



Special Variation Application Form Part B

Enter name of the council here

Application Form

2026-27

[Local Government >](#)



Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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Council Information

Please fill out the table below.

Council name	North Sydney Council
Date submitted to IPART	2 February 2026

About this application form

This application form is to be completed by councils applying for a special variation (SV) to general income for 2026-27 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

1. Application Form **Part A** (separate Excel spreadsheet)
2. Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B collects:

- Description and Context information for the SV
- Evidence against:
 - Criterion 1: Need for the variation
 - Criterion 2: Community awareness and engagement
 - Criterion 3: Impact on ratepayers
 - Criterion 4: Integrated Planning & Reporting (IP&R) documents
 - Criterion 5: Productivity improvements and cost containment strategies
 - Criterion 6: Other relevant matters
- Council certification and contact information

It also provides a List of attachments and checklist to assist councils.

When completing this Application Form, councils should refer to:

- The 'Apply for a SV or minimum rates (MR) increase' page of IPART's [website](#)
- The Office of Local Government (OLG) [Guidelines](#) issued in November 2020
- IPART's SV Guidance Booklet – *Special Variations: How to prepare and apply* available on our [website](#).

We encourage Councils to contact IPART early in their preparation to apply, or potentially apply, for an SV.

Description and Context

These questions seek information not tied to a specific criterion in the OLG guidelines.

Question 1: What type and size of SV is the council is applying for?

In Table 1, please use the checkboxes to indicate the type of SV the council is applying for. In Table 2, please provide, rounded to **1 decimal place**, unless otherwise specified in Table 3:

- the total percentage increase (including the rate peg) and,
- for a section 508A SV, the cumulative percentage increase over the SV period.

The percentage increases applied for should match any percentages specified in the council resolution to apply for an SV. That is, the council resolution should be specified to 1 decimal place unless the council specifically wants a different number of decimal places.

Should an SV be approved, the instrument will list the approved percentage(s) and the maximum permitted cumulative increase. If the cumulative increase is not specified in the council resolution, we will use 1 decimal place unless a different number of decimal places is specifically requested in Table 3.

If applying for a Crown Land Adjustment (CLA), please **do not** include the CLA percentage in Table 2. Information about CLAs is collected in Question 2 below.

In Table 3, please explain if the council would like its instrument issued to a different number of decimal places and if it has used an assumed rate peg that is not 2.5%.

Our [Guidance Booklet - Special variations: How to prepare and apply](#) has an example of these questions completed.

Table 1 Type of special variation

What type of SV is this application for?	<input type="checkbox"/> Section 508(2)	<input checked="" type="checkbox"/> Section 508A	
Are you applying for Permanent or Temporary?	<input checked="" type="checkbox"/> Permanent	<input type="checkbox"/> Temporary	<input type="checkbox"/> Permanent + Temporary

Table 2 The council's proposed special variation

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Is this year in the SV period?	yes	yes	yes	no	no	no	no
Percentage increase	23% Including rate peg	14.58% Including rate peg	8.32% Including rate peg				
Rate peg	4% IPART issued	3% Assumed	3% Assumed				

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Cumulative percentage increase over the SV period for s 508A	23%	40.93%	52.66%				
Indicate which years are permanent or temporary	Permanent	Permanent	Permanent				

Table 3 Further questions

Question	The council's response
Does the council wish its potential SV instrument to be issued with a different number of decimal places?	Yes, 2 decimal places Click here to enter text.
If the council used an assumed rate peg that is not 2.5%, please briefly justify why it did so.	A 3% rate-peg assumption is applied for FY2027-28 and FY2028-29, based on inflation forecasts, the population growth factor and historical rate peg outcomes for North Sydney.

Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2026-27?

Please fill out the table below if the council is also applying for a CLA, otherwise leave it blank.

Is the council also applying for a CLA?	No
If so, by what percentage?	X.X%
What is the dollar (\$) value for the CLA?	\$ Click to enter amount
Who was the prior owner of the Crown Land?	Click or tap here to enter text.
Briefly outline the reason for the land becoming rateable.	Click or tap here to enter text.

Question 3: What is the key purpose of the requested SV?

In the text box below please summarise the key purpose(s) of the proposed SV.

The key purpose of the requested Special Rate Variation (SRV) is to restore Council's financial sustainability by addressing long-standing structural under-funding of infrastructure renewal and preventing further growth in the infrastructure backlog, while maintaining existing service levels in line with community expectations and statutory obligations.

Council is seeking a cumulative increase in rates of 52.66 % over three years, which is 42.33 % above anticipated rate-peg increases. This would generate approximately \$62 million in additional income over the first three years and \$278 million over a ten-year period. The average cumulative residential increase above the rate peg over the three-year period would be approximately \$452.

Primary purpose – restoring infrastructure renewal and addressing backlog

Infrastructure renewals account for the majority of the proposed increase and represent the primary driver of the requested SRV.

The dominant driver of the SRV is Council's infrastructure renewal shortfall. Council has insufficient revenue to fund depreciation or address its infrastructure backlog. As at 30 June 2025, Council's infrastructure backlog was recorded at \$157 million, primarily within buildings, stormwater and other infrastructure asset classes. This backlog has developed over an extended period as a result of renewal expenditure consistently falling well below required levels, including renewal spending on building assets averaging approximately 24 % of annual forecast depreciation since 2020.

Without intervention, the backlog is forecast to increase significantly, reaching 23.07 %, well above the Office of Local Government benchmark of 2 %. A backlog of this magnitude materially increases the risk of asset failure, safety incidents and service disruption, and limits Council's ability to manage assets proactively.

Asset failure risks have already been realised due to Council's current financial position and reduced capacity to fund renewals. Capital works programs are reactive, with reallocation of priorities continuing to occur throughout the budget period due to asset failure and ongoing public risk mitigation measures in place for others such as fencing erected around sink holes on seawalls and temporary steel reinforcement structures supporting bus shelters.

Under the SRV, approximately \$186 million over ten years is allocated to infrastructure renewal, including:

- restoring annual renewal funding to 100 % of depreciation, and
- allocating up to \$86.9 million to progressively reducing (but not eliminating) the existing backlog.

Community research demonstrates strong expectations regarding asset condition. Micromex research found that only 3 % of respondents consider poor or very poor building condition acceptable, while 62 % supported paying higher rates to fund building maintenance and improvements. Similar expectations were expressed in relation to stormwater infrastructure, with 66 % of respondents supporting higher rates to maintain and improve stormwater assets.

Secondary purpose – enabling growth-related infrastructure where unavoidable

As North Sydney's population continues to grow, additional and upgraded infrastructure is required to maintain existing service levels and manage increasing intensity of use. While the SRV is not primarily a growth-infrastructure funding mechanism, a limited allocation is included in the medium to long-term to support essential new infrastructure and to enable Council to meet its co-funding obligations under adopted Development Contributions Plans.

Over the ten-year period a small allocation of \$11 million has been included to address current pressures on infrastructure, primarily open space and recreation as a result of the impact of intensification of use and the impact on service levels. This investment is supported by recent community research.

Over the ten-year period, a modest contribution of approximately \$40 million of SRV income is proposed to be set aside in a reserve to support future co-funding of committed priority projects identified in the Contributions Plan. As noted by the Audit Office of NSW, Council reserve balances are low in comparison to metropolitan averages – this is largely due to Council not currently holding reserves for future infrastructure needs. Without this capacity, Council will be unable to expend contributions within a reasonable timeframe, increasing the risk of delays to essential infrastructure delivery and failure to meet statutory obligations.

It must be stressed that this funding will be insufficient to deliver the program of works included within the Developer Contribution Plan or to respond to new and emerging infrastructure needs as the population increases and/or new challenges emerge. This funding will have to be supplemented through alternative financial strategies including consideration of public property redevelopment and/or potentially loan funding in the future. Funding for master planning of key sites in preparation for potential realisation has been included within the operational funding sought in this application.

Enabling purpose – modernising corporate systems

A further enabling purpose of the SRV is to fund investment in new corporate and financial systems, including implementation of a modern enterprise resource planning (ERP) system. Council's current systems are fragmented, outdated and no longer fit for purpose, limiting operational efficiency, asset management, funding prioritisation, service delivery and customer satisfaction. Current systems constrain the governance, management and reporting capacity of the Council and increases risk.

Investment in modern systems is critical to improving productivity, enabling data-driven decision-making and meeting contemporary community expectations. Further, they are a prerequisite for improving financial discipline, asset planning, transparency and long-term sustainability. Approximately \$17.9 million over ten years is allocated for this purpose.

Limited operational and service impacts

A minor proportion of the SRV is allocated to operational expenditure, primarily to maintain existing service levels and deliver a limited number of new or enhanced services aligned with community priorities as confirmed through recent research. Over the ten-year period, operational funding for existing services represents approximately 2.4 % of the total value of proposed rate increase, while funding for new and enhanced services represents approximately 3.8 %.

Community research indicates limited appetite for service reductions and strong support for maintaining or even enhancing existing services, particularly in relation to open space and access and inclusion.

The table below provides a summary of Council's financial need and the allocation of Special Variation funding across both the ten-year forecast period and the initial three-year period. It also shows the average cumulative three-year rate impact and the attribution of the total cumulative rate increase.

	10 Year forecast (\$,000)	3 Year forecast (\$,000)	Average 3-year cumulative rate increase	Attribution of rate 3-year cumulative rate increase
			\$452.00	42.33%
FINANCIAL NEED-PURPOSE			Indicative allocation:	Indicative attribution:
Infrastructure				
Restoring minimum annual infrastructure renewals (100% annual depreciation)	99,360	27,525	\$201.54	18.87%
Contribution towards infrastructure backlog	86,900	12,645	\$92.59	8.67%
New Infrastructure including: - Active transport - Walking paths - Expanding stormwater harvesting and water reuse - Signage - Improvements to parks e.g. shading - Recreational facilities - Blues Point Road traffic management	11,401	4,081	\$29.88	2.80%
Co-funding for infrastructure projects within Developer Cont. Plans	2,191	1,702	\$12.46	1.17%
Upgrades required to maintain service levels e.g. drainage in parks, site stabilisation works	3,362	300	\$2.20	0.21%
Reserve for new infrastructure to support projects within developer contributions plans	40,051	Nil	Nil	Nil
Operational expenditure – funding existing service levels				
Enterprise resource planning system (new corporate systems)	17,910	8,877	\$65.00	6.09%
Access, social inclusion and cohesion programs	1,264	289	\$2.12	0.20%
Open space and infrastructure maintenance	4,258	863	\$6.32	0.59%
Open space and infrastructure planning	268	268	\$1.96	0.18%
Affordable housing	513	351	\$2.57	0.24%

Transport management	254	254	\$1.86	0.17%	
Governance	102	59	\$0.43	0.04%	
Operational expenditure – new/enhanced service levels					
Access, social inclusion and cohesion programs	3,642	942	\$6.90	0.65%	
Planning	60	60	\$0.44	0.04%	
Economic development	2,957	565	\$4.14	0.39%	
Property and Infrastructure Planning	3,507	2,693	\$19.72	1.85%	
Sustainability	356	133	\$0.97	0.09%	
Transport management	123	123	\$0.90	0.08%	

Consequences of non-approval

If the SRV is not approved, Council will be unable to restore infrastructure renewal funding to sustainable levels. The infrastructure backlog will continue to grow, increasing the asset failures, safety risks and service disruption. Council's capacity to co-fund growth-related infrastructure will remain constrained, delaying delivery of essential projects and increasing the risk of failing to meet statutory obligations. Continued reliance on legacy corporate systems will further limit Council's ability to plan effectively, achieve greater efficiency, manage assets proactively and demonstrate financial sustainability.

Question 4: Is the council proposing to increase minimum rates in conjunction with the special variation?

Complete Table 4 if the council proposes to increase minimum ordinary rates and/or Table 5 if the council proposes to increase special rates in conjunction with the SV for 2026-27. Otherwise, leave it blank. IPART will also use data provided in Application Form [Part A](#) to understand the details of the proposed SV and minimum amounts of rates.

In some situations, a minimum rates increase will be subject to IPART approval. In these cases, councils will need to also complete *Minimum Rate Increase Application Form Part B 2026-27* (Word document) available on our [website](#). Please see Table 2.4 of the [Guidance Booklet - Special variations: How to prepare and apply](#) for further information on when an additional MR increase application may be required. Councils do not need to submit another Application form Part A (Excel document).

Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	Yes
Does the council propose to increase the minimum rate(s) above the statutory limit for the first time? (If yes, you must complete a separate minimum rate increase application form.)	Yes

Does the council propose to increase the minimum rate(s) above the proposed SV percentage(s)? (If yes, you must complete a separate minimum rate increase application form, even if the council has been approved to increase its minimum rate above the statutory limit in the past.)	Yes
Has the council submitted an application for a minimum rate increase?	Yes

In the text box below, provide the council's proposed minimum rates increase (both in percentage and dollar terms) and to which rating category (or sub-category) the increase is to apply for each year (this can be in table form).

Category	2025/26 (Current year) Minimum	2026/27 increase	2026/27 Minimum	2027/28 increase	2027/28 Minimum	2028/29 increase	2028/29 Minimum
Residential	\$743.85	\$226.87 - 30%	\$970.72	\$145.6- 15%	\$1,116.32	\$100.47- 9%	\$1,216.79
Business	\$743.85	\$226.87 - 30%	\$970.72	\$145.6- 15%	\$1,116.32	\$100.47- 9%	\$1,216.79

Worksheets 4, 5 and 7 (WS 4, 5 and 7) of the [Part A](#) application form collects more detailed information about the proposed minimum rates increase.

Table 5 Minimum rates increase for special rates

Does the council propose to increase the minimum amount of a special rate above the statutory limit?	No
What will the minimum amount of the special rate(s) be after the proposed increase?	\$Click to enter amount
Has the council submitted an application for a minimum rate increase?	No

The council must ensure that it has submitted [MR Increase Application Form Part B](#), if required. No separate Part A is required.

Question 5: Does the council have an expiring SV?

Complete the table below if the council has a temporary SV which is due to expire:

- on 30 June 2026, or
- at the end of any year in the period the requested SV would apply.

To calculate the amount to be removed from general income when the SV expires, councils must follow the terms of the relevant condition in the SV instrument. Councils may find the example in Attachment 1 to the [OLG SV Guidelines](#) useful. The OLG's SV Guidelines also specify that councils must contact the OLG to confirm the calculation of this amount.

Does the council have an SV which is due to expire on 30 June 2026?	No
Does the council have one or more SV/s due to expire during the proposed SV period?	No
If Yes to either question:	Click or tap here to enter text.
a. When does the SV expire?	
b. What is the percentage to be removed from the council's general income?	Click or tap here to enter text.
c. What is the dollar amount to be removed from the council's general income?	Click or tap here to enter text.
Has OLG confirmed the calculation of the amount to be removed?	Choose an item.

Attachments required:

Instrument(s) approving any SV which expires at 30 June 2026 or during the period covered by the proposed SV.

OLG advice confirming calculation of the dollar amount to be removed from general income as a result of the expiring SV.

Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2026-27?

Complete this question if the council has an existing section 508A multi-year SV instrument which approves an increase to general income above the rate peg for 2026-27 and future years within the period covered by the council's SV application.

If the council has an ongoing section 508A SV and is seeking additional changes to general income during the term of that existing SV, IPART will need to vary the original instrument if the application is approved, rather than issuing a separate SV instrument to apply for 2026-27 (or later years).

Does the council have a section 508A multi-year SV instrument that applies in 2026-27?	No
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If yes to the above question, in the text box below:

- Specify the percentage increase(s) and duration of the SV
- Outline the council's actions in complying with conditions in the instrument approving the original SV
- Describe any significant changes relevant to the conditions in the instrument since it was issued.

Supporting documents could include extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Click here to enter text.

Attachments required:

A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument on the council's official letterhead.

Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument. For example, extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Question 7: Has IPART ever approved a special variation (including additional special variations in 2022-23)?

Complete this question if IPART has ever approved an SV for the council.

You **do not need** to complete the text box for this question if the relevant information has been provided in the council's response to Question 6.

Does the council have a section 508(2) or 508A SV which IPART has approved?	Yes
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If yes, in the text box below, for each SV approved by IPART, briefly:

- Specify the type of SV and the increase to general income approved.
- Outline the council's actions in complying with conditions in the SV instrument(s) or where the council has failed to comply with the conditions, provide reasons and list the corrective actions undertaken.

- Describe any *significant* changes relevant to the conditions in the SV instrument(s) since it was issued.

Supporting documents could include extracts from annual reports (or webpage hyperlinks to them) or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Council has had approved SVs as summarised in the table below.

Year	Application Type	Approved SV
2011/12	SV	5.5% each year from 2011/12 to 2017/18
2012/13	SV	12.3% in 2012/13 14.57% in 2013/14 5.5% each year from 2014/15 to 2017/18
2019/20	SV and minimum rates	7% each year from 2019/20 to 2021/22. Minimum rates (residential and business) increased from \$563 to \$644.
2022/23	Additional Special Variation	2% in 2022/23

Further details can be found in attachment 11, including the SV conditions and relevant Annual Report extracts. All projects funded by the SVs have been completed and all SV conditions met.

Attachments required:

A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument(s).

Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s). For example, extracts from annual reports or any other publications in which compliance with the conditions of the SV instrument has been reported to ratepayers.

If applicable, supporting documents providing evidence of the corrective actions undertaken in the event of a failure to comply with the conditions in the SV instrument(s).

Question 8: Does the council have deferred general income increases available to it?

Complete the question box below if the council has decided not to apply the full percentage increases to general income available to it in one or more previous years under sections 506, 508(2) or 508A of the LG Act.

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act?	No
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	The marginal amount of \$292 reported in Application B is considered immaterial for consideration in the Long-Term Financial Plan.

In the text boxes also explain:

a. The quantum, rationale and timing of any deferred increases in general income.

Click here to enter text.

b. When council plans to catch up on the deferred general income through the catch-up provisions and whether this been included in the LTFP.

Click here to enter text.

c. How does this deferred income impact on the council's need for the SV and its cumulative impact on ratepayers' capacity to pay? The council may also wish to further expand on this question in Table 6 in the OLG Criterion 1 section below.

Click here to enter text.

OLG SV Criterion 1 – Financial need

Refer to the [OLG SV Guidelines](#) as needed, and section 3 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

In Table 6 below, please explain how the council met each component of Criterion 1. Please also provide a reference to evidence in the IP&R documents.

The [Part A](#) application form also collects information for this criterion in Worksheets 9 (WS 9 - Financial), 10 (WS 10 - LTFP) and 11 (WS 11 - Ratios).

