

Terms of Reference – Inquiry into Local Government Funding and Fiscal Sustainability

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

1. Interactions between Governments

- i. Assess the nature and scale of Australian, state and territory government funding provided to local government, both directly and through Commonwealth-state agreements.
- ii. Examine the legislative and policy frameworks underpinning Commonwealth financial support to local government.

2. Identification of All Funding Sources

- i. Identify and map all sources of funding received by local government from the Australian Government and state/territory governments, including:
 - a. Untied grants (e.g., Financial Assistance Grants).
 - b. Tied/specific-purpose grants and project-based programs, co-contribution requirements and competitive grant processes.
 - c. Revenue sharing arrangements (e.g., stamp duty, rates capping subsidies, GST-related disbursements where applicable).
 - d. Emergency, disaster recovery and resilience funding.
 - e. One-off or ad hoc funding streams.
- ii. Examine local government own-source revenue (such as rates, fees, charges and commercial activities).

3. Impacts and Effectiveness

- i. Evaluate how funding arrangements, including indexation freezing, influence the financial sustainability, service delivery capacity and infrastructure investment of local governments.
- ii. Consider whether existing funding mechanisms are addressing the evolving responsibilities of local governments.
- iii. Identify barriers to infrastructure service delivery, including trends in attracting and retaining a skilled workforce, impediments to security for local government workers and impacts of labour hire practices.
- iv. Explore opportunities to improve productivity and coordination of local government.

4. Previous Inquiry

- i. Consider evidence provided to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport of the 47th Parliament [Inquiry into Local Government Sustainability](#).

Other relevant matters