

## Item 16.6

### Notices of Motion

#### City of Sydney Insourcing Framework

By Councillor Wilson

It is resolved that:

- (A) Council thank the staff of the City of Sydney for their hard work and dedication to the delivery of world class public services for the residents and businesses of our city;
- (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;
- (D) Council acknowledge that delivering key council services by City staff provides secure, well paid public service jobs in the City;
- (E) Council acknowledge the growing recognition of the need for governments to reduce reliance on external consultants and contractors, particularly as highlighted in recent state government initiatives such as the Building up NSW Public Service Capability and Driving Down Use of Consultants (June 2024) report. The report underscores the significant costs and risks associated with outsourcing, including the erosion of in-house expertise, the loss of institutional knowledge, and the lack of long-term accountability;
- (F) 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;
- (G) 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;
- (H) 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;
- (I) Council note key findings from the Building up NSW Public Service Capability and Driving Down Use of Consultants report, which recommends a shift from an overreliance on external consultants towards building strong, capable in-house teams. The report stresses that by investing in local workforce capabilities, councils can develop the expertise required to provide high-quality services at a lower long-term cost. Specifically, it mentions:
  - (i) Improved Service Delivery: Direct control over services results in higher responsiveness, better quality, and alignment with community needs;

- (ii) Cost Savings: By reducing dependency on consultants and external contractors, significant savings can be reinvested in core public services and community projects;
  - (iii) Stronger Workforce Capability: Insourcing can create more sustainable, skilled jobs within the community, improving local economic resilience and workforce development; and
  - (iv) Enhanced Accountability: In-house teams are more directly accountable to local communities and elected officials, which leads to greater transparency and improved service outcomes;
- (J) 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
- (K) the Chief Executive Officer be requested to:
- (i) develop an Insourcing 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.

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