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the SV) is clearly articulated and identified in the council's IP&R documents	<p>North Sydney Council's Integrated Planning and Reporting (IP&R) documents clearly and consistently articulate both the need for, and the purpose of, a different revenue path for the General Fund through a Special Rate Variation (SV).</p> <p>Need Across the IP&R framework, Council identifies that the existing rate-pegged revenue path is structurally insufficient to sustain service delivery, renew infrastructure assets, and meet statutory and intergenerational equity obligations. Under current revenue settings, Council is unable to simultaneously maintain services, meet debt commitments, and fund infrastructure renewal and maintenance at sustainable levels.</p> <p>Purpose The purpose of the proposed different revenue path is to restore financial sustainability by addressing long-term under-investment in infrastructure renewal, stabilising the General Fund, and enabling delivery of the adopted Delivery Program without continued deferral of essential asset investment or reliance on reactive service reductions.</p> <p>This need and purpose are consistently evidenced across Council's IP&R documents, as outlined below.</p> <p><u>Delivery Program 2025-2029 and Operational Plan 2025-26 (DP/OP).</u></p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Delivery Program 2025–2029 and Operational Plan 2025–2026 The Delivery Program 2025–2029 and Operational Plan 2025–2026 (DP/OP) explicitly identify Council's weak financial position and the consequences of operating under the current revenue framework.</p> <p>Following IPART's refusal of Council's 2025–26 SV application, Council updated the Operational Plan to reflect the constrained financial environment. This included:</p> <ul style="list-style-type: none"> - significant reductions to infrastructure renewal programs and capital works (a \$12.5 million reduction in the 2025–26 capital program); - the identification of an operational financial repair target of \$6 million, requiring a combination of additional income, productivity improvements and service reductions; and - deferral of actions across the Delivery Program, with clear notation that delivery is contingent on securing additional funding, ensuring transparency to the community about the impact of financial constraints on strategic priorities. <p>The DP/OP clearly demonstrates the consequences of the existing revenue path, including increased reliance on reactive renewal prioritisation due to asset failure risk and consideration of service reductions across community, operational and public domain services.</p> <p>The adopted DP/OP committed Council to undertake extensive community engagement and updated financial modelling before determining a sustainable long-term revenue solution. Community feedback on the Draft DP/OP indicated limited support for service reductions, asset sales or increased debt as short-term responses to immediate financial pressure.</p> <p>Current projections indicate that in the absence of service reductions, only approximately \$3 million of the \$6 million operational financial repair target is achievable, demonstrating that productivity improvements and short-term cost containment alone are insufficient to address the underlying structural funding gap.</p> <p>In response to comprehensive community consultation including service and infrastructure expectations and financial strategies, and new financial modelling, Council adopted an addendum to the DP/OP explicitly identifying the need for and purpose of a Special Rate Variation revenue path.</p>	<p>Attachment 2 – Delivery program and Operational Plan: Mayoral message – page 4 CEO's message – page 5 Introduction – page 6 Budget Summary – page 9-16 Financial Information – page 99-111 New Special variation proposal (January 2026) – page 122</p> <p>Attachment 3 – Long Term Financial Plan Measuring financial need– page 38 Operating performance ratio – page 39-40 Unrestricted current ratio – 41</p> <p>The infrastructure backlog ratio – page 43-44 The infrastructure renewal ratio – page 44 The asset maintenance ratio – page 45</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><u>The Long-Term Financial Plan 2026-2036 (LTFP)</u></p> <p>The Long-Term Financial Plan (LTFP) confirms that Council's current financial position is not sustainable under a rate-pegged revenue path and requires structural change. The LTFP identifies key drivers of financial stress, including pressure on reserves and infrastructure renewals arising from the North Sydney Olympic Pool redevelopment, the ongoing cost of servicing debt, declining real revenues, and increasing asset maintenance and renewal requirements.</p> <p>Part 3 of the LTFP tests Council's projected financial performance against NSW local government benchmark ratios and demonstrates sustained under-performance under the base (rate-peg-only) scenario.</p> <p>To ensure the community understood the level of Operating Performance Ratio (OPR) required, which exceeds the minimum OLG benchmark, Page 40 of the LTFP breaks down the reasoning for this noting the effects of domestic waste, external restrictions, principle loan repayments and new/backlog asset of the required Operating Performance Ratio. It does this by using Year 1 as an example, which demonstrates a structural gap larger than is reflected in the standard OPR ratio. This was also highlighted in FAQ's, along with other explanations of misconceptions regarding local government finances.</p> <p>The LTFP also demonstrates under-funding of core asset responsibilities. The Buildings and Infrastructure Renewal Ratio remains below the >100% benchmark (approximately 69-74%), the Asset Maintenance Ratio declines further below benchmark levels, and the Infrastructure Backlog Ratio remains materially above the <2% benchmark, increasing from approximately 15.5% to over 23%. While management actions in the base scenario prioritise maintaining liquidity and keeping the Unrestricted Current Ratio closer to benchmark levels, this is achieved through continued deferral of asset investment, resulting in deteriorating asset condition and growing renewal backlogs.</p> <p>Consideration of alternatives to a special variation revenue path are also detailed within Part 3. Taken together, the LTFP ratios combined with consideration of alternatives make clear that the current General Fund revenue path cannot simultaneously support service continuity, debt commitments, and the renewal and maintenance required to meet community expectations and intergenerational equity obligations.</p> <p>Part 5 of the LTFP explicitly sets out the purpose of the proposed special variation (Page 75-83), identifying that the additional revenue is required to maintain service delivery and meet Councils infrastructure renewal and maintenance obligations.</p>	<p>Attachment 20 - Annual report for the 2024-2025 Mayoral message – page 2 Chief Executive Officer's foreword – page 3 Planning for the next ten years – page 7 Key financial indicators – page 92</p> <p>Attachment 5 – Asset management Strategy Page 29,30</p> <p>Attachment 21 - Asset Management Plan - Open Space and Recreation, page 10</p> <p>Attachment 22 - Asset Management Plan – Footpaths, page 10</p> <p>Attachment 23 - Asset Management Plan – Property, page 5, 6</p> <p>Attachment 24 - Asset Management Plan – Roads, page 19</p> <p>Attachment 25 - Asset Management Plan - Stormwater management, page 13</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>In response to community concerns regarding changes to the financial projections over time, Part 6 of the LTFP provides a financial background to Councils current position including an analysis of financial performance against the 2018-19 to 2027-28 Long Term Financial Plan (Page 84-85). Part 6 also provides background as to the impact of the North Sydney Olympic Pool on Councils financial position in response to community confusion in relation to the projects contribution to the need for special variation.</p> <p>Taken together, the LTFP demonstrates that the current General Fund revenue path cannot support service continuity, asset stewardship and financial sustainability, and that a different revenue path is required.</p> <p><u>Annual Financial Statements and Report on Infrastructure Assets 2024-25</u></p> <p>Council's Annual Financial Statements and Report on Infrastructure Assets as at 30 June 2025 reinforce the financial need identified in the DP/OP and LTFP. Key indicators include:</p> <ul style="list-style-type: none"> - an Infrastructure Backlog Ratio of 14.04% against a benchmark of less than 2%, with an estimated \$157 million required to bring infrastructure assets to a satisfactory condition. - an Asset Maintenance Ratio of 95.03%, confirming maintenance expenditure remains below required levels; and - an infrastructure renewal ratio of approximately 63% (excluding the North Sydney Olympic Pool), indicating that Council has not been renewing its broader infrastructure portfolio at a sustainable rate over multiple years. <p><u>Asset Management Strategy and Plans</u></p> <p>Council's Asset Management Strategy and Asset Management Plans further identify the consequences of the existing revenue path. As at 30 June 2024, these plans report approximately \$146 million of infrastructure assets in poor or very poor condition, with no available reserves to fund renewal.</p> <p>The plans explicitly acknowledge increased exposure to reactive maintenance, safety risks, unplanned capital works and service interruptions under current funding levels, reinforcing the need for a structural change to the General Fund revenue path.</p> <p><u>Conclusion</u></p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Collectively, Council's IP&R documents clearly articulate both the need for and the purpose of a different revenue path for the General Fund. They demonstrate that the existing rate-pegged revenue trajectory is not financially sustainable and that a Special Rate Variation is required to restore infrastructure renewal, stabilise Council's financial position and enable delivery of services and infrastructure consistent with community expectations and statutory obligations.</p>	
<p>In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.</p>	<p>Before seeking a Special Rate Variation (SV), Council assessed and, where feasible, implemented a broad range of alternatives to improve the General Fund position and minimise the need for rating increases. These alternatives are explicitly canvassed in Council's Long-Term Financial Plan 2026–2036 (LTFP), Delivery Program and supporting IP&R documents. While these measures reduce the scale of the funding task, Council's IP&R documents demonstrate that they are insufficient to address the structural nature of Council's financial challenges or to sustainably fund core asset and service obligations.</p> <p>Service level reductions (tested with community): Council's 2025–2029 Delivery Program included a financial repair target of \$6 million per annum (via new/increased income, productivity and service reductions). Council then tested community appetite for service reductions through independent research (Micromex), including a demographically selected baseline survey and an "informed" second stage, supplemented by an open community survey. The research indicated low appetite for reduced services, with most residents wanting services/infrastructure maintained or improved, even where this would require higher rates.</p> <p>On average, about 64% of residents favoured maintaining current service levels, and a further 23% supported service improvements even if that required higher rates. In contrast, only around 13% of residents supported lowering service levels to save costs. This strong preference to maintain or enhance services even at the expense of higher rates indicates that drastic service cuts are not an acceptable or realistic alternative to a rate increase.</p> <p>The LTFP therefore notes that while internal efficiencies are factored in, broad service reductions were not pursued, in response to community expectations.</p>	<p>Attachment 3 – Long Term Financial Plan Page 46 - 54</p> <p>Attachment 2- Delivery program and Operational Plan, page 100</p> <p>Attachment 14- Phase1 Demographic Community Survey Service Level Asset Management, page 25</p> <p>Attachment 28- Phase 2 Opt In Community Survey Service Levels Asset Management</p> <p>Attachment 3 – Long Term Financial Plan Page 46,47</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Reduction in strategic funding: Following IPART's refusal of the prior SV, Council reviewed and significantly reduced both operational and capital proposals that had been developed to respond to Council's strategic priorities. The earlier proposal (including material new operational expenditure, new/upgrade infrastructure and increased unrestricted reserves) has been scaled back in the current SV options to reduce community impact, including (in summary) a "minimal investment" option focused primarily on essential corporate systems with limited infrastructure uplift, and a "moderate investment" option with some infrastructure support and provision for future capital priorities.</p> <p>In summary, Council has already removed or delayed many planned projects to narrow the funding gap, yet even after these reductions, the funding shortfall cannot be closed without additional revenue.</p> <p>Infrastructure backlog funding reduced (trade-offs acknowledged):</p> <p>Council has moderated its approach to addressing the infrastructure renewal backlog compared to the previous SV application. The LTFP presents alternative scenarios showing slower backlog reduction under lower-investment options to reduce the impact on ratepayers. Even under these moderated scenarios, the LTFP demonstrates that without additional revenue the infrastructure backlog will continue to grow, leading to unacceptable asset condition, increased risk and higher long-term costs. This reinforces that some form of additional ongoing revenue is required.</p> <p>Borrowing (tested and constrained):</p> <p>Council evaluated increased borrowing as an alternative to a rate rise and has already utilised debt where appropriate for major projects. Council's current level of debt is higher than most Metropolitan Councils with approximately \$60 million in borrowings. It is noted that borrowings by nature must be repaid and are therefore not an alternate source of revenue for structural shortfalls and can increase the burden on future generations.</p> <p>To further consider loan funding, the community consultation sought feedback in relation to community expectations. The result of this consultation was that only 17% are supportive of increased debt (22% Opt-in) for the purposes of addressing current financial issues, with the underlying expectation that Council should take a cautious, strategic and responsible approach to increasing loans – including the use of loans for infrastructure that had an income stream to offset the borrowing costs and/or for new community infrastructure that would benefit both current and future populations.</p> <p>Given the reduction in funding for new infrastructure within this application as compared to 2025-26, preserving borrowing capacity for strategic infrastructure growth is important.</p>	<p>Attachment 3 – Long Term Financial Plan Page 47</p> <p>Attachment 3 – Long Term Financial Plan Page 47</p> <p>Attachment 14- Phase1 Demographic Community Survey Service Level Asset Management, page 60</p> <p>Attachment 3 – Long Term Financial Plan Page 49</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>The LTFP therefore concludes that borrowing cannot replace the ongoing revenue stream required to address Council's structural funding gap.</p> <p>Increasing non-rate revenue (pursued but limited/uncertain): Council reviewed fees, permits, compliance income and other revenue sources and included forecast uplifts (e.g., targeted user charges, advertising, parking-related measures and venue/event income).</p> <p>The LTFP also highlights that some non-rate revenues are sensitive to external change (e.g., reduced parking income following Metro impacts).</p> <p>The following new annual income has been included within all options for Years 1 to 10 of the plan (indexed):</p> <ul style="list-style-type: none"> - Sale of tickets for New Years Eve fireworks viewing – \$307,500 - User charges and fees for use of parks and open spaces – \$210,000 <p>In addition, annual revenue forecasts for the following sources have been increased for Years 1 to 10 of the plan (indexed):</p> <ul style="list-style-type: none"> - Increased compliance charges – \$295,000 - Increased income – North Sydney Oval – \$205,000 - Increased advertising in the public domain – \$802,000 - Increased permit fees – \$67,200 - Changes to parking patrol – \$739,000 - North Sydney Olympic Pool corporate events – \$300,000 (increased to \$500,000 in Year 2). <p>Council is also committed to exploring naming rights and/or sponsorship for the North Sydney Oval and North Sydney Olympic Pool; however, we are unable to source a reliable estimate of potential revenue at this point as heritage considerations and existing user agreements must be fully explored in the first instance. Enquiries undertaken (including sponsorship arrangements at large council owned/controlled sports stadiums) suggests that the income likely from such partnerships is not as significant as expected by some community members and will not materially change the financial need sought.</p> <p>As mentioned above, non-rate revenue sources remain sensitive to change. An example of this is car parking income which has reduced over the past year due in large part to the opening of the Metro and reduced demand for car travel.</p> <p>In summary, while non-rate income contributes to improved financial outcomes, it cannot materially close the funding gap.</p>	<p>Attachment 3 – Long Term Financial Plan Page 49</p> <p>Attachment 3 – Long Term Financial Plan Page 50,52</p> <p>Attachment 3 – Long Term Financial Plan Page 50,51</p> <p>Attachment 3 – Long Term Financial Plan Page 52</p> <p>Attachment 3 – Long Term Financial Plan</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Short-term liquidity measures (already used; not sustainable): Council has implemented short-term measures to support cash flow (holding vacancies, reducing operating expenditure, deferring renewals and non-essential capital upgrades, and increasing borrowing capacity).</p> <p>The LTFP explicitly notes these actions involve material trade-offs. Reactive reductions in required workforce are counter-productive to overall improvement efforts and result in increased organisational and service delivery risk. Ongoing deferral of renewals accelerates asset degradation and increases longer-term costs - and therefore cannot resolve the underlying structural problem.</p> <p>Council continues to review workforce numbers through a considered and proactive program of detailed service reviews.</p> <p>Asset sales / optimisation (considered; not a structural fix): Community expectations regarding public asset sales are that any property sales should be reinvested into the community for long-term benefit. Reactive sales without proper planning will result in reduced value realisation. Council has therefore included within its special variation actions a series of commitments to property review and master planning. The proceeds from any redevelopment or sale of council owned property will be required to fund new infrastructure for the growing population, noting that the adopted LTFP contains limited funding for new infrastructure.</p> <p>Council continues to pursue road reserve sales, noting that legislation requires proceeds of road reserves to be reinvested in road related infrastructure. Funding within the special variation for backlog is focused on buildings, stormwater and supporting infrastructure.</p> <p>Grants and contributions (limited capacity to close the gap): Council considered additional operating and capital grants, noting operating grants have historically been steady and limited in scale, and capital grants are comparatively modest versus overall infrastructure needs and increasingly competitive. Council also reviewed the potential to accelerate drawdown of development contribution reserves (with some projects included in options where organisational capacity allows), but these funds are restricted and cannot address broader General Fund operating and renewal pressures.</p> <p>Removing or deferring corporate systems investment (considered; not recommended): Council considered removing/delaying new corporate systems investment to reduce funding needs, but the LTFP identifies this as high risk due to outdated, poorly integrated systems driving inefficiency, manual workarounds, and weaker decision-making and customer outcomes. The LTFP positions systems uplift as foundational to productivity, asset information quality, and future investment prioritisation.</p>	<p>Page 52,53</p> <p>Attachment 3 – Long Term Financial Plan Page 53</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Reducing the domestic waste charges</p> <p>Reducing the domestic waste charge to reduce the impact of rating rises was considered, however is not a strategy that has been adopted for the reasons explained below. Greater Sydney is facing a waste crisis due to the limited capacity of existing landfills. According to the NSW Environment Protection Authority (EPA), landfill expected to be exhausted by 2030 without significant intervention. The consequence of this is that waste disposal costs are expected to rise.</p> <p>In addition, Council is required by legislation to implement a new food waste disposal system by July 2030. Estimates for the cost of this service range from \$5 million to \$8 million. In addition, waste contracts expire June 2029 and are subject to market conditions at that time. It is expected that domestic waste charges will increase in line with these two critical drivers.</p> <p>Council is currently transferring approximately \$2 million to the domestic waste reserve each year to allow for development and implementation of FOGO and to allow for transition in pricing for domestic waste. Reducing the levy to combat the burden of increased ordinary rates will lead to a more significant price rise in future years</p> <p>Productivity and improvement actions (material, but insufficient): Council's Productivity and Improvement Plan identifies significant cumulative savings and additional income over the plan period, plus cost containment/avoidance. The LTFP notes these actions reduce the scale of the rating task, but do not eliminate the structural funding gap; without an SV, the underlying pressures (including infrastructure renewal/maintenance) remain unresolved.</p> <p>Taken together, Council's IP&R documents demonstrate that while a range of alternatives to a rate rise have been pursued and, where feasible, implemented, none are sufficient to address the scale and structural nature of Council's General Fund funding gap. The LTFP therefore concludes that a Special Rate Variation represents the only viable long-term mechanism to restore financial sustainability while avoiding unacceptable service reductions, asset degradation or intergenerational inequity.</p>	<p>Attachment 4 - Productivity and Improvement Plan</p>
In demonstrating this need, councils must indicate the financial impact in their LTFP by applying the baseline and special variation scenarios.	<p>Council's Long Term Financial Plan (LTFP) clearly demonstrates the financial impact of both the baseline (Option 1 – rate-peg-only) and Special Rate Variation scenarios (Options 2 and 3).</p> <p>Part 3 of the LTFP presents a comparative assessment of key financial performance indicators under each scenario, including:</p>	<p>Attachment 3 – Long Term Financial Plan</p> <p>Projected ratios – page 39, 41 - 45</p> <p>Rating Options -Page 20</p> <p>Financial need and comparison -Page 36-44</p> <p>Financial modelling/Option 1- Page 55</p> <p>Financial modelling/Option 2- Page 59</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> - Operating performance ratio - Unrestricted current ratio - Unrestricted cash expense ratio - Infrastructure backlog ratio - Infrastructure renewal ratio - Asset maintenance ratio. <p>Part 4 of the LTFP provides forecast Income Statements, Balance Sheets and Cash Flow Statements for each scenario, together with the underlying assumptions and sensitivities applied.</p> <p>Under the baseline scenario (Option 1), the LTFP demonstrates that Council's existing revenue streams are insufficient to maintain existing service levels and support financial sustainability. Operating results remain in deficit, liquidity pressures persist, and asset renewal and maintenance levels remain below required benchmarks, resulting in a continued increase in the infrastructure backlog over the forecast period. While short-term management actions are used to preserve liquidity, this is achieved through the deferral of essential asset investment, leading to deteriorating asset condition and increasing long-term risk.</p> <p>In contrast, the Special Rate Variation scenarios, including adjustment to the minimum rate, demonstrate a significant improvement in Council's financial outlook. The additional recurrent revenue improves operating results, strengthens cash flow and stabilises liquidity over time, enabling higher levels of asset renewal and maintenance than under the baseline scenario. While not all benchmark ratios are immediately achieved, the LTFP demonstrates that the SV scenarios significantly improve performance against key indicators, reduce the infrastructure backlog, respond to community priorities and place Council on a more sustainable long-term financial footing - thereby improving intergenerational equity.</p> <p>The comparative analysis in the LTFP therefore demonstrates that the proposed SV materially improves Council's financial position relative to the baseline scenario and provides a clear rationale for a different General Fund revenue path, consistent with Council's long-term financial sustainability objectives and community expectations (as further clarified through accompanying strategic documents and the public consultation report.)</p>	Financial modelling/Option 3- Page 63

