexibility and scalability;
- (D) Council thank the staff of the City of Sydney and its contractors for their hard work and dedication to the delivery of world class public services for the residents and businesses of our city;
- (E) Council note that ensuring Australia's global city is the best place to live, work and visit is a unique responsibility and requires sound financial management and effective analysis of the best methods of service delivery;
- (F) Council note the City currently gives practical consideration as to how services are best delivered to ensure efficient, effective and sustainable delivery of our many and complex roles. This includes undertaking business cases for new services to determine whether external organisations or in-house delivery provides the best quality services and the best value for money for ratepayers;
- (G) Council note that whenever the City engages external expertise and services we do so through a robust procurement process and Independent Probity Auditors are used to provide assurance of major tender processes;

- (H) Council acknowledge that delivering key council services by City staff and external contractors provides secure, well paid jobs in the City;
- (I) Council recognise that the increased use of external contractors and consultants in local government services, while often necessary, has seen examples of inefficiencies, inflated costs, and a growing overdependence on external expertise;
- (J) Council note the Commonwealth, ACT and NSW Governments are prioritising the development of public service capabilities to insource key functions and reduce outsourcing expenditure, a strategy that has proven to increase service quality, foster innovation, and generate long-term savings;
- (K) Council note that the ACT Insourcing Framework (2023) and ACT Insourcing Policy (2023) is a detailed guide for assessing the benefits and challenges of insourcing and has been instrumental in shifting service delivery back into the ACT public sector;
- (L) Council support the development of a City of Sydney Sourcing Framework to build on the City's current practices and enhance the information and evidence base to Council in making decisions on service delivery methods for new services and the renewal of key service delivery contracts;
- (M) Council note that the contracts register published by the City does not currently differentiate goods acquired from services engaged by the City in the 296 outsourced contracts entered into over periods of up to 15 years; and
- (N) the Chief Executive Officer be requested to:
 - (i) develop a Sourcing Framework for the City of Sydney to be brought back to Council by 30 June 2025;
 - (ii) consult with local stakeholders, relevant unions, community groups, and industry experts, in the development of the Framework for the City;
 - (iii) develop an Oncosts Policy for Council outlining standard assumptions made by City staff about the cost and staff required for the delivery of a service in-house; and
 - (iv) provide a report to Council outlining the City's major service contracts on the contracts register including the contract terms, cost and number of jobs supported.

A show of hands on the substantive motion resulted in an equality of voting as follows –

Ayes (5) The Chair (the Lord Mayor), Councillors Kok, Gannon, Miller and Worling

Noes (5) Councillors Ellsmore, Maxwell, Thompson, Wilson and Weldon.

The Chair (the Lord Mayor) exercised her casting vote in favour of the motion.

Amended motion carried.

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