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.</p>	<p>This section provides detailed evidence of community need and desire for service levels and infrastructure, and of the limited availability of viable resourcing alternatives, in response to Criterion 1 of IPART's assessment framework.</p> <p>Given the scale of community interest, the likelihood of contested submissions, and IPART's comments in its 2025–26 Final Report regarding the importance of demonstrable consideration of community input (including public forum submissions), Council has intentionally set out this evidence in detail.</p> <p>The key conclusions arising from this evidence are:</p> <ul style="list-style-type: none"> the community demonstrates a strong preference to maintain or improve service levels and infrastructure condition, even where this requires increased rates; there is limited community support for service reductions, increased debt or asset sales as primary responses to Council's financial challenges; alternative revenue sources, while supported in principle, are insufficient in scale or reliability to address Council's structural funding needs; and community views were informed by explicit disclosure of financial trade-offs and cost impacts throughout the engagement process. <p>The detailed material that follows is provided to demonstrate the robustness of Council's engagement, the informed nature of community feedback, and the extent to which these findings have been embedded within Council's Integrated Planning and Reporting framework and the selection of the preferred Special Rate Variation option. While this level of detail may exceed the minimum necessary to demonstrate compliance with the criterion, Council considers it appropriate to include to ensure transparency and to assist IPART in considering matters raised in submissions that post-date the formal consultation report.</p> <p><u>Research and Engagement Approach</u> Council exhibited its revised and Operational Plan (DP/OP) between 27 May and 24 June 2025. 125 submissions were received. Based upon these submissions, there appeared to be little appetite for service reductions, while support for additional income opportunities was more forthcoming, with the exception of public property sales, which was even. The adopted DPOP included an action to undertake extensive community engagement to inform new financial modelling.</p>	<p>Micromex Research video presentation on Community Survey: https://www.youtube.com/watch?v=ecDbKOhaiZE</p> <p>Attachment 14- Phase1 Demographic Community Survey Service Level Asset Management, page 25</p> <p>Attachment 28- Phase 2 Opt In Community Survey Service Levels Asset Management</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>On 28 July 2025, North Sydney Council endorsed a comprehensive two-phase community engagement plan: North Sydney – Towards a Sustainable Future. The purpose of the community engagement plan was to actively consult residents and stakeholders in discussions around the current levels of service, the condition of local infrastructure, and community sentiment in regard to a range of alternative financial strategies with the aim of informing Council's decision-making.</p> <p>By seeking community input through this engagement plan, Council sought to balance the financial realities with public expectations, priorities, and willingness to support service levels, especially where ageing infrastructure may require increased investment.</p> <p>The engagement focused on understanding and aligning financial sustainability with community expectations across four key areas:</p> <ul style="list-style-type: none"> - service levels, including whether Council should do less, the same or more - noting that to maintain or improve services would require an increase in rates. - infrastructure conditions, including desired standards of infrastructure - respondents were informed by visual aids and financial information outlining current funding shortfalls. - community willingness to pay for service and infrastructure outcomes; and - other financial strategies. <p>The engagement was conducted in two stages:</p> <p>Phase 1: Service levels and infrastructure; and</p> <p>Phase 2: Consideration of a revised Long-Term Financial Plan and rating options.</p> <p>The plan was developed in compliance with Council's Community Engagement Strategy 2025-2029 (CES) as well as the International Association for Public Participation (IAP2) Australasia Quality Assurance Standard. Two phases were undertaken in accordance with the plan:</p> <ul style="list-style-type: none"> • Phase 1 (Aug 2025): <ul style="list-style-type: none"> - raised awareness of Council's financial position and the impacts on services and infrastructure assets; - explored community expectations in relation to service levels - explored community expectations in relation to infrastructure asset conditions; and - explored community sentiment towards financial strategies to reduce the need for a rate rise, including additional revenue sources and loan funding. • Phase 2 (Oct-Dec 2025): 	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> - raised awareness in relation to Council's financial position and the impact of this on infrastructure condition, technology, service levels, and responsiveness to current and emerging challenges; - raised awareness in relation to Council's efforts towards productivity and improvement; - assisted interested community members in understanding complex local government financial information, frameworks and application. - explored community sentiment towards Council's new Draft Long-Term Financial Plan and associated Special Variation options; - explored community sentiment towards the sale of Council property. <p>The results of the community engagement plan are detailed in the attached Community Engagement Report, with further detail contained in attachments to that report including independent research, submissions, and communication collateral portfolio.</p> <p>The two-phase engagement aimed to strengthen community understanding of Council's financial challenges and options and provides a sound evidence base for Council's decision making. While views differ on the preferred SV level, the community broadly recognises the need for long-term financial sustainability and ongoing investment in essential services and infrastructure.</p> <p>The campaign generated strong visibility across the community. Phase 2 results indicate that 49 percent of resident survey respondents were aware that Council was seeking community feedback on a potential application for Special Rate Variation.</p> <p><u>Survey Methodology and Sample</u></p> <p>Community sentiment was independently measured by research consultancy Micromex, providing transparency and methodological rigour. Micromex conducted statistically representative surveys of residents and businesses, with identical surveys also made available for voluntary participation via Council's Your Say platform.</p> <p>Within Phase 1, a staged approach was applied deliberately to ensure an informed response.</p> <p>The first phase of the consultation involved a representative survey of residents living in the North Sydney LGA and aimed to provide a community baseline measure for Council. This baseline stage involved a mixed mode methodology, with residents recruited via telephone and online community panels. The survey aimed to explore residents' perceptions regarding Council's financial investment across services and asset classes and support for increased rates to cover maintenance and improvement costs.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Interviews were conducted between 28th July to 11th August 2025 with 605 residents interviewed (505 via telephone and 100 online).</p> <p>A sample size of N=605 residents provides a maximum sampling error of plus or minus 4.0% at 95% confidence. This means that if the survey was replicated with a new universe of N=605 residents, 19 times out of 20 we would expect to see the same results, i.e. +/- 4.0%. For example, an answer such as 'yes' (50%) to a question could vary from 46% to 54%.</p> <p>The second part of the phase one community consultation consisted of a self-complete online survey. Residents from the baseline survey were provided with the opportunity to receive an SMS or email link to an online, self-complete survey. The survey sought to explore residents' preference for conditions and desired level of investment across community asset classes, based on more detailed text/image-based information.</p> <p>The online survey was open between 28th July to 11th August 2025 with 302 residents completing this second stage of the consultation.</p> <p>A total of N=302 residents completed the second part of the research, all of whom had completed the first questionnaire. A total sample size of N=302 residents provides a maximum sampling error of plus or minus 5.6% at 95% confidence. This means that if the survey was replicated with a new universe of N=302 residents, 19 times out of 20 we would expect to see the same results, i.e. +/- 5.6%. For example, an answer such as 'yes' (50%) to a question could vary from 44% to 56%.</p> <p>For phase two, North Sydney Council again commissioned Micromex Research to conduct a random telephone survey with residents living in the North Sydney Council local government area (LGA). The survey sought to:</p> <ul style="list-style-type: none"> - Identify community priorities for the North Sydney Council LGA - Identify the community's overall level of satisfaction with Council performance and importance of infrastructure maintenance and renewal - Understand community appetite for public asset sales to address current financial issues vs longer term benefit - Evaluate resident attitudes toward a potential Special Rate Variation (SRV), including levels of support for each proposed option and the community's overall preference for how Council should proceed - Interviews were conducted between 25th November – 5th December 2025 with 403 residents interviewed by phone (landline N=37 and mobile N=366). 	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>A sample size of 403 residents provides a maximum sampling error of plus or minus 4.9% at 95% confidence. This means that if the survey was replicated with a new universe of N=403 residents, 19 times out of 20 we would expect to see the same results, i.e. +/- 4.9%. For example, that an answer such as 'yes' (50%) to a question could vary from 45% to 55%.</p> <p>A second representative survey was also conducted by Micromex Research with businesses in the LGA. This survey sought to:</p> <ul style="list-style-type: none"> - Identify priorities for businesses in the North Sydney Council LGA - Evaluate business attitudes toward a potential Special Rate Variation (SRV), including levels of support for each proposed option and the overall preference for how Council should proceed - Identify the overall level of satisfaction with Council performance and importance of infrastructure maintenance and renewal <p>A total of 104 interviews were conducted using a mixed methodology of online and telephone data collection between 25 November and 5 December 2025. To ensure consideration was given to widespread views across the community, and all members had the chance to participate, the same surveys (for both phases) were also shared by Council. Community members and businesses could opt in to complete these surveys online (via the Your Say consultation page) or on paper at community pop up events, at the customer service centre or by requesting a hard copy to be sent to them direct.</p> <p><u>Response to public forum representations</u></p> <p>The methodology for the survey was questioned by a member of the public within the public forum prior to Council's decision at the meeting on 19 January 2026, suggesting a bipolar scale rather than unipolar scale was more appropriate. To assist IPART in their consideration of submissions regarding survey methodology, Council sought advice from Micromex, who responded as follows:</p> <p><i>'The consultation employed a probability-sampled, representative community survey. The question asks "How supportive are you of Council proceeding with this option?" - The response scale measures the full spectrum from complete support ("Very supportive") to complete absence of support ("Not at all supportive"). This captures the entire range of community positions on proceeding with each option. This questionnaire flow has been used successfully in over 50 IPART SRV applications since 2012 and consistently accepted by the Tribunal as appropriate methodology.'</i></p> <p><i>More importantly, the criticism focuses on one question in isolation. The consultation employed a comprehensive three-part approach:</i></p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><i>Q2a/b/c: Degree of support for each option Q3a: Preference ranking - respondents ranked all three options (1st, 2nd, 3rd) Q3b: Qualitative explanation of their choice</i></p> <p><i>The preference ranking is the critical element. It forces respondents to choose among real alternatives, revealing what the community actually prioritises when trade-offs must be made. This provides IPART with evidence of informed community choice among the options presented, not just sentiment.</i></p> <p>In response to the same community members suggestion that the survey invited demand for more services while withholding the cost, Micromex responded as follows:</p> <p><i>'The staged approach is deliberate and respondents all received extensive cost information throughout the survey.</i></p> <p><i>Part 1 - Service Priorities included explicit cost warnings:</i></p> <ul style="list-style-type: none"> - <i>Q3 asked respondents to position themselves on a scale from "lower-cost services" to "high-quality services, even if it comes at a higher cost"</i> - <i>Before all service questions (Q5-Q11). "Please note that maintaining or improving services or infrastructure will require an increase in average rates"</i> - <i>Q12a-c asked directly about willingness to pay more in rates, including comparative data showing North Sydney's rates (\$1,079) versus neighbouring councils (\$1,323-\$1,901)</i> <p><i>Part 2 - Infrastructure Assets provided detailed financial data for each asset category:</i></p> <ul style="list-style-type: none"> - <i>Replacement values (e.g., Roads: \$450M; Buildings: \$347M)</i> - <i>Current annual funding needs versus actual budget allocations (e.g., Roads need \$6.52M but only \$5.99M budgeted)</i> - <i>Infrastructure backlogs (e.g., \$24M backlog for roads; \$69.4M for buildings)</i> - <i>Consequences of underinvestment clearly explained</i> <p><i>For each infrastructure category, respondents were then asked their support for paying more in rates to address the documented funding gaps.</i></p> <p><i>The community received comprehensive cost information at the principle level appropriate for strategic priority-setting. By the SRV consultation stage, they had the complete picture: valued services + specific costs + three detailed rate options. This is best practice strategic planning, not withholding information.'</i></p> <p>The survey design used for North Sydney Council's SRV engagement was robust and comprehensive. This comprehensive approach goes well beyond gauging simple sentiment – it forces respondents to consider trade-offs and articulate their priorities.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><u>Key findings</u></p> <p>Key findings from the research show residents understand the financial trade-offs, are prepared to invest in essential infrastructure and support innovative funding approaches.</p> <p>There is little appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – even knowing that maintaining/increasing services will require an increase in rates.</p> <p>Residents who are supportive/ very supportive believe improvement are needed/ will benefit the area and that current rates are manageable compared to other council areas. For those less supportive, residents cited cost of living pressures and Council's financial management as key concerns.</p> <p>As a principle 72% of residents agree or strongly agree with the statement 'each generation should contribute to the renewal of community infrastructure they have used and benefited from'. (74% in the Opt-in survey)</p> <p>When asked about alternative revenue sources, there was stronger support for corporate/private event pool hire (87%), commercial/large group park fees (77%), and facility naming rights (74%). These results were relatively consistent in the Opt-in survey, with fees for open space, ticketing for NYE and increased parking enforcement higher in the Opt-in survey.</p> <p>Residents were asked if they believe Council should reduce, maintain, or improve service levels across 51 service areas and in summary, the majority of residents prefer for Council to maintain – if not improve – service levels, with some areas seen as higher priorities for improvement. (Consistent in Opt-in survey)</p> <p>66% of residents are at least somewhat supportive of paying more in rates to maintain or improve services. (64% in the Opt-in survey)</p> <p>Although all services rated higher on maintain and/or improve, those services which had higher levels of 'reduce' tended to be lower cost, lower reach services, however highly valued by those that participate. For example, Environmental education/workshops, for which 36% of respondents agreed with reducing. In considering these results, perspective must be given to the level of investment.</p> <p>In relation to asset investment, nearly one in three residents prefer more Council spending, and 63% support paying more in Council rates (69% in the Opt-in survey). Support for paying more in rates to cover maintenance and renewal costs was strongest for roads and transport (67%), stormwater (66%) and footpaths (65%). It was lowest for bus shelters and street furniture (57%).</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>There was also considerable support for Council to cater for increasing density in the LGA. 80% of residents would like Council to maximise use of existing spaces (e.g. better drainage, multi-use fields). Most residents also supported using public land near the metro for socio/economic benefit (67%) and revitalising CBDs with social spaces and upgrades.</p> <p>87 % of residents rated infrastructure maintenance as important or very important. 80% of residents opposed selling assets unless proceeds were reinvested for long-term benefit (71% Opt-in), with only 30% agreeing council should deal with current financial issues by selling assets now, rather than increasing rates or fees (40% Opt-in).</p> <p>Only 17% are supportive of increased debt (22% Opt-in), with the underlying expectation that Council should take a cautious, strategic and responsible approach to increasing loans.</p> <p>Strong support for exploring alternative revenue sources (e.g., naming rights, event hire, commercial fees).</p> <p>In general, the Opt-in survey returned comparative results to the representative sample. Opt in respondents in general are supportive of maintaining or improving services, with lower levels of support for improvement some areas such as affordable/diverse housing, environmental programs, disability support and access programs, programs for older residents, volunteer connection programs, economic development, culture and creative programs, public toilets maintenance, recreation infrastructure, transport planning and online services.</p> <p>In response to infrastructure renewal and maintenance questions, the Opt-in group recorded higher levels of support for paying more in rates to cover maintenance and renewal costs throughout all asset classes.</p> <p>While alternative resourcing options have been explored, as outlined throughout this submission, they are neither sufficient in scale nor reliably available to meet Council's current and projected financial requirements. Moreover, they fall short of enabling Council to deliver the level of services and infrastructure that the community expects and aspires to.</p> <p>The results of the community survey were embedded within Council's Integrated Planning and Reporting (IP&R) documents and directly informed the development and selection of Option 3. This option reflects the community's expressed preference for maintaining or enhancing service levels, even where this entails higher rates, and balances financial sustainability with the delivery of valued services and infrastructure.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies</p>	<p>The Audit Office of NSW reported in the Liquidity section of the Report on the Conduct of the Audit for the Year Ending 30 June 2025 that, in 2023-24, metropolitan councils held an average of eight months of available cash to cover expenses. North Sydney Council remains below this benchmark, with only 4.4 months of available cash. Commentary within the Report states 'Council continues to fall below average demonstrating increased pressure on meeting obligations as they fall due'. The graph (within the attachment 10) demonstrates a decline in the ratio over the past three years, from 7.4 in 2023 to 4.4 in 2025. This matter was also discussed during the presentation on the financial statements audit by the Director of the Audit Office of NSW, Karen Taylor, at the Council meeting on 13 October 2025 (transcript attached)</p> <p>In considering the Draft Financial Statements for the year ended 30 June 2024, Council's Audit, Risk, and Improvement Committee (consisting of three skills-based independent members) noted the need for 'a complete strategic overhaul of Council's finances is urgently required to ensure the ongoing viability of the Council'.</p> <p>The Audit Risk and Improvement Committee met on 20 June 2025 following the IPART refusal of the 2025-26 application. The minutes of the meeting are attached and note in acknowledging 'the challenge in consulting with the community on such a complex decision-making process that is multifaceted' that 'Council is on the right track with its efforts to improve its financial position and long-term sustainability; however it will need to develop new communication and engagement strategies with the community to support the next SRV application'</p> <p>Without SRV, Council will be unable to restore infrastructure renewal funding to sustainable levels. The infrastructure backlog will continue to grow, increasing the likelihood of asset failures, safety risks and service disruption. Council's capacity to co-fund growth-related infrastructure will remain constrained, delaying delivery of essential projects and increasing the risk of failing to meet statutory obligations. Continued reliance on legacy corporate systems will further limit Council's ability to plan effectively, achieve greater efficiency, manage assets proactively and demonstrate financial sustainability.</p>	<p>Attachment 10 - The Annual Financial Statements and Report on Infrastructure assets of 30 June 2025/ Report on the conduct of the audit for the year ending 30 June 2025- Page 162</p> <p>Attachment 23 – Audit, Risk and Improvement Committee minutes 11 October 2024</p> <p>Attachment 27 – Transcript of Audit Office presentation at Council meeting</p> <p>Attachment 36 – Audit, Risk and Improvement Committee Minutes 20 June 2025.</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
If applicable, has the council not applied the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act? If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SV.	No	Not applicable

Additional information required for councils with an existing SV applying for an additional percentage increase

If the council has **an existing SV**, then explain the need for **a variation to that SV** to increase the annual percentage increases.

Not applicable.

Any other factors that demonstrate the council's financial need (optional)

In the text box please give a brief explanation of any other factors not already mentioned that may be relevant to demonstrate the council's need.

For instance, the council may wish to discuss the impact of **non-rateable** properties.

Council's financial need is further influenced by structural factors that constrain revenue capacity while increasing service and infrastructure demand.

Non-rateable properties.

North Sydney contains more than 875,000 square metres of non-rateable land (excluding Council-owned land). This land has an estimated unimproved value of approximately \$1 billion, representing around 3 % of the local government area.

While this land generates no rate revenue, it contributes to demand on Council infrastructure and services. For context, if this land were rateable at the current business rate in the dollar, it would generate approximately \$4.6 million per annum, increasing to around \$6.6 million per annum under the proposed 2027–28 rate.

North Sydney is one of the most concentrated education precincts in Australia, accommodating 21 primary and secondary schools and two universities within a 10.5 square kilometre area. This level of institutional density places sustained and material pressure on Council infrastructure and services.

Key impacts include:

- Open space demand, noting that the most recently opened school has no on-site open space, and many schools rely on Council-owned parks for sporting, recreational, and in some cases general playground use.

The intensified use of passive parks is resulting in a need for infrastructure upgrades. Council has resolved to implement a fee for use of open space; however this will not materially support the increased infrastructure needs.

- Traffic and transport pressures, including congestion and safety risks associated with school-related travel patterns. Council has incorporated behavioural change programs within its strategies to mitigate these impacts.

For context, if education land was rateable at current business rate in the dollar, it would generate approximately \$1.7 million per annum in additional revenue. Under the proposed 2027/28 business rate, this contribution would increase to approximately \$2.41 million per annum.

State planning and development system requirements

NSW Government planning frameworks require councils to meet expanding performance, reporting and compliance standards in development assessment and strategic planning, necessitating additional staffing, systems and process improvements resulting in additional cost without corresponding increases in funding.

State-led environmental and coastal management obligations

Under state legislation such as the Coastal Management Act 2016 and related environmental frameworks, councils are required to plan for and manage coastal risks, flooding, erosion, biodiversity protection and climate adaptation. These obligations are largely driven by state policy settings but require local implementation and funding, placing further pressure on council finances.

Climate change adaptation frameworks

State-wide climate risk and resilience frameworks require councils to assess and respond to climate impacts on infrastructure, assets and service delivery. Implementing adaptation measures (e.g. heat mitigation, stormwater resilience, asset hardening) requires significant additional investment, particularly for asset-heavy councils such as North Sydney.

Non-resident workforce

North Sydney Council has the second largest non-residents workers to total population among Metropolitan Councils, right after the City of Sydney, while Northern Beaches and Sutherland have the lowest (9%).

The local economy of North Sydney hosts approximately 107,754 jobs, with 69,945 of these held by non resident workers who commute into the LGA daily. These workers—along with students and visitors—use North Sydney's roads, parks, open spaces, and civic facilities, significantly expanding the real population Council must service.

Worksheet 12 (WS 12) in the [Part A](#) Excel application form can also be used to provide additional data

OLG SV Criterion 2 – Community awareness and engagement

Refer to the [OLG SV Guidelines](#) as needed, and section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and materials for completing this section. Please also note that section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) is the IPART fact sheet referred to in the OLG SV Guidelines under Criterion 2 that provides guidance to councils on the community awareness and engagement criterion for special variations.

How did the council engage with the community about the proposed special variation?

In Table 7 please provide evidence as to how the councils community engagement met Criterion 2.

Table 7 Evidence of the council's community engagement demonstrating Criterion 2

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
Evidence that the community is aware of the need for and extent of a rate rise.	<p>A representative survey undertaken in Phase 2 of the community engagement program indicated 49% of residents are aware that Council was exploring community sentiment towards applying for a Special Rate Variation, indicating that this is slightly above the Micromex historic benchmark of 44%, driven by word of mouth, social media and Council communications.</p> <p>The need for a special variation has been well documented as detailed in Criterion 1 - Financial Need. This includes through:</p> <ul style="list-style-type: none"> - Councils Integrated Planning and Reporting Framework - Council reports throughout the year outlining asset failures and reprioritisation requirements - Councils Community Engagement Program – North Sydney – Towards a Sustainable Future <p>The extensive two-phase community engagement program was undertaken between August and December 2025, and included</p>	<p>Attachment 6 - Communication collateral and engagement activities</p> <p>Web Link to Have You Say page - North Sydney Council Let's Talk Rates</p>

	<p>The plan was developed in compliance with Councils Community Engagement Strategy 2025-2029 as well as the International Association for Public Participation (IAP2) Australasia Quality Assurance Standard. Two phases were undertaken in accordance with the plan.</p> <p>Phase 1 (Aug 2025):</p> <ul style="list-style-type: none"> - raised awareness of Council's financial position and the impacts on services and infrastructure assets; - explored community expectations in relation to service levels and infrastructure asset conditions; and - explored community sentiment towards financial strategies to reduce the need for a rate rise, including additional revenue sources and loan funding. <p>Phase 2 (Oct–Dec 2025):</p> <ul style="list-style-type: none"> - raised awareness in relation to Council's financial position and the impact of this on infrastructure condition, technology, service levels, and responsiveness to current and emerging challenges; - explored community sentiment towards Council's new Draft Long-Term Financial Plan and associated Special Variation options; - explored community sentiment towards the sale of Council property. <p>The results of the community engagement plan are detailed in the attached Community Engagement Report, with further detail contained in attachments to that report including independent research, submissions, and communication collateral portfolio.</p> <p>The two-phase engagement aimed to strengthened community understanding of Council's financial challenges and options and provides a sound evidence base for Council's decision making. While views differ on the preferred SV level, the community broadly recognises the need for long term financial sustainability and ongoing investment in essential services and infrastructure.</p> <p>The campaign generated strong visibility across the community. Evidence of the community's awareness of the need for and extent of a rate rise is supported by measurable data across the various channels used to communicate the need for a rate rise.</p>	
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<p>Community sentiment was independently measured by research consultancy Micromex, providing transparency and methodological rigour. Micromex conducted statistically representative surveys of residents and businesses, with identical surveys also made available for voluntary participation via Council's Your Say platform. Further information regarding the Micromex methodology is contained within Criteria 1 of this application.</p> <p>Against the backdrop of recent SV consultations undertaken by Micromex, they concluded that preference for an SRV in North Sydney is relatively stronger than in other recent consultations.</p> <p>Activities within the engagement program to inform and consult the community on service levels, infrastructure needs, and proposed SV options were multichannel, targeted, and evidence based, aiming to reach ratepayers, residents, businesses, precinct committees, and the public.</p> <p>The program generated significant communication reach and engagement, supported by measurable data across all channels.</p> <p><u>PHASE 1: Let's Talk Services & Infrastructure (1-29 August 2025)</u></p> <p>1. Communication Activities</p> <p>Channels used: Email newsletters, fact sheets/posters, social media, website content, media release & coverage, digital displays, and email signatures.</p> <p>Key Highlights</p> <ul style="list-style-type: none"> • 11 email newsletters distributed to multiple subscriber groups (up to 11,800+ via Library eNews). • Social media: 20 posts → 9,490 reach, 26,400 impressions, 240 engagements. • Factsheets/posters: displayed at facilities and 60 noticeboards; downloads/views recorded via Your Say. • Media: Nine News coverage and media release with potential audience reach ~7.9 million. • Website articles: engagement driven via homepage and meeting summaries. <p>2. Engagement Activities</p> <p>Your Say webpage (1-29 August):</p> <ul style="list-style-type: none"> • 4,464 page views, 1,982 unique visitors 	
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<ul style="list-style-type: none"> 76 documents downloaded FAQs viewed by 79 unique visitors <p>In person activities</p> <ul style="list-style-type: none"> Community popups: 325 people engaged across 4 locations Precinct meetings: 153 participants across 8 meetings; generated 42 QR scans <p>Internal engagement</p> <ul style="list-style-type: none"> Staff widely briefed through emails, newsletters, and VIVA Engage. 	<p>PHASE 2: Let's Talk Rates (29 October – 3 December 2025)</p> <p>1. Communication Activities</p> <p>Channels used: North Sydney News print publication, online rates calculator, website articles/updates, fact sheets, posters, social media (organic + paid), videos, notices, displays, email signatures, and media coverage.</p> <p>Key Highlights</p> <ul style="list-style-type: none"> North Sydney News: 46,422 copies delivered; 113 QR code scans. Website content: <ul style="list-style-type: none"> Rates homepage → 309 clicks, 3,380 impressions Rates factsheets → 31 clicks, 880 impressions Fact sheets: significant downloads (e.g., Rates Options Summary 213 downloads). Social media: <ul style="list-style-type: none"> 41 organic posts → 23,600 reach, 45,420 impressions, 215 engagements, 4,044 video views Paid LinkedIn ad → 2,151 reach, 59 clicks Video series: 6 explainer videos published with 27–59 YouTube views each; higher engagement via Your Say (246 total views). <p>2. Engagement Activities</p> <p>Your Say webpage (29 Oct–3 Dec):</p> <ul style="list-style-type: none"> 8,814 page views, 3,809 unique visitors 789 document downloads, 320 fact sheet views 55 FAQs viewed 1,289 times <p>Direct community engagement</p> <ul style="list-style-type: none"> Letterbox drop: 44,100 letters + 182 QR scans Popups: 201 conversations across 6 sessions Ask the Executive: 8 attendees across 5 sessions Precinct meetings: 146 attendees across multiple precincts <p>Business-focused engagement</p>
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	<ul style="list-style-type: none"> Business breakfast (cancelled due to low registrations); business survey and factsheet shared with 753 contacts Additional targeted email to 745 business contacts <p>Formal submissions</p> <ul style="list-style-type: none"> 82 written submissions (58 via project page) <p>The communication and engagement program was comprehensive, multichannel, and consistent with IPART expectations for demonstrating:</p> <ul style="list-style-type: none"> broad and targeted community reach, accessible and transparent information, active awareness raising, opportunities for feedback through multiple formats, and tracked, verifiable engagement performance. <p>The data shows strong outreach effort, significant visibility, and documented community interaction across two major phases of consultation.</p> <p>Communication collateral accompanying this application provides detailed evidence of the engagement activities and their outcomes, clearly demonstrating that the community is aware of both the need for and the extent of the proposed rate rise.</p>	
The council need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.	<p>Council clearly communicated the full cumulative impact of the proposed SV in both percentage and dollar terms for the average ratepayer, disaggregated by rating category (residential and business).</p> <p>This information was presented consistently across consultation materials, including</p> <ul style="list-style-type: none"> Draft Long Term Financial Plan, Factsheets and distributed materials, the Your Say website, the North Sydney News publication, and the interactive online rates calculator. <p>The rates calculator enabled individual ratepayers to see the specific dollar impact on their own property under each proposed option, ensuring transparency and accessibility. Tables showing cumulative increases over the life of the SV were also included in public-facing materials to support informed community feedback.</p>	<p>Attachment 3 – Long term Financial Plan (page 20-25)</p> <p>Attachment 6 - Communication collateral and engagement activities</p> <p>Web Link to Have You Say page - North Sydney Council Let's Talk Rates</p> <p>Web Link to Rates Calculator - North Sydney Council - Special Rate Variation Calculator</p> <p>Attachment 37-Examples of Social Media posts</p> <p>Attachment 38-How to read your rates</p> <p>Attachment 39, page 1-2 -Let's Talk Rates New Year's Eve and more! –</p> <p>Attachment 40- Lets Talk-Rates fact sheet</p> <p>Attachment 41-LetsTalk-RatesFSOct2025</p> <p>Attachment 42-LetsTalk-RatesWhat-will-each-rate-option-meanfactsheetNov2025</p> <p>Attachment 43-North Sydney Councillors to discuss draft 2026-2036 Long-Term Financial Plan proposals</p>

<p>The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.</p>	<p>The Delivery Program and Long-Term Financial Plan were prepared in accordance with the Office of Local Government's IP&R guidelines and requirements.</p> <p>The Long-Term Financial Plan references the impact of the SV on Council and community.</p> <p>The LTFP, exhibited for 36 days, clearly disclosed the extent of any rate rises for the average ratepayer, by rating category. The "Rating Options" section (pages 20-25) breaks down each option, detailing annual and cumulative percentage increases, dollar increases, and noting the permanent nature of the SRV. Specifically, this section provides:</p> <ul style="list-style-type: none"> - A summary of each option, outlining annual and cumulative increases over three years and the total additional revenue generated over a 10-year period. - Total revenue to be levied under each option and the percentage increase in permissible income. - Residential rates tables showing average annual increase, total increase, and cumulative increase above the rate peg for each option. - Minimum residential rates tables with annual and cumulative increases. - Ad valorem residential rate tables demonstrating average rates under each option. - An additional table summarising minimum residential rates and special levies for each scenario. - The same tables for business rates are also included in LTFP (page 24-25). <p>In addition, this information was clearly communicated through Council dedicated web-page and various factsheets: YourSay page: https://yoursay.northsydney.nsw.gov.au/lets-talk-rates</p> <p>The Delivery Program was also updated to include an Addendum that discusses the proposed SV.</p>	<p>Attachment 2 -Delivery Program Attachment 3 – Long Term Financial Plan (page 23,25) Attachment 6 - Communication collateral and engagement activities</p> <p>Web Link to Have You Say page - North Sydney Council Let's Talk Rates</p> <p>Attachment 37-Examples of Social Media posts Attachment 38-How to read your rates Attachment 39, page 1-2 -Let's Talk Rates New Year's Eve and more! – Attachment 40- Lets Talk-Rates fact sheet Attachment 41-LetsTalk-RatesFSOct2025 Attachment 42-LetsTalk-RatesWhat-will-each-rate-option-meanfactsheetNov2025 Attachment 43-North Sydney Councillors to discuss draft 2026-2036 Long-Term Financial Plan proposals</p>
<p>Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV.</p>	<p><u>Council's Efficiency Measures and Progress</u></p> <p>Since 2022, North Sydney Council has embarked on a determined improvement journey to strengthen its financial management, governance, and operational efficiency. This ongoing program is comprehensively documented in the Draft 2026-2036 Long-Term Financial Plan (pages 4, 18, 53) and the accompanying Productivity and Improvement Plan, which together detail the measures taken to contain costs and improve productivity, as well as progress achieved to date.</p>	<p>Attachment 4 - Productivity and Improvement Plan Attachment 6 - Communication collateral and engagement activities</p> <p>Web Link to Have You Say page - North Sydney Council Let's Talk Rates</p> <p>Productivity and Efficiencies Video link: https://www.youtube.com/watch?v=RDqjXQGiEdc</p> <p>Attachment 37-Examples of Social Media posts Attachment 38-How to read your rates Attachment 39, page 1-2 -Let's Talk Rates New Year's Eve and more! – Attachment 40- Lets Talk-Rates fact sheet Attachment 41-LetsTalk-RatesFSOct2025</p>

	<p>Council's Productivity and Improvement Plan (exhibited alongside the Draft LTFP) provides a detailed account of productivity measures implemented since 2022 and future strategies. A detailed overview of the efficiency measures and a progress towards achieving them is documented in Criterion 5 Productivity and Cost Containment section of this document.</p> <p><u>Communication to the Community</u></p> <p>Council has been transparent with the community about its efficiency measures and their outcomes, integrating this information into the SV engagement campaign. In all consultation materials explaining the need for the proposed SV, Council "briefly discussed its ongoing efficiency measures and progress" exactly as required. For example, the Phase 2 "Let's Talk Rates" Your Say webpage prominently featured a section on "what Council has done to contain costs", including a summary of productivity initiatives and a link to the full Productivity and Improvement Plan for public viewing.</p> <p>Multiple engagement channels reinforced these messages:</p> <ul style="list-style-type: none"> • Mayor's Message & North Sydney News: A special letter from the Mayor (posted to all ratepayers) and a feature article in the North Sydney News community newsletter both highlighted Council's productivity improvements. The North Sydney News (Oct/Nov 2025 edition) included a dedicated section summarising "Council's productivity and efficiency measures (past and planned)" as part of explaining the financial challenges. This gave residents concrete examples of what Council had already done (and is continuing to do) to tighten its belt, in line with OLG expectations. • Explainer Videos: A series of short explainer videos was produced to support the consultation. One video – titled "Productivity and Improvement Plan" – was devoted to outlining Council's efficiency program and achievements. It was made available on Council's YouTube channel and the Your Say site, alongside other SV-related videos. These videos (including a "Message from the CEO") described why Council was seeking an SV and emphasized the internal savings already realised. 	<p>Attachment 42-LetsTalk-RatesWhat-will-each-rate-option-meanfactsheetNov2025</p> <p>Attachment 43-North Sydney Councillors to discuss draft 2026-2036 Long-Term Financial Plan proposals</p>
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	<ul style="list-style-type: none"> • Social Media Updates: Council's social media posts during the SRV consultation frequently showcased ongoing efficiency efforts. For instance, Council shared behind-the-scenes videos of various teams' productivity improvements – e.g. how the street cleaning crew optimised their routes, how bushland maintenance was made more efficient, improvements in compliance processes, and better customer service delivery. These real-world examples, posted on Facebook, Instagram and LinkedIn, helped build community confidence that Council staff were "doing more with less." The engagement report notes that multiple social media reels focused specifically on productivity work by individual teams across Council. Such posts reached thousands of people and reinforced the message that Council is driving internal reform. • Fact Sheets and FAQs: An SV Fact Sheet was prepared (and made downloadable on the Your Say page) summarising why the SV is needed; this fact sheet included a brief update on recent efficiency measures and savings. In the consultation FAQs, one of the questions addressed Council's productivity initiatives and progress against its \$6 million "financial repair" target, explaining how roughly half of that target was on track to be met through efficiency gains in 2025-26. By proactively answering such questions, Council ensured the community knew that substantial cost-cutting was already underway. • Public Exhibitions and Meetings: During community information sessions (drop-in "Ask the Executive" forums, precinct committee presentations, etc.), Council officials consistently briefed attendees on the cost-saving actions taken. Council's staff and executive team, including the CEO, discussed the Productivity and Improvement Plan and the efficiencies achieved when answering public questions about "why not just cut costs instead of raising rates." This was documented in engagement records and helped address any misconceptions that Council had not "tightened its belt." Indeed, some skeptical feedback in submissions (suggesting Council hadn't done enough to save money) was countered with detailed responses listing the efficiency measures implemented since 2022. 	
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	<p>In summary, Council has clearly incorporated an overview of its ongoing efficiency measures and progress in its case for the SV. The narrative explaining the SV need – in the IPART submission and community communications – opens by acknowledging Council's "productivity and cost containment journey" since 2022.</p>	
<p>The council's community engagement strategy for the SV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.</p>	<p>Council implemented its engagement strategy in accordance with its Engagement Protocol and the International Association for Public Participation (IAP2) Community Engagement Framework, adopting an "inform and consult" approach appropriate to a statutory Special Rate Variation decision.</p> <p>A comprehensive program of engagement activities was designed to raise awareness of Council's financial sustainability challenges, the reasons for considering a Special Rate Variation, and the options available to the community. As outlined in the Communication Collateral and Engagement Activities Report, Council sought to ensure that all key stakeholder groups, including resident households, non-resident ratepayers and businesses, were informed about the proposals and provided with opportunities to participate and provide feedback.</p> <p>The engagement strategy employed a broad and appropriate mix of methods to maximise reach, accessibility and participation across different segments of the community. Engagement activities included:</p> <ul style="list-style-type: none"> - letterbox drops to all ratepayers; - extensive email newsletters; - social media engagement (organic and paid); - Council website updates and FAQs; - a dedicated Your Say consultation webpage; - community pop-up stalls and drop-in sessions; - presentations to precinct committees; - media coverage across print, broadcast and online channels; and - targeted engagement with business stakeholders. <p>In addition, Council offered a series of "Ask the Executive" sessions to provide direct access to senior management and enable community members to seek clarification or challenge assumptions relating to financial performance, service delivery, asset management and productivity improvements. These sessions were attended by the CEO, CFO and members of the Executive Leadership Team and were advertised through multiple channels. In response to community feedback, sessions were scheduled both within and outside standard business hours to maximise accessibility.</p>	<p>Attachment 6 - Communication collateral and engagement activities</p> <p>Web Link to Have You Say page - North Sydney Council Let's Talk Rates</p> <p>Attachment 37-Examples of Social Media posts</p> <p>Attachment 38-How to read your rates</p> <p>Attachment 39, page 1-2 -Let's Talk Rates New Year's Eve and more! –</p> <p>Attachment 40- Lets Talk-Rates fact sheet</p> <p>Attachment 41-LetsTalk-RatesFSOct2025</p> <p>Attachment 42-LetsTalk-RatesWhat-will-each-rate-option-meanfactsheetNov2025</p> <p>Attachment 43-North Sydney Councillors to discuss draft 2026-2036 Long-Term Financial Plan proposals</p>

	<p>This multi-channel engagement approach ensured both broad community awareness and meaningful opportunities for active participation and provided multiple avenues for community members to engage at a level and in a format that suited their needs.</p>	
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>Council undertook community engagement between August and December to inform financial modelling and special variation.</p> <p>Feedback received through submissions, surveys and meetings was reviewed and analysed to identify key themes and inform Council's response.</p> <p>In addition, and in response to community submissions and feedback provided through 2025-26, Council increased the level of explanation regarding financial concepts and analysis to assist members of the community to understand what is by nature complex information. This includes the break-down of how an appropriate level of operating performance ratio is determined (LTFP) explaining the impact of domestic waste, external reserve interest, principal loan repayments and new or backlog capital works on operating surplus needs. In addition, the FAQ's included on the YourSay site include a 'misconceptions' category which explains:</p> <ul style="list-style-type: none"> • Why Council is planning to generate surpluses • Why we need a rate rise when we have high levels of cash and reserves • Why the cumulative percentage increase appears higher than other Councils requesting SV • The impact of the North Sydney Olympic Pool on the special variation • That rate revenue doesn't go up when land value goes up • The impact of new development and increased population on revenue and expenditure • How developer contributions work – including the need for council to contribute to projects in the development contribution plan <p>The following summarises the primary views raised during the consultation and the actions taken by Council in response.</p> <p>View 1: No service reductions <u>Summary of views</u> Throughout the exhibition of the Delivery program and Operational Plan and throughout consultation regarding service levels and infrastructure condition, the community has indicated a strong preference for maintaining and possibly improving services <u>Council response / action</u></p>	<p>Attachment 6 - Communication collateral and engagement activities</p> <p>Attachment 4 - Productivity and Improvement Plan</p> <p>Attachment 13 – Capacity to Pay report.</p> <p>Attachment 37-Examples of Social Media posts</p> <p>Attachment 38-How to read your rates</p> <p>Attachment 39, page 1-2 -Let's Talk Rates New Year's Eve and more! –</p> <p>Attachment 40- Lets Talk-Rates fact sheet</p> <p>Attachment 41-LetsTalk-RatesFSOct2025</p> <p>Attachment 42-LetsTalk-RatesWhat-will-each-rate-option-meanfactsheetNov2025</p> <p>Attachment 43-North Sydney Councillors to discuss draft 2026-2036 Long-Term Financial Plan proposals</p>

<p>Council has adopted a LTFP that aims to maintain services along with some minor improvements to priority areas such as access and inclusion and infrastructure planning. Council will continue its efforts to generate cost-containment and productivity through details service review processes with any recommended material changes to service levels being done in consultation with the community.</p> <p>View 2: Income opportunities</p> <p><u>Summary of views</u></p> <p>Throughout consultation in relation to alternative sources of revenue, the community indicated an appetite for additional user fees and charges.</p> <p><u>Council response / action</u></p> <p>Council endorsed a range of increased fees and charges within its LTFP. Ticketing was applied to Blues Point for NYE, and a new Policy was recently exhibited to introduce new fees for use of public open space. Other revenue inclusions have been noted in this application.</p> <p>View 3: Financial strategies</p> <p><u>Summary of views</u></p> <p>Throughout consultation, the community indicated a long-term strategic approach to loan borrowings and public asset sales, with proceeds to support long-term needs. There was support for master planning public property close to Metro to unlock social and economic benefits.</p> <p><u>Council response / action</u></p> <p>This approach has been included within the special variation, including funding for master planning to ensure maximum value realisation from public property and capacity to deliver new infrastructure to meet the needs of a growing population. Further, no additional loan funding has been endorsed to address current issues, rather, Council is retaining borrowing capacity for new infrastructure.</p> <p>View 4: Maximising the use of existing open space</p> <p><u>Summary of views</u></p> <p>There was strong support towards maximising the use of existing open space, noting the lack of open space within North Sydney.</p> <p><u>Council response / action</u></p> <p>Modest funding has been included within the special variation to provide upgrades such as drainage to current open space to ensure service levels can be maintained while use is intensified.</p> <p>View 5: Cost-of-living pressures and affordability</p>		
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<p>Summary of views Many submissions raised concerns about the affordability of higher rates in the current cost-of-living environment. Residents, including pensioners, apartment dwellers and long-term homeowners, expressed concern about the impact of permanent rate increases on fixed or limited incomes. Business ratepayers highlighted reduced capacity to absorb additional costs due to post-COVID market conditions, elevated vacancy rates and reduced foot traffic, and raised concerns about potential impacts on business viability and local employment.</p> <p>Council response / action In response to these concerns, Council took the following actions:</p> <ul style="list-style-type: none"> - Undertook a detailed Capacity to Pay analysis as part of the SV assessment, including benchmarking rates against comparable councils and reviewing socio-economic and vulnerability indicators. - Adopted and promoted an updated Financial Hardship Policy providing flexible payment arrangements and relief measures for both residential and business ratepayers experiencing genuine hardship. - Retained and actively communicated statutory pensioner concessions and flexible payment options. - Clearly communicated the dollar impact of each rate option by rating category, including through the provision of an online rates calculator. - Incorporated significant productivity savings and cost-containment measures into the LTFP to reduce the overall scale of the proposed SV. <p>Council acknowledged that while these measures mitigate impacts for vulnerable ratepayers, financial modelling demonstrates that without additional revenue Council cannot sustainably maintain service levels or renew ageing infrastructure.</p> <p>View 6: Governance, financial management and value for money</p> <p>Summary of views A significant number of submissions questioned whether Council had sufficiently exhausted efficiency measures, alternative revenue sources and asset management options before seeking higher rates. Concerns were raised about transparency, accountability, trust in financial decision-making and the need for stronger financial discipline.</p>		
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	<p><u>Council response / action</u></p> <p>Council responded by:</p> <ul style="list-style-type: none"> - Implementing a formal Productivity and Improvement Plan identifying approximately \$52 million in cumulative savings and additional income over ten years, together with approximately \$43 million in cost-containment measures. - Incorporating these savings and income measures directly into the Draft Long-Term Financial Plan. - Strengthening financial governance, internal controls and reporting frameworks, including adoption of a Restricted Reserves Policy to improve transparency and accountability in the management of reserves. - Publishing detailed financial information, FAQs and explainer materials to improve community understanding of Council's financial position and decisions. - Holding "Ask the Executive" community pop-in sessions to enable direct engagement with senior management. <p>Council acknowledged concerns regarding governance and committed to maintaining strong financial discipline, including through the adoption of a Governance Strategy in 2025.</p> <p>View 7: Infrastructure renewal prioritisation</p> <p><u>Summary of views</u></p> <p>Some submissions recognised the need to address ageing infrastructure and supported rate increases in principle, provided additional revenue is clearly directed to infrastructure renewal and essential services.</p> <p>Some sought more assurance along with project specific detail in relation to renewal programs.</p> <p><u>Council response / action</u></p> <p>Council has addressed these views by:</p> <ul style="list-style-type: none"> - Clearly linking the proposed SV to infrastructure renewal, asset maintenance, and long-term financial sustainability in the Long-Term Financial Plan. - Publishing clear explanations of what each rate option would deliver in terms of projects and service outcomes. - Adopting a Restricted Reserves Policy to provide governance, transparency and accountability over restricted reserves including funds generated for asset renewal investment that are not yet spent. 	
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	<ul style="list-style-type: none"> - Including an Addendum to the Delivery Program and Operational Plan to outline the difficulty of detailing programs due to the imbalance of priorities with funding, and the prevalence of asset failure currently being experienced, which means all programs will initially be short-term – one year and subject to change. The addendum notes the prioritisation of buildings and stormwater due to poor condition. The community will have an opportunity to input into capital programs through the Operational Plan process which will detail on an annual basis the priorities for the next financial year. - Developing a new Draft Strategic Asset Management Plan to strengthen governance and transparency in relation to asset management and prioritisation processes which influence renewal prioritisation – in the situation where need is greater than resource. This will increase community confidence as funds are prioritise and help them understand how they can provide their feedback on renewal needs and priorities. This Draft Strategic Asset Management Plan will be considered by Council on 9 February and then exhibited for public consultation prior to adoption. <p>View 8: Equity and fairness in the rating system</p> <p><u>Summary of views:</u> Submissions raised concerns about equity between minimum and ad valorem assessments, with differing views expressed about the appropriate level of minimum rates and the relative capacity to pay of households subject to minimum rates. Equity issues were also raised in relation to rateable and non-rateable land, including schools.</p> <p><u>Council response / action</u></p> <ul style="list-style-type: none"> - Explaining the rating framework and the principles underpinning it, including the capacity-to-pay and benefits principles. - Communicating the structural limitations of the rating system, including reliance on unimproved land value, which can create perceived inequities in high-density environments. - Continuing to support sector-wide advocacy regarding rating inequities that are outside Council's direct control. <p>View 9: Clarity and accessibility of information</p>	
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	<p>Summary of views Several submissions emphasised the importance of clear, simple and accessible communication regarding Council's financial position and the proposed SV.</p> <p>Despite the information provided, some submitters struggled to understand the financial information due to its complexity.</p> <p>Council response / action Council responded by:</p> <ul style="list-style-type: none"> - Continuing engagement through precinct meetings, pop-up sessions and updated FAQs to clarify information and address misunderstandings. - Providing simplified explanations of key financial concepts, including ratios and long-term financial indicators. - Offering opportunities for one-on-one meetings with the CEO, CFO and Executive Leadership Team. <p>Conclusion Council carefully considered all feedback received during the engagement process and made a range of adjustments to policy settings, communication materials, governance arrangements and the structure and phasing of the proposed SV. These actions demonstrate that community feedback directly influenced Council's approach and informed the final proposal submitted to IPART.</p>	
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In the text box below, provide any other details about the council's consultation strategy, timing or materials that were not captured in Table 7.

Proposed average rates outlined in the council's community consultation materials

<p>Are the average rates provided in the council's community consultation materials the same as what has been inputted into Table 7.2, Worksheet 7 (WS 7) of the Part A application form?</p>	<p>Yes</p>
<p>If no, please explain why.</p>	<p>Click or tap here to enter text.</p>

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The difference in percentage increases reflects the way the information is presented rather than any difference in the underlying calculations. Table 7.2 of Application A presents the proposed increases for each component of the ordinary residential rate separately (Residential General, Residential Infrastructure Levy and Residential Environmental Levy), noting that both levies together with the ordinary rates form permissible income. In contrast, the Long Term Financial Plan (LTFP) shows the increase on the total average residential rate after all three components are combined. When assessed on a combined basis, the resulting average increases are 23.32% in 2026–27, 14.19% in 2027–28 and 8.32% in 2028–29, which reconcile directly to the figures in Table 7.2. There is no difference in the numbers; the variation arises solely from the presentation of the information.

Sub-category or Special Rate name	Prior year	Current Average Rate	Average Rate Year 1	Average Rate Year 2	Average Rate Year 3	Average Rates - with proposed special variation			Average Rates - with proposed special variation			Source
	2024-25	2025-26	2026-27	2027-28	2028-29	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
Residential General	908.93	944.82	1,190.43	1,374.56	1,493.92	245.61	184.13	119.36	26.00%	15.47%	8.68%	Table 7.2 of Part A
Residential Infrastructure Levy	59.37	61.72	64.19	66.11	68.09	2.47	1.92	1.98	4.00%	3.00%	3.00%	Table 7.2 of Part A
Residential Environmental Levy	66.63	69.26	72.03	74.19	76.42	2.77	2.16	2.22	4.00%	3.00%	3.00%	Table 7.2 of Part A
Total Ordinary rates combined*	1,034.93	1,075.80	1,326.65	1,514.86	1,638.43	250.85	188.22	123.57	23.32%	14.19%	8.32%	LTFP

Sub-category or Special Rate name	Prior year	Current Average Rate	Average Rate Year 1	Average Rate Year 2	Average Rate Year 3	Average Rates - with proposed special variation			Average Rates - with proposed special variation			Source
	2024-25	2025-26	2026-27	2027-28	2028-29	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
Business General	6,699.91	7,027.13	8,637.63	9,974.00	10,840.00	1,610.50	1,336.37	866.00	22.92%	15.47%	8.68%	Table 7.2 of Part A
Business Infrastructure Levy	74.57	78.01	81.13	83.56	86.07	3.12	2.43	2.51	4.00%	2.99%	3.00%	Table 7.2 of Part A
Business Environmental Levy	83.68	87.55	91.05	93.78	96.59	3.50	2.73	2.81	4.00%	3.00%	3.00%	Table 7.2 of Part A
Total Ordinary rates combined*	6,858.16	7,192.69	8,809.81	10,151.34	11,022.66	1,617.13	1,341.53	871.32	22.48%	15.22%	8.58%	LTFP

Additional information (optional)

In the text box below, please provide any other details about the community's involvement in, engagement with or support of or opposition to the proposed SV not captured in Table 7.

Consideration of Public Forum Submissions

A public forum was held after the conclusion of formal community consultation and publication of the Special Variation (SV) consultation report and Council recommendation, and prior to Council's decision at its meeting on 19 January 2026.

Nineteen members of the public addressed Council at the forum, expressing a range of views regarding the proposed SV and Council's financial position. While these representations were received after the consultation report had been finalised and therefore could not be incorporated into that report, they were heard and considered by Council as part of its final deliberations.

Of the nineteen presenters, six indicated an understanding of the need for some form of Special Variation, while thirteen expressed the view that Council should manage within existing revenue settings.

The key themes raised at the public forum, and Council's consideration of those matters, are summarised below.

Equity and fairness in the rating system

Views raised

Presenters raised differing views regarding equity between minimum and ad valorem rate assessments. One presenter argued that ad valorem ratepayers would bear a greater dollar impact and supported a larger increase to minimum rates. Another presenter raised concerns that households on minimum rates may have lower capacity to pay, particularly in relation to housing affordability for key workers.

Council consideration

Council acknowledges the equity challenges inherent in the statutory rating framework, particularly the use of unimproved land value in a high-density, harbourside local government area. This methodology can result in disparities between market value and rating outcomes, particularly for apartments. Council has sought to balance equity considerations with capacity-to-pay principles, recognising that while some higher-value apartments may have strong capacity to pay, others do not. These issues have been considered alongside broader affordability analysis in determining the structure and phasing of the proposed SV. Council will continue to advocate for changes in legislation with a view to improved land value as a base for rating calculations.

Environment, sustainability and intergenerational equity**Views raised**

Concern that without an increase in rates, Council would be unable to adequately support environmental outcomes, climate adaptation and intergenerational equity.

Council consideration

Council has explicitly considered environmental sustainability, infrastructure stewardship and intergenerational equity in determining the need for a Special Variation. These considerations are reflected in the Long-Term Financial Plan, Asset Management Strategy and the decision to pursue a structural revenue solution rather than continued deferral of renewal investment.

Cost-of-living pressures and rental impacts**Views raised**

Presenters raised concerns regarding cost-of-living pressures, potential impacts on renters and hardship for low-income households, including references to individuals earning less than \$650 per week.

Council consideration

Affordability has been assessed through Council's Capacity to Pay Report, which considers household income rather than individual income, reflecting the way rates are levied. The analysis also examines a range of vulnerability indicators, including rental stress and broader cost-of-living pressures. Council's updated Hardship Policy, pensioner rebates and flexible payment arrangements are intended to mitigate impacts on vulnerable ratepayers.

Council also notes that rental prices are primarily market-driven rather than directly cost-driven, and community research indicated that renters place high value on service quality and infrastructure, which was considered alongside affordability concerns in determining the proposed rate path.

Alternatives to a rate rise**Views raised**

Some presenters argued that Council had not sufficiently explored alternatives to a rate rise, including asset sales, naming rights and service reductions. One presenter suggested discontinuing discretionary or "soft" services such as social inclusion, economic development and creative programs, as well as reducing corporate services.

Council consideration

Council has considered a broad range of alternative strategies, including service reductions, asset sales, borrowing and alternative revenue sources. These options, and the reasons they are constrained, insufficient in scale, or carry unacceptable service and intergenerational equity impacts, are detailed in the Long-Term Financial Plan and community engagement materials. Community research indicates limited support for service reductions, asset as a primary response to Council's financial challenges.

Community research and engagement methodology**Views raised**

Concerns were raised regarding the methodology used in the community engagement program, including how submissions from the Lavender Bay Precinct were reflected in reporting.

Council consideration

Concerns regarding survey methodology have been addressed within this application, including clarification provided by the independent research provider. In relation to the Lavender Bay Precinct Committee submission, Council notes that the submission did not express support for any of the three exhibited options, instead proposing an alternative approach. As such, it was not recorded in the same manner as submissions that expressed a clear preference among the exhibited options.

Cost-cutting and financial discipline**Views raised**

Several presenters suggested Council should adopt more aggressive cost-reduction targets and operate strictly within existing revenue constraints. Some suggesting the elected council pay increase shouldn't have been endorsed.

Council consideration

Council has implemented a Productivity and Improvement Plan and ongoing cost-containment measures. However, financial modelling demonstrates that operating within current revenue constraints would require material service reductions and continued deferral of asset renewal. Community research indicates this approach is not supported. Council will continue to review services and pursue efficiency improvements.

In relation to elected council allowances – this has also been the subject of media comment - however with perspective, increases are immaterial in comparison to the broader budget and do not reflect the importance of attracting the right candidates for such decision-making roles.. The local government industry has for some time advocated to ensure appropriate remuneration to attract a broader demographic to the elected council for improved decision-making, including women and working-age candidates, noting that these candidates if elected most likely have expenses relating to foregone income or caring costs. The current councillors allowance is \$29 thousand per annum.

Transparency, complexity and underlying data

Views raised

Two presenters sought greater transparency, including more detailed modelling inputs and the provision of technical briefings or workshops to review assumptions.

Council consideration

Council has a range of independent assurance and oversight mechanisms, including internal and external audit and the Audit, Risk and Improvement Committee, to review financial information, assumptions and governance processes. Extensive financial information has been publicly released through the Long-Term Financial Plan, supporting documentation and engagement materials. Councils LTFP and Quarterly Budget Review documented are developed in accordance with the OLG guidelines. We will continue to consider ways to improve community reporting supported by new corporate systems should the SRV progress.

Support for the SV to avoid long-term decline

Views raised

Some presenters supported the SV, expressing concern that without additional revenue, infrastructure renewal would continue to be deferred, increasing long-term costs and transferring the burden to future ratepayers. Asset sales were viewed as one-off measures that do not address structural funding issues.

Council consideration

These views are consistent with themes identified through the broader community engagement program and were considered by Council in deciding to proceed with a Special Variation as a structural response to ongoing renewal and service pressures.

Infrastructure condition and funding limitations

Views raised

Concerns were raised regarding the condition of infrastructure, the limitations of developer contributions, and the lack of funding for ongoing maintenance and operating costs.

Council consideration

Council acknowledges these concerns, which align with findings in the Asset Management Strategy, Infrastructure Backlog reporting and Long-Term Financial Plan. These factors have informed Council's decision to pursue a sustainable revenue path through a Special Variation.

Difficult but necessary decision

Views raised: One of the 19 presenters at Councils public forum concluded that they did not want to pay more rates but also do not want less services or reduced infrastructure or reactive asset sales. This sentiment is reflected in the results of the representative survey, with 48% of respondents preferring Council to proceed with some level of special rate variation.

Please list out any other attachments in Table 8 that the council has relied on to respond to Criterion 2 that was not otherwise outlined in Table 7.

Table 8 Other Criterion 2 attachments

Attachment number	Name of document	Page references

OLG SV Criterion 3 – Impact on ratepayers

Refer to the [OLG SV Guidelines](#) as needed, and section 5 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section. The [Part A](#) application form also collects information for this criterion in Worksheet 7 (WS 7 - Impact on Rates).

How did the council clearly show the impact of any rate rises on the community?

Please articulate in the text box below how the council demonstrated this question.

In your response, please include references to the Delivery Program, LTFP and relevant community consultation materials to support the council's claims.

North Sydney Council demonstrated the impact of the proposed rate increases on the community through a structured and transparent process that combined scenario modelling in its Integrated Planning and Reporting (IP&R) documents, extensive community engagement, and detailed affordability and capacity-to-pay analysis. This ensured that ratepayers clearly understood both the financial impacts of the proposed Special Rate Variation (SRV) and the consequences of alternative approaches, including a rate-peg-only scenario.

Information regarding the proposed SRV and minimum rate increases was widely disseminated through multiple channels, including factsheets and posters displayed across the LGA, downloadable resources, FAQs, explainer videos on the Your Say project page, articles in North Sydney News, and a mayoral letter. These materials were also incorporated into the draft Long-Term Financial Plan (LTFP). For example, the Community Engagement Report (page 31) includes a factsheet demonstrating the impact of all three rate increase scenarios.

To assist ratepayers in understanding the individual impact on their property, Council developed an online rates calculator. This tool allowed users to determine the effect of each option (including the base case with no SRV) for their specific property. The calculator displayed the annual and weekly increase in dollar terms for each scenario in a single comparative table, enabling ratepayers to easily assess the financial implications of each option and the additional increases under Options 2 and 3.

The LTFP, exhibited for 36 days, clearly disclosed the impact of any rate rises on the community. The "Rating Options" section (pages 20–25) breaks down each option, detailing annual and cumulative percentage increases, dollar increases, and noting the permanent nature of the SRV. Specifically, this section provides:

1. A summary of each option, outlining annual and cumulative increases over three years and the total additional revenue generated over a 10-year period.
2. Total revenue to be levied under each option and the percentage increase in permissible income.
3. Residential rates tables showing average annual increase, total increase, and cumulative increase above the rate peg for each option.
4. Minimum residential rates tables with annual and cumulative increases.
5. Ad valorem residential rate tables demonstrating average rates under each option.
6. An additional table summarising minimum residential rates and special levies for each scenario.
7. The same tables for business rates are also included in LTFP (page 24-25).
8. Pages 26–35 of the LTFP compare average rates under each scenario with those of neighbouring councils.

The Delivery Program outlined the impact by way of required service reduction or infrastructure consequences. The Draft Addendum to the Delivery Program presented this information at a high level and clearly identified how funds generated through the SRV would be allocated if approved, enabling the community to consider both the financial impact of the rate increase and the service and infrastructure outcomes associated with each option.

Through this combination of detailed financial disclosure, accessible communication materials, and property-specific tools, Council ensured that the community could clearly understand the impact of the proposed rate rises and make informed submissions during the consultation process.

How has the council considered affordability and the community's capacity and willingness to pay?

Please articulate in the text box below how the council demonstrated this question.

In your response, please provide references to the Delivery Program, LTFP and community consultation materials where the council has considered the affordability and the community's capacity and willingness to pay.

Council assessed affordability and the community's capacity and willingness to pay through three lenses:

1. **Community priorities and stated willingness to support additional revenue**
2. **Quantitative capacity-to-pay analysis for households and businesses, and**
3. **Targeted mitigation measures for those experiencing hardship**

Council recognises that while overall capacity to pay in North Sydney is strong, affordability impacts are not evenly distributed, and even modest rate increases can create hardship for some households. Consideration of vulnerable cohorts including pensioners, renters, low-income households and those experiencing broader cost-of-living pressures was therefore a central factor in determining the scale, structure and phasing of the proposed Special Rate Variation (SRV), as well as the associated hardship and rebate measures.

Community priorities and willingness to pay

Affordability and willingness to pay are embedded within Council's Integrated Planning and Reporting framework. The adopted Delivery Program 2025–2029 identified Council's weak financial position and its inability to sustainably maintain services and asset renewal under existing revenue settings. Community feedback on the Draft Delivery Program indicated limited support for service reductions or asset sales, leading Council to commit to further engagement on funding options.

Council subsequently undertook a two-phase engagement program (*North Sydney – Towards a Sustainable Future*) between August and December 2025 to inform the Draft Long Term Financial Plan 2026–2036 (LTFP) and SRV options.

Phase 1 engaged residents on service levels, infrastructure priorities and Council's financial challenges, and tested appetite for potential revenue measures or service reductions. This included independent, statistically representative surveys conducted by Micromex Research, supported by open "opt-in" surveys. The findings demonstrated little appetite for reducing services or service standards, with a majority of respondents indicating a preference to maintain or improve services and infrastructure, even where this may require additional revenue.

Phase 2 presented the draft LTFP and three rate-path scenarios, including a rate-peg-only option, and sought feedback on preferred approaches and tolerance for rate increases. The results demonstrated a willingness among residents to support an SRV, with 48 % favouring one of the SRV options. Overall, 26% preferred Option 2 and 22% preferred Option 3. Based upon the maximum sampling error of plus or minus 4.9%, the result is considered split. Business sentiment was equally split between rate-peg only and SRV options. **Attachment 9** - Phase 1 Demographic Community Survey Service Level Asset Management, **Attachment 10** - Phase 1 Opt In Community Survey Service Levels Asset Management, **Attachment 11** - Phase 2 Demographic Community Survey outlines the community's willingness to pay, including survey results and the percentage of community members who support the proposal. **Attachment 12** - Phase 2 Business Survey outlines businesses' willingness to pay.

Throughout the engagement, participants were provided with clear information about the financial consequences of each option, including asset backlogs, service risks and long-term sustainability implications. This ensured that feedback was informed and reflected an understanding of trade-offs.

SRV options considered were both primarily focused on financial sustainability and existing infrastructure renewal obligations. In response to the results of Phase 1 consultation, Option 3 provided a modest level of additional funds to address critical pressures and opportunities including, infrastructure improvement to open space and master planning of key council property holdings.

Council carefully weighed the views of residents and businesses opposed to an SRV against the demonstrated consequences of a rate-peg-only scenario, including asset deterioration and service risk. This process informed the selection of a phased SRV approach that balances financial sustainability with affordability.

In addition to structured engagement, Council held a public forum prior to its Council meeting decision on the SRV application. Nineteen members of the public addressed Council, with varying levels of support or disagreement with the SV proposal. Some raised concerns about affordability, the impact of minimum rate increases on key workers, impacts on renters, income measures and the use of census data. These matters were considered within Councils Capacity to Pay Report and as part of Council's final deliberations.

Capacity to pay – households

Council prepared a Capacity to Pay Report (January 2026) to assess the economic ability of ratepayers to absorb rate increases. The analysis found that North Sydney has a strong overall capacity to pay, with high household incomes and low unemployment. The median weekly household income in the LGA is \$2,526, well above the Sydney median, and approximately 77 % of households fall within the top half of the NSW income distribution.

North Sydney residents have one of the lowest rates-to-income ratios in metropolitan Sydney, ranking second lowest among 33 councils in a 2023–24 comparison. This indicates that, while the proposed increases are significant in percentage terms, they remain a modest proportion of average household income. The analysis did not identify any locality exhibiting systemic inability to pay.

The Capacity to Pay assessment also examined socio-economic vulnerability, including unemployment, pensioners, lone-person households, one-parent families, rental stress, mortgage stress and broader cost-of-living pressures. Only around 4 % of rateable households receive pensioner rebates, and rates hardship indicators are low, with outstanding rates at 3.7 %, below typical benchmarks.

It is also noted that approximately 52 % of residential properties in North Sydney are rented, meaning a significant proportion of rates are paid by investors rather than owner-occupiers; for these ratepayers, council rates are a tax-deductible expense, and rental prices are largely determined by broader market conditions, such that changes in council rates are generally not a material driver of rental costs.

In response to affordability concerns, Council moderated both the scale and phasing of the proposed SRV compared with the 2025–26 application to allow for more gradual adjustment by affected ratepayers. Council continues to provide statutory pensioner rebates and also offers a voluntary rebate of \$242 for domestic waste charges and community rates for hire of facilities. In addition, most Council services, including libraries, youth services and community events, are provided free of charge, supporting access for more vulnerable community members.

As a high-density local government area with continued population growth, Council must ensure its minimum rate supports sustainable service delivery and infrastructure provision. The current minimum residential rate of \$743 applies to approximately 78 % of residential assessments and is materially below the average minimum rate of metropolitan Sydney councils. Council determined that this level is insufficient to sustain required services and asset renewal over the long term.

In response to affordability concerns raised through 2025–26 SRV IPART determination, Council moderated the proposed increase to the minimum rate and adopted a phased implementation. The selected option also includes a focus on increasing the supply of affordable housing within the local government area to support key workers and address broader housing affordability pressures.

Council considers household income, rather than individual income to be the most appropriate basis for assessing capacity to pay council rates, as rates are a household-level charge. Nonetheless, rental stress and other vulnerability indicators are explicitly considered within the Capacity to Pay analysis. While 2021 Census data has been used where required, this has been supplemented with more recent economic data and forward projections to reflect contemporary conditions.

Capacity to pay – businesses

Council also assessed the capacity of the business sector to absorb rate increases. North Sydney has a strong and diversified local economy, underpinned by high-income and resilient industries. Over the past decade, Gross Regional Product grew by 33 % to \$12.2 billion and more than 15,700 additional full-time jobs were created.

The Capacity to Pay Report found that most small businesses would experience little direct impact from the proposed SRV. Of the 15,284 registered businesses in the LGA, only 3,453 are subject to a business rates assessment, meaning more than 75 % do not directly pay council rates. Many businesses are non-employing or home-based, and many small tenants lease under gross rent arrangements where council rates are not separately charged. Council rates are also tax-deductible, reducing the net impact on business cash flows.

Business affordability was also assessed comparatively. North Sydney's average business rate of \$6,318 is towards the lower end of comparable metropolitan councils and, even under the highest SRV option, would remain below the average of other CBD councils by 2028–29. Business rates arrears are low at 2.2 %, well below typical benchmarks, and the rate base is highly concentrated, with approximately 5 % of business assessments contributing 57 % of total business rate revenue. These assessments largely relate to major commercial landholders with substantial financial capacity.

Summary

Overall, Council clearly demonstrated the impact of the proposed rate increases through scenario modelling in the LTFP, transparent presentation of dollar impacts, extensive community engagement, and detailed capacity-to-pay analysis. The final proposal reflects the community's willingness to support additional revenue to maintain services and address infrastructure backlogs, while incorporating targeted mitigation measures to support those experiencing hardship and ensuring affordability considerations are appropriately addressed.

How has the council addressed (or intend to address) concerns about affordability?

Does the council have a hardship policy?	Yes
If yes, is an interest charge applied to late rate payments?	Yes

To inform our assessment, Worksheet 12 (WS 12) in the [Part A](#) application form also collects data on overdue notices, rates and annual charges outstanding/collectable, pensioner concessions and ratepayers subject to hardship provisions.

Please provide the council's response in the text boxes below.

a. Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

Council has addressed concerns about affordability through a combination of proposal design, targeted hardship measures, and ongoing support for vulnerable ratepayers, recognising that affordability impacts are not evenly distributed across the community.

To support ratepayers experiencing genuine financial difficulty, Council has updated its Financial Hardship Policy, which applies to both residential and business ratepayers. The revised policy provides a range of assistance options, including flexible payment arrangements and the reduction, deferral, waiver or write-off of interest, fees or charges for eligible applicants, in accordance with sections 564, 577 and 601 of the *Local Government Act 1993*. These measures are intended to ensure that temporary financial hardship does not result in punitive outcomes or loss of access to essential services.

In addition to mandatory pensioner rebates of up to \$250 per annum on rates, Council will continue to provide a voluntary domestic waste rebate, offering a 50 % reduction in the Domestic Waste Management Charge. For the 2025–26 financial year, this equates to a saving of \$242 per household. While this rebate does not directly reduce the rate charge, it lowers the overall quarterly bill and provides targeted relief for pensioner households experiencing cost-of-living pressures.

Affordability considerations were also embedded in the design of the proposed Special Rate Variation. In response to community feedback and IPART's 2025–26 determination, Council moderated both the scale and phasing of the proposed increase, adopting a staged implementation to allow ratepayers time to adjust. Council also reviewed the proposed treatment of the minimum rate to reduce the immediate impact on households subject to minimum assessments.

Council recognises that vulnerability extends beyond pensioner households and includes renters, lower-income households and those facing broader cost-of-living pressures. Council's hardship framework and communication approach emphasise early engagement and flexible payment options, encouraging ratepayers to seek assistance before arrears escalate.

In response to IPART's feedback on the previous Financial Hardship Policy, Council adopted a substantially revised Financial Hardship Policy that directly addresses the identified shortcomings in eligibility, clarity, and available support. The new policy's key improvements are as follows:

Broadened Eligibility Criteria: Council's policy considers a wide range of genuine financial difficulties and personal circumstances. Ratepayers may now qualify due to factors such as loss of income or employment, illness, family breakdown, domestic violence, natural disasters, or other personal crises. Importantly, businesses in financial difficulty are now eligible to apply as well, ensuring the policy supports a broader section of the community than before. By removing the old "percentage of income" threshold and assessing each case on overall capacity to pay, the Council can more flexibly and realistically determine hardship on a case-by-case basis. These changes mean that genuine cases of hardship are recognised and no longer "almost impossible" to qualify for, as IPART had noted.

Improved Clarity and Readability: The Financial Hardship Policy has been completely rewritten in clear, accessible language to make it easy to read and understand. Legal jargon and technical terms have been simplified or moved to appendices, so readers are not required to navigate complex definitions or legislation within the main text. The policy now opens with a concise purpose statement explicitly outlining its intent – namely, to provide relief to individuals and businesses in genuine financial hardship – and a clearly defined scope explaining who and what debts are covered (all rates, charges and fees owed to Council). This ensures ratepayers immediately understand the policy's applicability. The new policy also prescribes a transparent application and decision process: applications are assessed promptly (with written outcomes provided within 10 business days and reasons if declined), and a formal appeals mechanism is in place for decisions.

Expanded and Clear Support Options: The range of assistance available under the policy has been expanded and clearly articulated, so eligible ratepayers know what help they can receive. The new policy lists multiple relief measures, including flexible payment plans, extensions of time to pay overdue amounts, and the waiver or reduction of interest, fees, or charges on overdue rates and debts, as permitted by law. Now, ratepayers in difficulty have a better understanding of exactly what forms of relief they can request, addressing IPART's observation that the previous policy lacked clarity on available options.

In summary, the new Financial Hardship Policy is far more accessible, compassionate, and effective in assisting those experiencing financial distress. It directly addresses IPART's concerns by widening eligibility to capture genuine hardship cases by simplifying and clarifying the policy's language and structure so it is user-friendly, and by detailing a broader array of support options available to struggling ratepayers. These reforms ensure that ratepayers facing hardship can both understand the policy easily and obtain appropriate relief, thereby making the policy a practical tool for mitigating the impact of rate rises on the community's most vulnerable members, as intended.

Through the combined measures of hardship assistance, targeted rebates, moderated and phased increases, and proactive engagement, Council seeks to ensure that the proposed Special Rate Variation balances the need for long-term financial sustainability with reasonable protections for vulnerable ratepayers.

b. Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Yes, new hardship policy was mentioned in LTFP (page 18) and page 118 of the Delivery Program and Operational Plan attached.

c. Please explain how the council makes its hardship policy or other measures known to ratepayers.

Council makes its Financial Hardship Policy and related support measures known to ratepayers through several channels.

Ratepayers experiencing financial difficulty are encouraged to contact Council's Rates Department directly to discuss available hardship assistance. This invitation is clearly noted on reminder notices issued to ratepayers (extract from the reminder notice is below):

REMINDER NOTICE

Sometimes it can be easy to overlook an account for payment, we have noticed that you haven't paid your recent rates account.

The outstanding balance for your rate account is \$337.87, including interest. Interest will continue to accrue on the outstanding balance until paid in full.

We are here to help, if you would like to discuss this with us or enter into a payment plan please call us on 9936 8100 or email council@northsydney.nsw.gov.au

PLEASE NOTE DAILY INTEREST WILL ACCRUE ON OVERDUE RATES AND CHARGES AT 10.5% PER ANNUM FOR RATING YEAR 2025/2026

Additionally, the Hardship Policy is publicly accessible on Council's website along with the hardship application, ensuring transparency and ease of access: <https://www.northsydney.nsw.gov.au/downloads/file/400/financial-hardship-policy>

<https://www.northsydney.nsw.gov.au/downloads/file/4444/rates-financial-hardship-application>

The policy and support options were also widely promoted during the Special Variation (SV) community consultation process, helping to raise awareness among residents and businesses about the assistance available. As an example, the extract from the fact sheet flyer is below:

TOTAL INCREASE	\$70.00	\$2,000	\$3,577
Total 3 year cumulative increase above rate peg	\$0	\$2,103	\$3,181

TOTAL INCREASE	\$70.00	\$2,000	\$3,577
Total 3 year cumulative increase above rate peg	\$0	\$350.92	\$396.08

Making Rates Fairer for Everyone

Council rates are based on the unimproved land value, not the market value of your built property. Every Council sets a minimum rate which is the lowest amount a household can be charged.

This minimum rate mostly applies to apartments, because many units share the same block of land. Houses and townhouses usually pay much more.

In North Sydney, 77% of North Sydney residents currently pay the minimum rate of \$743 – the third lowest minimum rate in metro Sydney.

Increasing the minimum is important to ensure everyone contributes fairly to the cost of local services and infrastructure. It also ensures that as more high-density developments are built, there is enough funding to support the extra demand on services and facilities.

Help with financial hardship

Council recognises cost-of-living pressures. There are a wide range of financial hardship support options available for the community. This includes pensioner rebates, flexible payment plans, deferral and other options. Find out more: northsydney.nsw.gov.au/FinancialHardship

Have your say – WE WANT TO HEAR FROM YOU



Hardship assistance was mentioned in the Message from Mayor:



NORTH SYDNEY COUNCIL



Message from Mayor Zoë Baker

Dear North Sydney Community,

Over the past year, North Sydney Council has made it a priority to restore financial stability and strengthen governance as a commitment to rebuilding community confidence.

Independent community consultation in August 2025 disclosed continuing community concern around past mismanagement, governance and transparency. That is, that the North Sydney Olympic Pool project, especially, has created mistrust in Council and scepticism that any rate rise will be used or managed effectively.

Those concerns echo the single most

We have also introduced stronger financial controls, including the Draft Restricted Reserves Policy, which sets out how Council manages restricted and unrestricted funds with clear accountability. This policy is open for community feedback until 27 November 2025, and I encourage you all to have your say: yoursay.northsydney.nsw.gov.au

In February 2025, Council applied to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation to strengthen Council's weak financial position, address infrastructure concerns and support long-term strategic plans to meet the needs of the increasing population density we face. While IPART acknowledged Council's poor financial position, the application was not approved.

Despite this setback, this Council remains committed to restoring financial security and protecting the services and facilities the North Sydney community values whilst addressing the legacy of previous Council decisions.

Three rate options have been provided as part of the Draft Long-Term Financial Plan 2026–2036. Two involve a special rate variation (SRV) to fund infrastructure renewal and maintain existing service levels. These options differ to the previous IPART application as they seek to stabilise and strengthen finances over a four-year period rather than the 10 years of the previous application.

Both SRV options would assist in stabilising Council's finances and restoring funding for infrastructure renewal in the medium term.

You can read the full details of how this money would be spent as well as find support options for those experiencing financial hardship at yoursay.northsydney.nsw.gov.au/lets-talk-rates

I recognise that this comes at a time when cost-of-living pressures are affecting everyone. That's why it is vital that we make these decisions together, openly, transparently and based on facts.

I encourage all residents and businesses

Factsheet on business rates also included information about hardship assistance:

Making Rates Fairer for Everyone

A 'minimum rate' is the lowest amount charged to any business, and it typically applies where multiple businesses are on the one block of land, such as an office tower or business park.

Council is proposing to increase the minimum business rate over the next three years, to better reflect the cost of delivering services to all businesses.

In North Sydney 33% of business assessments pay the minimum rate, generating only 4% of total business rating revenue; while 67% of business assessments pay ad-valorem rates, generating 96% of business rating revenue.

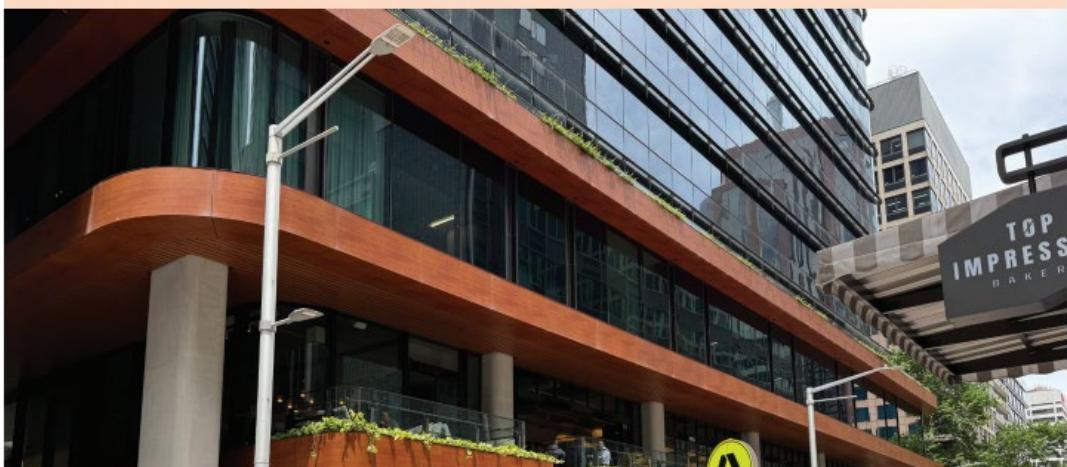
North Sydney's minimum business rate is \$743 per annum and the third lowest in Metropolitan Sydney. In comparison, neighbouring councils charge: Lane Cove (\$1,096), Willoughby (\$1,496), and Northern Beaches (\$1,605).

Increasing the minimum is important to ensure everyone contributes fairly to the cost of local services and infrastructure. It also ensures that as more high-density developments are built, there is enough funding to support the extra demand on services and facilities

Help with financial hardship

Council recognises cost-of-living pressures. There are a wide range of financial hardship support options available for the community. This includes pensioner rebates, flexible payment plans, deferral and other options.

Find out more: northsydney.nsw.gov.au/FinancialHardship



Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?

Describe the impact of any other anticipated changes in the rating structure (e.g. receipt of new valuations), or any changes to other annual ratepayer charges such as for domestic waste management services.

You may also explain how the number of **non-rateable properties** may impact the council's average rates, if relevant to your council.

You can provide additional data using Worksheet 12 (WS 12) in the **Part A** Excel application form. For instance, providing the number of non-rateable versus rateable properties.

Non-rateable properties have no impact on Council's average rates, hence this question is not applicable.

OLG SV Criterion 4 – Exhibition and adoption of IP&R documents

Refer to the [OLG SV Guidelines](#) as needed, and section 6 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

Table 9 seeks information which demonstrates that the council has met the formal requirements (where applicable) for the preparation, exhibition, adoption and publication of the current IP&R documents.

Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan	12 March to 9 April 2025	10 March 2025	28 April 2025	28 April 2025	Community Strategic Plan – North Sydney Council
Delivery Program	27 May to 24 June 2025	26 May 2025	30 June 2025 (Addendum regarding SV approved 19 January 2026)	30 June 2025 19 January 2026	Delivery Program and Operational Plan – North Sydney Council
Long Term Financial Plan	29 October to 3 December 2025	27 October 2025	19 January 2026	19 January 2026	Long Term Financial Plan 2026 - 2036 – North Sydney Council
Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).	27 May to 24 June 2025	26 May 2025	30 June 2025	30 June 2025	asset-management-strategy-2025-35 All asset management plans are available here: https://www.northsydney.nsw.gov.au/directory/6/policies-plans-and-strategies-directory/category/55

Note: The exhibition and adoption dates must match the dates recorded in the council resolution.

OLG SV Criterion 5 – Productivity improvements and cost-containment

Refer to the OLG SV Guidelines as needed, and section 7 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing for and completing this section.

What is the council's strategic approach to improving productivity in its operations and asset management?

Please provide the council's response in the text box below.

North Sydney Council has undertaken sustained and organisation-wide productivity and cost-containment reforms prior to seeking a Special Rate Variation. Since 2023, Council has implemented a formal Productivity and Improvement Plan, embedded within the Long-Term Financial Plan, which has already delivered quantified efficiency gains and structural reform.

Over the ten-year forecast period, these initiatives identify approximately \$52 million in cumulative savings and additional income, together with a further \$43 million in ongoing cost containment and \$0.8 million in one-off savings, materially reducing the scale of the proposed rate increase.

Reforms include workforce realignment, systematic service reviews, extensive process redesign and automation, strengthened procurement and contract management, and governance improvements informed by internal audit. Council has also significantly strengthened asset management capability through an independent ISO 55000 maturity review, consolidation of asset plans, and a staged improvement roadmap supported by modern corporate systems.

Financial modelling demonstrates that, even with full delivery of these productivity measures, Council cannot sustainably meet core service, asset renewal and statutory obligations under a rate-pegged revenue path, confirming that productivity improvements alone are insufficient and that an SV is required to address the remaining structural funding gap.

Operations

In 2023, Council commenced an ambitious and ongoing improvement program focused on lifting productivity and organisational capability through targeted projects and reforms. This program has already delivered significant savings and efficiency gains, with further benefits projected over the forward years. These initiatives demonstrate Council's commitment to maximising internal efficiency prior to seeking additional revenue. Notwithstanding these achievements, modelling indicates that the underlying funding gap will continue to widen without a Special Variation to increase rates.

Council's Productivity and Improvement Plan (Attachment 4) outlines the key productivity achievements delivered to date and identifies further initiatives planned over the next ten years. The Plan forms a core component of Council's strategic approach to improving productivity and cost containment and is embedded within Council's Long-Term Financial Plan (LTFP).

Council's strategic approach is to embed continuous improvement across the organisation, using a performance management framework with customer experience at its centre, supported by:

- a Strategic Framework (linking community needs to actions),
- a Continuous Improvement Framework (service unit planning, service reviews, and process improvement), and
- a Capability and Development Framework (building workforce capability and accountability).

The Productivity and Improvement Plan provides an update on Council's progress in implementing improvement actions and quantifies the savings across the organisation. Every service unit has contributed to the Plan, reflecting an organisation-wide commitment to continuous improvement rather than isolated or short-term cost-cutting measures.

The Plan demonstrates to the community, IPART, and the Office of Local Government that Council has made sustained and genuine efforts to minimise the scale of the proposed Special Variation by pursuing internal reforms before seeking additional revenue.

Part 2 of the Plan outlines the specific actions, process changes and initiatives that have contributed to delivering the productivity gains.

Actions and initiatives are grouped into the following categories:

- **Workforce management:** an organisational realignment in 2023/24 streamlined leadership, improved resource allocation and delivered enduring productivity and financial benefits. In 2024/25, vacancy holds and active leave management provided a one-off saving in employee costs to support short-term liquidity and budget pressures.
- **Service review program:** in 2024/25 Council introduced a Service Review Framework to guide the systematic assessment of services against community needs, strategic priorities, and value for money. The framework embeds continuous improvement and delivers benefits in staff capability, efficiency, customer experience, financial sustainability, and environmental performance.

Reviews of the following service areas were completed in 2024/25: Customer Service, Development Services and Street Cleaning. In 2025/26, service reviews of Corporate Governance and Tree Services have been completed, and the review of Traffic Services is scheduled to be completed later this financial year.

- **Continuous improvement initiatives (including process mapping and improvements):** In 2024/25 Council advanced its continuous improvement program, which embeds a culture of innovation, efficiency and accountability across the organisation. The program included process mapping of more than 270 workflows alongside initiatives that delivered productivity gains through:

- Internal capability building
- Service delivery redesign
- Cost avoidance
- Enhanced procurement and contract management
- Revenue initiatives
- Technology improvements
- Workforce optimisation
- Quality assurance
- Online customer service improvements
- Process improvement
- Digitisation and automation
- Rostering/scheduling adjustments

A description of each continuous improvement area, together with specific examples, is provided in part 2.3 of the Productivity and Improvement Plan.

Part 1 of the Productivity Improvement Plan provides a detailed breakdown of past and future productivity gains, in summary, over the 10-year period, the Plan identifies \$52 million in cumulative savings and additional income, comprising:

- \$23 million in reduced expenditure, including employee benefits and on-costs, materials and services, and other expenses; and
- \$29 million in increased income, including user fees and charges and other revenue sources.

These savings and income measures have been incorporated into the Draft 2026–2036 Long-Term Financial Plan.

In addition to the measures reflected in the Draft LTFP, Council has identified ongoing cost containment of approximately \$43 million over the next ten years, as well as one-off cost containment of around \$0.8 million in 2024–25. These figures represent expenditure that has been avoided rather than reduced, through changes to service delivery, deferral of non-essential activities, and tighter financial controls.

While cost containment does not appear as a reduction in the budget, it reflects costs that would otherwise have been incurred and which would have required higher rates to fund. The Productivity and Improvement Plan demonstrates that, in the absence of these improvement actions, cumulative rate increases of an additional 14.9% over three years would have been required.

Asset management

As part of Council's review and redevelopment of its Integrated Planning and Improvement Framework in 2024-25, Council adopted a new Asset Management Strategy and consolidated 17 Asset Class Management Plans into 6. These plans highlight the service level needs and constraints regarding funding.

Council's focus on improved infrastructure asset management has continued over the past two years through its community consultation on infrastructure and service level expectations, measures to improve its financial position, along with plans for the implementation of new corporate systems commencing in 2026-27. These reforms are foundational enablers for improved asset planning, data quality, reporting, and decision-making.

The realisation of these reforms are dependent upon funding.

A central objective of this reform agenda is to transition Council from a predominantly reactive approach to infrastructure asset management to one that is planned, proactive, and risk informed. Achieving this shift requires both adequate and sustainable funding, and systems that support consistent data, forward planning, and evidence-based prioritisation.

Infrastructure renewal requirements are inherently uneven over time. Asset backlogs are typically assessed based on condition at a point in time, while renewal funding is commonly benchmarked against depreciation. Forecasts derived from this approach represent minimum funding requirements and do not, in isolation, address accumulated renewal deficits. As Council has not historically established internal reserves to fund renewal as asset lives have been consumed, the existing backlog represents a material constraint. Accordingly, even if Council is successful in increasing its revenue base, renewal resources will remain finite and will require careful prioritisation, staging, and long-term planning.

Within this context, a Draft Strategic Asset Management Plan has been developed to provide a practical and structured roadmap to guide Council's transition to improved asset management maturity. The Plan is intended to support consistent and defensible decision-making in relation to renewal prioritisation, maintenance standards, service levels, new asset creation, and asset rationalisation, while operating within Council's financial capacity.

The Draft Strategic Asset Management Plan is intended to address these risks by establishing a structured framework for asset planning, prioritisation, and investment decision-making. It provides the mechanism through which Council can demonstrate:

- alignment between asset condition, service levels, and financial capacity;
- a transition from reactive to planned, risk-based renewal;
- best practice within OLG Integrated Planning and Reporting requirements;
- transparency in decision-making and defensible prioritisation of limited resources; and
- active management of intergenerational risk and financial sustainability.

The Draft Plan is aligned with ISO 55000:2024 and the GFMAM Asset Management landscape, which together provide a globally recognised standard for effective asset management. The Plan will be considered by Council on 9 February and then placed on public exhibition prior to adoption.

If Council is successful in its application to increase rating revenue, the Plan will enable Council to progressively reduce its exposure to asset failure risk by stabilising renewal funding, improving forward capital planning, and reducing reliance on reactive interventions.

While noting the community's reluctance to reduce services, if Council is unsuccessful, the Plan will remain critical in informing transparent, evidence-based decisions regarding service level reduction, asset rationalisation, and risk acceptance, ensuring that any reductions in service or asset investment are deliberate, documented, and aligned with Council's risk appetite.

In either scenario, implementation of the Draft Strategic Asset Management Plan is essential to improving Council's asset management maturity, reducing unplanned financial shocks, and demonstrating best practice in asset decision-making.

Prioritisation of actions has been made based upon areas that will provide the greatest uplift in the shortest period of time.

Planned digital upgrades, including transitioning from outdated systems to modern ERP, incorporated in the special variation option within the LTFP will support these initiatives by improving asset data capture, integrating systems and streamlining field operations. This will enable more efficient scheduling, timely renewals and a more productive, financially sustainable approach to asset management. Investment in modern technology will also enhance Council's services and productivity, as contemporary digital tools are essential to the day-to-day operations of Council.

What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?

Please provide the council's responses to the questions in the text boxes below.

a. Explain initiatives undertaken and/or processes put in place in the past few years to improve productivity and contain costs.

Council has undertaken sustained, organisation-wide productivity and cost-containment reforms over several years, consistent with IPART and OLG expectations. These initiatives are documented in the Productivity and Improvement Plan and embedded in the Long-Term Financial Plan. Collectively, they identify approximately \$52 million in cumulative savings and additional income over ten years, together with a further \$43 million in ongoing cost containment. Despite full implementation of these measures, financial modelling demonstrates that productivity improvements alone are insufficient to address Council's structural funding gap.

Building on lessons from the 2025–26 assessment process, Council implemented an organisation-wide productivity panel assessment, requiring all service units to systematically document and review productivity and cost-containment initiatives to ensure these efforts are transparent, measurable and consistently captured in this application.

The initiatives below are grouped by reform theme. Detailed examples and quantified impacts are provided to demonstrate both the breadth and depth of Council's productivity effort. These initiatives are further detailed in the Productivity and Improvement Plan.

The primary initiatives include workforce management, the service review program, continuous improvement activities (such as process mapping and process refinement), implementation of internal audit recommendations, and development of the Draft Strategic Asset Management Plan.

These outcomes demonstrate that Council has already implemented extensive productivity and efficiency measures. Without these initiatives, modelling indicates that cumulative rate increases of a further 14.9% over three years would have been required. Even with their full implementation, a Special Rate Variation remains necessary to address the residual structural funding gap.

Workforce management review 2023/24 – 2024/25

In early 2023, Council undertook a comprehensive organisational redesign aimed at permanently reducing structural management overheads, improving spans of control, and eliminating duplication at senior leadership levels. This review resulted in a reduction of approximately 50 per cent in Director-level positions along with a consolidation of management functions.

Council notes that this initiative was not recognised as a productivity measure in the 2025–26 assessment. The expanded explanation provided in this application clarifies how the organisational redesign delivered genuine cost containment by avoiding future expenditure growth and reducing the scale of the proposed Special Rate Variation.

The redesign delivered an enduring reduction in senior management costs, releasing approximately \$2.3 million per annum in recurrent funding capacity. These savings were not absorbed as additional expenditure but were deliberately reallocated within a lower overall operating cost base to address critical, previously unfunded operational gaps at frontline and specialist levels (including compliance, risk management, asset oversight and service delivery functions).

Importantly, this reallocation avoided the need to create new positions on top of the existing cost structure. In the absence of the organisational redesign, addressing these service gaps would have required either additional rate revenue or further service reductions. The initiative therefore represents genuine cost containment and productivity improvement by meeting service and governance requirements within a constrained and reduced cost envelope, rather than expanding Council's total employee expenditure.

The organisational redesign has also delivered ongoing productivity benefits through clearer accountability, faster decision-making, reduced risk exposure, and improved coordination between service units, contributing to a more efficient and sustainable operating model.

Service review program (2024/25 onwards)

Council developed and subsequently implemented a Service Review Framework in 2024/25 to guide a systematic program of reviews across its services. The framework provides a structured, evidence-based approach to assessing the cost, quality, efficiency and effectiveness of services, ensuring they remain relevant, financially sustainable and aligned with community expectations and statutory obligations.

Reviews of Customer Service, Development Services and Street Cleaning Operations were undertaken in 2024/25 and reviews of Governance and Tree Management were completed in the first half of 2025/26. A review of Traffic and Transport is due to be completed in second half of 2025/26.

Continuous improvement initiatives (ongoing)

Continuous improvement (including process mapping and improvements) is a core element of Council's performance management framework, helping to embed a culture of innovation, efficiency and accountability across the organisation. It brings together a wide range of initiatives aimed at enhancing service quality, reducing costs, and ensuring Council operates in line with community expectations, statutory obligations, and strategic priorities.

As part of this program, process mapping commenced in early 2024. This work has provided a clear, visual understanding of workflows, helping staff identify inefficiencies and implement practical improvements. Approximately 270 processes have now been mapped, creating clearer documentation, supporting compliance and generating valuable training resources.

While process mapping has directly driven many improvements, it represents just one element of the broader continuous improvement agenda.

Continuous improvement across Council has been achieved through:

1. Building internal capability Building staff expertise to reduce reliance on external consultants and contractors. This includes upskilling staff, creating specialist roles and enabling teams to perform work previously outsourced, which improves resilience and lowers costs.
2. Changed formats of service delivery Adjusting how services are delivered to make them more efficient, sustainable, or cost-effective (e.g. outsourcing food handling, using volunteers, introducing new service models).
3. Cost avoidance Preventing expenditure that would otherwise have been incurred. Achieved by introducing new processes, improving procurement terms, sourcing free or low-cost alternatives and reviewing grants. These initiatives ensure Council delivers the same or better services without additional outlay.
4. Digitisation and automation Transforming manual, paper-based or repetitive processes into streamlined digital workflows. These initiatives improve accuracy, save staff time, and enhance service delivery by leveraging automation and digitised records.
5. Enhanced procurement and contract management Securing better value from suppliers through smarter purchasing, bundled contracts and stronger negotiation. This category also includes improved vendor management and consolidation of systems or platforms to reduce duplication.

6. Online customer service improvements Making it easier for the community to interact with Council by moving services online. These initiatives reduce administrative effort, improve response times and provide more accessible and transparent customer experiences.

7. Process improvement Analysing workflows to identify inefficiencies and redesign processes. This structured approach ensures consistency, supports training, aids compliance and underpins continuous improvement across all service areas.

8. Quality assurance Ensuring projects and services are delivered consistently and meet required standards. Initiatives focus on improved oversight and processes that reduce errors and improve quality and reliability.

9. Revenue initiatives Generating new or enhanced income streams to support Council's financial sustainability. Examples include additional advertising in public places, user fees and charges, improved invoicing systems and better debt management practices.

10. Rostering/scheduling adjustments Improving efficiency and service coverage through smarter scheduling and rostering. Initiatives include reducing reliance on overtime, staggering shifts and focusing patrols and maintenance where they are most needed, ensuring better use of resources and continuous service delivery.

11. Technology improvements Enhancing systems and infrastructure to reduce manual handling, improve data accuracy, and increase resilience. These initiatives include system consolidations, platform upgrades, and integrations that improve efficiency and reduce risks.

12. Workforce optimisation Maximising the impact of our workforce by aligning people, skills, and resources to areas of greatest need, ensuring Council delivers more with the same resources while strengthening resilience and supporting a productive, engaged workforce.

Staff at all levels have been central to this program, proactively identifying and implementing both small-scale adjustments and significant reforms. Together, these initiatives have delivered measurable productivity gains, reduced risks, and created financial capacity to address organisational priorities.

In addition, Council conducted six internal audits in the 2024–2025 financial year, and the same number of audits are scheduled for the current year, with three already completed as at the end of December 2025. Recommendations from these audits also include productivity improvements. Actions are being addressed and reported to ARIC on a regular basis.

b. Outline the outcomes which have been achieved, including providing quantitative data where possible.

Council has undertaken multiple initiatives in recent years to improve productivity. The impacts of these initiatives have been quantified in the Productivity and Improvement Plan (see pages 7–12 of the Plan) and are outlined below.

Employee Benefits and oncosts

Workforce management review 2023/24 – 2024/25

Key outcomes include:

- Reduced senior management costs while maintaining and enhancing productivity.
- Strengthened financial management through the appointment of a Chief Financial Officer.
- Enhanced organisational performance via internal strategic planning and process improvement roles.
- Improved compliance, risk management, and customer service.
- Realisation of direct income and expense benefits as a result of increased capacity in customer service and compliance (detailed within Productivity and Improvement Plan)
- Expanded support for community development, affordable housing planning, and maintenance of the growing parks network.

Liquidity measures

In response to constrained liquidity, financial risk associated with the North Sydney Olympic Pool project, and increasing exposure to asset failure, Council implemented short-term liquidity management measures. These included:

- temporarily holding vacant positions during the financial year; and
- active leave reduction initiatives to reduce accrued leave liabilities.

These measures were implemented to manage immediate cash flow pressures and reduce financial risk. Council will continue to apply disciplined leave management practices as part of its ongoing financial management framework. Council will also actively review and adjust workforce number in line with service unit plans, and workload deliverables. However, continuing to reactively hold vacant positions is not a sustainable long-term strategy, and counter-productive, as it reduces service capacity and increases organisational risk, particularly in relation to audit responsiveness, delivery of improvement initiatives, and Council's ability to proactively manage risk and compliance obligations. In addition, Council's staffing turnover since covid has been high due in part to organisational and financial instability, stabilising the workforce and becoming an employer of choice will be critical to retaining organisational talent in the backdrop of skills shortages.

The following table summarises the productivity gains achieved through the workforce management initiatives.

Organisational realignment	By reducing the spend on management level salaries, \$2.3 million was able to be saved and redirected to address critical gaps in areas of need including compliance, parks and gardens, sustainability, community development, organisational improvement, risk management, information technology and customer experience.	\$2.3 million/yr cost containment
Vacant positions	Council generated \$2.228 million in savings in 2024/25 by holding vacant positions for extended periods. Leaving positions vacant was necessary to support short-term liquidity pressures but is not sustainable in the long term.	\$2.2 million cost savings (2024/25)
Leave management initiative	Council implemented plans to reduce excess leave levels created over time. This created a saving of \$0.9 million through a reduction in leave liabilities.	\$0.9 million reduction in leave liabilities

Service review program (2024/25 onwards)

The **Customer Service Review** delivered substantial improvements to efficiency, governance, risk management and the customer experience. Key changes focused on process optimisation, workforce realignment, digitisation and technology upgrades. Collectively, these initiatives have reduced costs, freed up staff capacity, and improved the quality and timeliness of services to the community.

Overall, more than 7,000 staff hours per year have been saved through automation, digitisation, and smarter ways of working.

Some of the already implemented improvements include:

- Website and self-service improvements: Redesigned website content provided customers with clearer, more accessible information. This increased self-service, reduced call volumes and freed staff to manage more complex enquiries.
- Streamlined licensing and permits: Outdated, paper-based licensing and permit systems were consolidated into digital processes. This included a centralised application form, electronic registers, debtor management, and refreshed templates and training materials. These changes delivered direct annual savings through role disestablishment and reduced printing and postage costs.
- Workforce optimisation: Duplicate leadership roles were removed and departmental meetings, KPIs, recognition programs and a structured five-day training plan were introduced.

- Multi-disciplinary team capability: Staff were cross-trained across the call centre, front counters and administration. This allowed flexible rostering, improved productivity and greater resilience during peak demand, reducing downtime and lifting service responsiveness.
- Technology upgrades: A new Contact Centre Platform introduced skills-based call routing, faster onboarding and real-time after-call task completion. Automated Resident Data Reports and Address Comparison Reports reduced manual workload on annual parking permit audits, improving data integrity and compliance.
- Online payments: A secure online payment gateway was introduced, reducing cash handling, counter visits and staff processing time.
- Digitisation: Resident and Temporary Parking Permits were digitised, enabling online renewals and payments, removing printing and postage costs, and reducing administrative handling.

The **Development Services Review** has delivered significant efficiency improvements, enhanced governance and measurable productivity gains. By digitising workflows, standardising templates, introducing triage and building internal capability, the review has improved consistency, transparency and turnaround times for applicants. The productivity benefits are substantial and already delivering faster outcomes for the community.

Recent data shows that the cumulative average assessment time has now dropped from 158 days in January 2025 to 80 days in December 2025. This improvement has propelled North Sydney from being one of NSW's slowest councils for DA approvals in 2023–24 to being a high performing Council.

Some of the implemented improvements include:

- Application triage: Introduced structured Development Application Triage meetings, ensuring consistent allocation, faster processing and reduced risk of inconsistent referrals.
- Notification process: Shifted from weekly batching to mid-week processing, cutting delays and enabling quicker determinations.
- Notification signs: Replaced single-use plastic boards with A3 paper signs featuring QR codes, lowering costs, improving sustainability and providing customers simple online access to DA information.
- Delegations: Expanded staff delegations for minor variations and appeals, reducing unnecessary referrals to the Planning Panel and speeding up decision-making.
- Process mapping: Documented and published priority processes, reducing training time, improving consistency, and supporting quicker onboarding of new staff.
- Condition library: Embedded standardised condition templates in the assessment system, reducing errors, improving clarity for applicants and strengthening legal defensibility.
- Report and template updates: Streamlined and standardised reports, making them clearer, more consistent and easier to understand for decision makers and applicants.
- Legal services reform: Appointed an in-house planning law specialist, reducing reliance on external legal providers, cutting costs and improving management of appeals. The savings from this appointment are included under 'Building internal capability' in section 2.3.
- Referral templates: Introduced standardised internal referral templates, improving clarity, tracking and turnaround times while reducing duplicated effort.
- Data and reporting: Implemented real-time dashboards and Power BI reporting, giving managers and staff greater oversight of workloads, performance and decision timeframes.

The **Street Cleaning Service Review** identified more than \$400,000 in annual savings, with full benefits expected from 2026/27. To date, several improvements have already been implemented, delivering immediate efficiencies, risk reduction and better customer outcomes.

Early actions have realised \$13,200 per year in fuel and maintenance savings, alongside significant time efficiencies that are being reinvested into service delivery.

Some of the already implemented improvements include:

- Bin location optimisation: Public bin locations were reviewed, with underused ones removed and others relocated or mounted on poles to prevent theft or movement. This reduced wasted servicing time, improved efficiency, lowered workplace risks and ensured bins are now consistently available in accessible locations for customers.
- Digitised reporting systems: Paper-based reporting for sweeping and compactor operations was replaced with a web-based system. This modernised approach enables real-time reporting, accurate record-keeping and improved oversight.
- Digital communication with operators: iPads were installed in vehicles, removing the need for daily in-person meetings between supervisors and compactor operators.
- Scheduled compactor collections: Fixed daily schedules were introduced for compactor collections, reducing downtime for manual cleaning teams waiting for leaf litter collection. This improved efficiency has allowed crews to collect more litter with existing resources.
- Consolidated compactor operations: Compactor operations were reviewed and streamlined from three compactors in daily use with rotating staff to two compactors with full-time operators on fixed runs. This improved accountability and service consistency. The third compactor was removed from daily use and retained as a backup, reducing fuel and maintenance costs, with further savings expected from its disposal in one to two years.

The following table summarises the productivity gains identified through service reviews in 2024/25.

Street Cleaning	The Street Cleaning service review identified annual savings of more than \$400,000 through operational efficiency improvements. Implementation of the recommendations from this review are underway. \$13,200/year savings in fuel and maintenance costs were realised immediately, and full savings are expected to be realised from 2026/27 onwards.	>\$400,000/yr cost savings
Customer Service	The Customer Service review identified significant operational efficiency improvements that are expected to deliver \$190,000 in annual savings from 2025/26 onwards. In addition to these direct financial savings, process, technology and workforce improvement initiatives are providing significant efficiency benefits. These time savings will be used to improve customer service delivery and have facilitated improved support to the remainder of the organisation.	>\$200,000/yr cost savings
Development Services	The Development Services process review delivered significant efficiency improvements, with gross average assessment times dropping from 158 days in January 2025 to 125 days in June.	>20% reduction in gross average assessment times

Continuous improvement outcomes (including process mapping and improvements):

Building internal capability

- Planning Legal Counsel: Appointment of an in-house planning legal counsel reduced reliance on external legal services for appeals and advice.
- Role evaluations: Previously outsourced, now conducted in-house, generating ongoing savings and reducing turnaround times.
- Playground inspections: Selected team members trained and accredited to conduct inspections, replacing the need for regular external contractors.

- Prosecutions: Ranger and Parking Services staff now trained to represent Council in court, eliminating the need for external legal representation.
- Customer Service transformation: Teams retrained across multiple functions (call centre, front counter, administration) to create flexibility, improve productivity, and reduce downtime.
- Strategic planning: Development of a full suite of Council strategies completed internally, avoiding consultancy costs.
- Project Management Framework: Developed in-house rather than relying on consultants, avoiding costs while strengthening governance and delivery of capital projects

This approach has both reduced expenditure and enhanced Council's long-term capacity to deliver critical services with greater independence and control.

Estimated gains	\$497,000 cost savings (per year)	\$71,000 cost containment (per year)	\$500,000 cost containment (one-off)	70 hrs/year efficiency gains
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Changed format of service delivery

- Business papers: Transitioned from printing and courting Council and Committee business papers to online distribution, saving printing and postage costs.
- Civic events: Replaced professional musicians and purchased flowers at citizenship and protocol events with reusable arrangements and community performers such as school choirs.
- Food and beverage delivery: Introduced food trucks and can-only bar service at North Sydney Oval events, improving service times and variety while cutting internal labour costs.

Estimated gains	
\$35,000 cost savings (per year)	70 hrs/year efficiency gains

Cost avoidance

- Fleet management: Reduction in light fleet by 10 vehicles.
- Community centres: In 2025/26, some direct grants were replaced with capital reserves, ensuring funds are used for long-term building improvements rather than one-off operational support.
- Community transport: A more cost-effective grant-based funding model for community transport has been adopted.
- Library catalogue searches: Internal process changes enabled Council to remain on a lower subscription package, avoiding the need to purchase a higher-level service.
- Road resheeting: New asphalt mixes allow thinner layers while maintaining strength, reducing resurfacing costs. Savings are reinvested in additional road works.
- Workshop improvements: Investments in cranes, welding benches, and other equipment enabled more complex work to be completed in-house, avoiding outsourcing costs.
- Youth worker training: Free training programs replaced the need for Council to cover costs, while enhancing staff knowledge and resilience.
- Parking fee avoidance: Relocating a Council vehicle from a paid carpark to a Council site removed annual parking expenses.

These measures show how cost avoidance has been embedded into everyday operations, ensuring Council delivers quality services without incurring additional expenditure.

Estimated gains \$63,000 cost savings (per year)	\$113,000 cost containment (per year)	\$318,000 cost savings (one-off)	360 hrs/year efficiency gains	\$450,000 cost savings (one-off capital)
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Digitisation and automation

- Finance automation: Accounts Payable/Receivable reminders are now auto generated and sent to officers, reducing delays and manual collation. Invoice approvals are system driven for accuracy and timeliness.
- Records digitisation: 70% of property files have been digitised, removing the need for off-site storage and manual handling.
- Correspondence management: General inbox emails, routine email registrations, and Access to Information forms are now filtered, classified, and automatically logged into Council's document management system. This ensures quick delivery and fewer oversights.
- Workplace health and safety digitisation: Paper-based WHS checklists, audits, risk assessments, and incident reports have been replaced with digital forms and mobile apps in key areas.
- Environment and building compliance digitisation: Key processes such as strata terminations, swimming pool applications, and cooling tower inspections have been moved online. Legislative information is now published on Council's website, reducing reliance on phone enquiries, and inspection records are completed through smart forms, enabling faster processing and statistical insights.
- Revenue systems: Rates notice templates and inspection-related invoices are generated directly from the ERP system, ensuring accuracy, standardisation, and improved revenue collection.
- Workforce management: An automated offboarding workflow ensures all steps are tracked systematically.
- IT asset management: Asset records sync automatically with device management systems.
- Construction permits: Rangers use a tracker for real-time access to approved permits, removing manual confirmation with Chambers.
- Ranger operations: Mobile tech lets Rangers record, lodge, and escalate reports in the field, reducing admin and improving responsiveness.
- Community engagement: Automated workflows support programs like the Better Business Partnership with timely, consistent communication.
- Strategic reporting: Quarterly and annual reporting updates (including KPIs) are now entered directly into Council's IP&R system, which automatically generates graphs, reports, reminders, and tracking updates.

Together, these initiatives demonstrate how digitisation and automation are delivering efficiency, transparency, and improved service delivery while positioning Council for ongoing innovation and continuous improvement.

Estimated gains

7,620 hrs/year efficiency gains

Enhanced procurement and contract management

- Cyber security platforms: Multiple stand-alone tools were replaced by a unified cyber security platform, reducing licensing costs and staff time spent managing separate systems.
- Firewall replacement: Negotiated with the vendor to secure next-generation firewalls at no cost, avoiding a major capital purchase.

- Telephony, mail, rates and community engagement systems: Migrated to more cost-effective providers, achieving ongoing annual savings and improved service delivery.
- Insurance and claims: Directing repairs to preferred providers reduced costs and improved value for money.
- Role consolidation: Combined the Contracts Manager and Procurement Manager into one role, improving governance while reducing staffing costs.
- Bundled maintenance works: Packaging jobs geographically achieved significant contractor savings, with funds reinvested into additional works.
- Use of electric vehicles: Council has moved towards the purchase of electric vehicles, reducing exposure to fuel price fluctuations.
- Vendor agreements: Formalised long-term agreements and secured contributions from external partners, delivering more stable and beneficial outcomes.
- Bulk purchasing and signage: Buying materials in larger volumes and switching to reusable signage reduced costs and waste.

These improvements demonstrate how Council is leveraging smarter procurement and contract management to achieve savings, avoid unnecessary expenditure, and redirect resources towards higher-value services and community priorities.

Estimated gains	\$41,000 cost savings (per year)	\$200,000 additional revenue (per year)	\$667,000 cost containment (per year)	\$92,000 cost containment (one-off)	1,470 hrs/year efficiency gains
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Online customer service improvements

- Online forms: Key hardcopy application/enquiry forms replaced with web-based forms that auto-route requests, reducing manual registration and processing delays.
- Digital forms: Some forms, such as the DA checklists, consent forms, and waste management plan, converted to fillable pdfs so they can now be completed and submitted electronically. This has eliminated the print-scan workflows.
- Public Tree CRM form: Requests for tree works are now lodged digitally, automatically tracked and assigned, with mobile apps supporting field team responsiveness.
- Library services: Online enquiry forms standardised; instant eCard memberships created; fines and fees are now payable online through the library catalogue.
- Risk claims: An online request for compensation form ensures complete submissions, reduces back-and-forth emails, and speeds up claims processing.
- Finance services: Ratepayers now access notices and balances 24/7 online; and direct debit, refund, and rates notice requests are now fully digitised.
- Graffiti removal: Property owner consents submitted via online forms, enabling faster scheduling and response.
- Building certification requests: Online fee quote and inspection booking forms streamline application process.
- Website enhancements: Website updated to improve content in some key areas such as building compliance, fire safety, planning reforms, and swimming pool certification. Updates include clear guides and explanatory videos to support community awareness and understanding.
- Community grants: Applications moved to a digital platform, improving submission, tracking, and reporting for both applicants and staff.

These improvements demonstrate how digitisation has modernised Council's customer service, reducing inefficiencies, ensuring compliance and delivering a more accessible and transparent service experience for the community.

Estimated gains

1,130 hrs/year efficiency gains

Process improvements

- IT asset management: Standardised device naming ensures faster troubleshooting, accurate audits, and easier asset tracking.
- Arts programs: Automation of art prize data entry and consolidation of the Creating Wellbeing program delivery partners reduces admin time and supports consistent service delivery.
- Events management: Centralised PA system booking and consistent project evaluation frameworks reduce errors and double handling, and improve program planning.
- People and culture: A new performance review framework promotes staff development, better record-keeping, and clearer expectations.
- Parks and reserves: Playground maintenance integrated into routine Parks and Gardens team duties, reducing inefficiencies and improving responsiveness.
- Tree management: Expanded proactive inspections improve safety and asset management without additional staffing.
- North Sydney Oval: An upgraded POS supports real-time stock management, reduces waste, improves financial control, and enhances service speed.
- Environment and building compliance: Triage of cases, standardised templates, revised food shop ranking procedure, change to bi-annual environmental audits, and streamlined DA referrals all result in improved efficiency, consistency, and transparency.
- Fire safety process improvements: Introduced a Fire Safety Manual, reviewed the AFSS register, and brought technical assessments in-house, strengthening compliance and reducing reliance on external consultants.
- DCP streamlining project: Simplified the Development Control Plan by removing duplication and increasing clarity, making it easier and faster to apply relevant controls.
- Bushland management: Smarter practices such as buffer zone mulching, integrated pest management, and cordless auger tools have reduced labour, chemical use, and safety risks.
- Ranger services: Service requests are now routed through supervisors. This increases productivity, ensures timely responses, and frees Rangers to focus on community safety and compliance activities.
- Communications: A single social media management platform consolidates posting, scheduling, and reporting, saving staff time and ensuring more consistent engagement.

These initiatives demonstrate how process improvement has been embedded across Council, delivering efficiency gains, reducing risk, and ensuring higher-quality and more responsive services for the community.

Estimated gains

\$2,000 cost savings (per year)

\$40,000 additional revenue (per year)

\$310,000 cost containment (per year)

5,180 hrs/year efficiency gains

Quality assurance

- Plant selection: Brought plant selection for new garden beds in-house, ensuring species are better matched to local conditions. This has reduced plant failures, lowered maintenance needs, and improved the visual appeal of public spaces.
- Traffic and transport: Introduced upfront guidance for preparing Construction Traffic Management Plans, improving the quality of submissions, reducing back-and-forth, and speeding up approval timelines.
- Standard response library: Developed a standard response library for Environment and Building Compliance matters, ensuring consistent replies to enquiries and faster handling of generic queries.

By embedding quality assurance into everyday operations, Council is reducing risk, improving efficiency, and delivering more reliable services. These improvements provide clearer expectations for customers, stronger outcomes for the community, and a more consistent standard of service delivery.

Estimated gains

880 hrs/year efficiency gains

Revenue initiatives

- NYE managed vantage points: Introduction of an entry fee in 2025/26 to improve crowd management and offset event costs.
- Restoration works: More accurate and proactive inspections ensure recovery of reinstatement costs from developers, reducing financial risk to Council.
- Parking permits and applications: Consolidated permit types and online payments introduced, supported by a new application fee structure, improving efficiency and increasing revenue.
- Parking station leasing: Temporary lease of unused car park space generated additional income.
- Compliance cost notices: Development Control and Fire Safety Orders now include fees to recover Council's regulatory costs.
- Building Information Certificate fees: Application fees increased to reflect the true cost of service delivery.
- Swimming pool compliance: Introduction of fees for pool directions and commercial pool inspections to support safety and compliance.
- Food and health regulation: New urgency, reinspection, and audit fees introduced for food stalls, skin penetration premises, and environmental audits, ensuring cost recovery.
- Debt recovery program: Expanded targeted collections across multiple registers, significantly improving cash flow and reducing outstanding balances.
- Advertising: Increased advertising opportunities in public spaces generated higher-than-forecast revenue.

These initiatives embed stronger revenue management across Council, supporting compliance, and enabling reinvestment into essential services for the community.

Estimated gains	\$821,000 cost savings (per year)	\$46,000 cost containment (per year)	\$200,000 additional revenue (one-off)	\$271,000 cost containment (one-off)	1,000 hrs/year efficiency gains

Rostering and scheduling adjustments

- North Sydney Oval game day rostering: More efficient rostering eliminated manager overtime and excessive casual staff costs.
- Parking patrol shift coverage: Service level agreement reduced from five patrols every two weeks to five times per month, allowing officers to focus on areas with higher non-compliance.
- Parking patrol rostering: New staggered start times (7.30am, 9am, 11am) ensure meal breaks vary, maintaining parking enforcement coverage continuously between 7am and 9pm.

These measures demonstrate how smarter rostering and scheduling are strengthening service delivery while reducing unnecessary costs and increasing revenue.

Estimated gains		
\$12,000 cost savings (per year)	\$631,000 additional revenue (per year)	\$32,000 cost containment (per year)

Technology improvements

- Enterprise content management: Migrated from 13 on-premise servers to a cloud-based SaaS platform, improving scalability, reducing maintenance, and enhancing system reliability.
- Reporting platform: Transitioned static reports into dynamic, interactive dashboards that provide real-time data, improving decision-making and staff responsiveness.
- Database backups: Consolidated into a centralised platform, enabling faster recovery, and reduced risk of data loss.
- "Before You Dig" service: Adopted a cloud-based solution for asset location requests, reducing manual interventions and improving community safety.
- Development assessment tools: Moved document assessment tools used on tablet devices to the cloud, enabling flexible access from anywhere.
- Network infrastructure: Replaced ageing switches and outdated radio links with modern fibre and business-grade internet, significantly improving uptime, reliability, and continuity of services.
- Automated endpoint patching: Introduced centralised, cloud-based software patching to strengthen cyber security and reduce manual IT effort.
- Email and domain protection: Implemented DMARC protocols to protect Council's domain against phishing and spoofing.
- Development and building applications: End-to-end digital integrations with the NSW Planning Portal and streamlined workflows, cut manual handling, and reduced assessment turnaround times.
- Inspections and compliance: Introduced digital workflows for food safety, playground and building inspections, improving accuracy, auditability, and speed of follow-up actions.
- Device management: Automated the imaging of staff devices, ensuring quicker deployment and fewer errors.
- Collaboration tools: Adopted a modern communications platform with integrated chat, video, and document sharing to improve flexibility and teamwork.
- Library services: Shifted Shorelink to a cloud-based platform, reducing costs and enabling more timely updates.
- Governance: Upgraded webcast technology for Council meetings, improving accessibility and public participation.
- Parking systems: Replaced old meters with modern units that update remotely, run on long-life solar power, and accept multiple payment methods, cutting maintenance and downtime and making payment faster and easier.
- Energy efficiency: Upgraded street lighting to LEDs and installed solar panels on Council buildings, lowering electricity costs and reducing emissions.

- Capital project reporting: Delivered a centralised project tracker and dashboards to improve resource planning and transparency.

- Volunteer programs: Digitised Bushcare group reporting with tablets, cutting down paperwork and improving recordkeeping.

Council has made practical technology upgrades that save time, improve security, and make services more reliable. Most of this work has been done in-house at low cost by making the best use of existing systems. These are important short term fixes, but bigger investment will be needed in the future to replace Council's ageing core systems

Estimated gains		
\$649,000 cost savings (per year)	\$197,000 cost containment (per year)	3,390 hrs/year efficiency gains

Workforce optimisation

- Arts: Introduced group and online information sessions for the North Sydney Art Prize, reducing required staff engagement time while improving consistency and transparency for entrants.
- Library: Expanded the 1:1 technology help program through a volunteer mentoring model, tripling available sessions and freeing staff time for other tasks.
- People and culture: Shifted to a centralised specialist structure, providing clearer accountability, stronger internal support, and faster turnaround times for staff and leaders.
- Footpaths, roads and drainage: Shifted concrete waste disposal in-house, delivering cost savings and freeing depot space, without increasing staff workload.
- Parks and reserves: Transferred planter box maintenance in Neutral Bay from contractors to the in-house team, achieving savings while improving service consistency and quality standards.
- Turf: Transferred mowing of key parks to in-house turf team with an additional mower, reducing costs and ensuring more reliable maintenance of open spaces.
- Trades and fleet: Transferred wash bay pit and pump maintenance to in-house trade teams, removing the need for external contractors.
- Workforce management: Disestablished or partially capitalised certain roles, reducing salary costs and reallocating resources.
- Holding vacant positions: Temporarily held vacant positions to manage liquidity, generating short-term savings.

Together, these workforce optimisation initiatives show how Council is delivering more with less – reducing costs, strengthening internal capability, and improving service quality. While most of these changes create sustainable efficiencies, the practice of holding positions vacant is only a temporary measure and not viable in the long term.

Estimated gains		
\$310,000 cost savings (per year)	\$514,000 cost savings (one-off)	180 hrs/year efficiency gains

What productivity improvements and cost containment strategies are planned for future years?

The council should provide information that details initiatives planned for the next two years when requesting a one-year section 508(2) SV, or match the duration of the proposed SV.

The response should, wherever possible:

- estimate the financial impact of strategies intended to be implemented in the future
- present these as a percentage of operating expenditure
- indicate whether the proposed initiatives have been factored into the council's Long Term Financial Plan.

In the text boxes below:

a. Explain the initiatives which the council intends to implement and their financial impact.

Future productivity improvement actions:

Building internal capability

Looking ahead, Council will further strengthen its internal capability. By investing in its workforce and building stronger in-house expertise, Council is positioning itself to achieve ongoing savings, reduce external consultant dependency, and deliver more consistent legal and planning services.

- Planning Legal Counsel (appeals and advice – continuation): The appointment of an in-house Planning Law Specialist has already generated significant savings by reducing external legal spend. Additional savings will be realised from 2026/27 onwards as pre-existing cases conclude.
- Planning Legal Counsel – training and representation: In addition to managing appeals and providing legal advice, the new Planning Legal Counsel will also train staff to confidently manage Land and Environment Court matters, such as Statements of Facts and Contentions and Joint Expert Reports. This will reduce future dependence on consultants, improve consistency, and strengthen legal risk management.

Estimated gain: \$408,000 cost savings per year | 70 hrs per year efficiency.

Changed format of service delivery

Council will continue to modernise its approach to service delivery by shifting away from manual, resource-heavy methods towards scalable and automated solutions. These changes will improve efficiency, reduce risks, and create more reliable outcomes for staff and the community.

- Enhanced e-learning and digital training programs: Online training modules will be expanded to deliver consistent, role-specific records management training, supported by self-service resources and awareness campaigns. This will replace ad hoc sessions, strengthen compliance, and improve records governance.
- Robot line marking: Robotic technology will automate turf line marking, reducing manual effort and workplace risks. Staff time will be redirected to proactive turf care, improving field quality, resilience, and overall community experience.

Estimated gains: 440 hours per year efficiency gain.

Cost avoidance

Council is embedding longer-term cost avoidance measures that will deliver their full financial impact in 2026/27 and beyond. These initiatives are already underway, but the complete savings will only be realised once transitional factors are resolved.

- Motor vehicle insurance claims process: A new approach to handling motor vehicle claims, including internal repairs below the excess and a “three strikes” driver policy, has been introduced. While the framework is in place, the full savings will be realised from 2026/27 through reduced insurance premiums and improved driver safety outcomes.
- Community transport (continuation): A shift to a grant-based funding model for community transport commenced partway through 2025/26. From 2026/27, the full year of savings will be realised as this model fully replaces contracted services.

Estimated gains: \$69,000 cost savings per year

Digitisation and automation

Council will continue to digitise and automate processes to reduce manual handling, improve data accuracy, and deliver faster, more reliable services. These initiatives will create efficiencies, reduce risks, and improve customer experience by making services more accessible and transparent.

- Online timesheets and payroll automation: Council will implement an integrated online timesheet system, eliminating manual entry, reducing errors, and freeing significant staff time while ensuring stronger compliance and faster payroll processing.
- Automated payment reconciliation: Manual reconciliation of payments will be replaced with automated processes, reducing errors and improving financial reliability.
- Online forms migration: Remaining hardcopy forms will be transitioned to digital platforms, cutting manual processing and making services more accessible 24/7.
- Notice of sale automation: Integration with Land Registry Services will automate property data updates, reducing delays and improving statutory compliance.
- State significant developments automation: Council will automate the creation of major development application records and document registration, reducing administrative workload and ensuring more timely processing.
- AI-assisted meeting minutes: Automation and AI will support faster, more accurate preparation of meeting minutes, freeing staff capacity for higher-value tasks.
- Automated report saving: Governance systems will be configured to automatically save reports into Council's document management system, reducing duplication and administrative effort.
- Grant register automation: A centralised digital register will improve grant tracking and compliance by automating reminders and status tracking.
- Digital field reporting (parks and gardens): Teams will adopt a single digital system for WHS, risk and playground reporting, improving data reliability and freeing time for service delivery.
- Planning certificate automation: Once property data is fully integrated into the ERP system, planning certificates will be automatically generated, improving turnaround times and reducing manual checks.

Estimated gains 2,750 hrs per year efficiency gains.

Enhanced procurement and contract management

Council will improve procurement by consolidating contracts, streamlining processes, and reducing duplication to save costs and improve efficiency.

- Pre-employment checks: Bundled background checks with volume discounts will reduce costs and save hiring managers' time, shortening recruitment times.

- Procurement consolidation: Common items will be consolidated under unified contracts, leveraging Council's purchasing power and reducing duplication.

Estimated gains \$3,000 cost savings (per year) | 150 hrs per year efficiency.

Online customer service improvements

Council will expand and digitise customer service options to make transactions faster, easier, and more convenient, while also reducing staff workload and compliance risks.

- Direct debit option for online payments: Customers will be able to pay fees via direct debit as well as credit card, lowering costs for larger transactions and reducing staff processing time.
- DA/planning submissions publication and acknowledgement: A new portal will automate document registration, apply publication rules, and send acknowledgements, improving compliance and freeing staff for higher-value tasks.
- Library payments: Customers will be able to pay online via email links instead of at the counter, saving staff time and making transactions easier for library users.
- Organisation-wide booking platform: A single self-service system will consolidate bookings across all facilities and services, reducing duplication and manual workarounds.
- Resident parking permits: Online application forms will replace emailed versions, simplifying the process and saving staff time.
- Visitor parking permits: Digital permits will reduce front counter visits and cut processing times.

Estimated gains 1,770 hrs per year efficiency gains.

Process improvements

Council will streamline and standardise processes across multiple areas to reduce duplication, improve compliance, and deliver more consistent outcomes for staff and the community.

- Document management workflow: Workflows will be redesigned so tasks are allocated to role-based pools with automated escalation, reducing delays and ensuring timely action.
- Onboarding: A centralised digital onboarding process will give new employees a clearer start, improve engagement, and help them reach productivity sooner.
- Committees and statutory meetings: Reports for all meetings will be moved to a single document collaboration platform, removing manual formatting and publication tasks while improving accuracy and transparency.
- Bond management: A streamlined bond management system will reduce processing steps, cut delays, and improve consistency in bond release.
- Coal Loader event bookings: A single online booking form and updated guidelines will simplify processes for event organisers and staff, reducing duplication and increasing clarity.
- Accessibility guidelines: New accessibility guidelines, developed with the Access and Inclusion Committee, will be applied to all future capital works, reducing remediation costs and ensuring inclusive infrastructure from the outset.
- Grants: A new Community Investment Framework will replace ad hoc funding processes with coordinated partnership agreements, improving transparency, accountability, and efficiency.
- Communications and engagement requests: Standardised online request forms and templates will replace ad hoc briefings, reducing miscommunication and ensuring more consistent, timely promotion of Council initiatives. Potential productivity gains are not yet quantified for some initiatives.

Estimated gains 2,730 hrs per year efficiency gains.

Quality assurance

Council will implement stronger frameworks and controls to improve decision-making, reduce risk, and provide more transparent, consistent outcomes.

- Asset management decision making matrix: A new framework will guide the selection and prioritisation of capital works by considering asset condition, utilisation, funding opportunities, and community objectives. This will reduce wasted effort, strengthen governance, and improve clarity for staff and stakeholders.

Estimated gains 100 hrs per year efficiency gains.

Revenue initiatives

Council will introduce measures to strengthen financial sustainability by ensuring costs are recovered, updating fees to align with benchmarks, and generating additional income through new opportunities.

- New fees for use of public open space: New fees will be introduced for commercial use of Council's public spaces, creating a structured way to recover maintenance costs.
- Advertising: Expanded advertising opportunities in public places have already commenced, with further growth in revenue expected in 2026/27 as new placements become available.
- Complying Development Certificates (CDC) contributions review: A new process will ensure all contributions from CDC applications processed by private certifiers are collected. This will reduce the risk of lost income and provide assurance that everyone is paying their fair share.
- Compliance cost notices (continuation): The introduction of compliance cost notices for development control and fire safety orders commenced in 2025/26. From 2026/27, the full year of revenue will be realised as the new processes become fully embedded.
- Resident parking permit fees: The cost of a first resident parking permit will be moderately increased* to bring fees in line with the City of Sydney. This will generate additional revenue while remaining reasonable for residents. (Subject to community exhibition and Council approval)

Estimated gains \$853,000 cost savings per year | \$40,000 cost containment (per year)

Rostering and scheduling adjustments

Council will continue to implement rostering and scheduling improvements to optimise workforce efficiency, reduce unnecessary travel, and increase compliance outcomes.

- Parks and gardens maintenance zones: Maintenance will be organised into geographic zones, reducing travel time and fuel use, lowering safety risks, and allowing more time to be dedicated to maintaining and enhancing open spaces.
- Parking patrols (continuation): In 2025/26, the service level agreement was reduced from five patrols every two weeks to five times per month, allowing officers to focus on areas with higher non-compliance. Full benefits from this change will be realised from 2026/27 onwards.
- Shift coverage (continuation): In 2025/26, new staggered start times (7.30am, 9am, 11am) and varied meal breaks were introduced to maintain parking enforcement coverage continuously between 7am and 9pm. Full benefits from this change will be realised from 2026/27 onwards.

Estimated gains \$1,600 cost savings per year | \$108,000 additional revenue per year | 3,900 hrs per year efficiency gains.

Technology improvements

Council will continue to implement new technologies and upgrade existing systems to improve efficiency, reduce manual processes, and provide more reliable, secure, and responsive services. These improvements will reduce risks, improve customer experiences, and deliver long-term value.

- Cloud backups: Moving from tape to cloud-based immutable backups will reduce manual handling, storage, and retrieval processes, while strengthening security, compliance, and recovery capabilities.
- Customer service requests in ERP: Migrating customer service requests into the ERP system will enable automated workflows, structured task assignment, and end-to-end tracking, providing faster and more transparent responses to the community.
- Library supplier orders: Introducing electronic data interchange for library supplier orders will reduce manual entry, improve accuracy, and free staff time for cataloguing and program delivery.
- HR analytics and reporting: Implementing dashboards and standardised reports will save staff time, improve accuracy, and support more data-driven decision-making.
- Online performance management: Implementation of a cloud-based performance management and engagement system commenced in 2025/26. From 2026/27, full benefits will be realised through reduced manual reporting, streamlined feedback processes, and improved staff engagement tracking.
- Financial control reporting: A new reporting layer for financial control commenced in 2025/26. From 2026/27, managers will benefit fully from reduced manual effort, improved budget visibility, and strengthened financial management across service areas.
- Coal Loader battery storage: Adding a battery to the existing solar installation at the Coal Loader will support energy storage, reduce grid reliance, and strengthen the site's role as a sustainability demonstration site.
- Image library: A new digital platform will improve search and storage functionality for the image library, strengthen permission compliance, and reduce staff time spent locating images.

Estimated gains \$9,000 cost savings per year | 3,200 hrs per year efficiency gains

Workforce optimisation

Council will strengthen its workforce planning and development to ensure training investments are aligned with future capability needs, not just immediate requests. This approach will build a stronger leadership pipeline, improve staff retention, and support meaningful career growth.

- Learning and capability: A new learning and development strategy will be introduced, based on Council's future capability framework and workforce planning. This will ensure training programs are targeted, succession planning is strengthened, and staff development is aligned with long-term organisational needs.

Potential productivity gains are not yet quantified.

Asset management maturity

Council has developed a Draft Strategic Asset Management Plan which will be considered at its meeting 9th February and subsequently be subject to public exhibition and engagement. This plan aims to move Council's asset management practices toward industry best practice and build awareness and confidence across the community in relation to asset management practices, funding strategies and prioritisation of funding for maintenance, operational costs, renewals and new infrastructure.

Best practice standards in asset management will ensure maintenance and renewals are undertaken in a timely manner to avoid cost escalation and increased reactive costs. It will also ensure new infrastructure is planned and delivered to both meet increasing population needs and manage lifecycle costs.

Potential productivity gains and/or cost containment are not yet quantified.

b. Indicate whether these have been incorporated in the council's Long Term Financial Plan, if not, explain why.

Yes, in summary, over the 10-year period, the Plan identifies \$52 million in cumulative savings and additional income, comprising:

- \$23 million in reduced expenditure, including employee benefits and on-costs, materials and services, and other expenses; and
- \$29 million in increased income, including user fees and charges and other revenue sources.

These savings and income measures have been incorporated into the 2026–2036 Long-Term Financial Plan. The Integrated Planning and Reporting Framework, including Delivery and Operational Plan also rely on cost-containment measures of \$43 million to resource the services and initiatives within these plans.

Those initiatives planned but not yet quantified are expected to deliver results in the medium to long-term timeframe of the plan and will be updated through regular reviews of the Integrated Planning and Reporting Framework.

How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?

In the text box, summarise data which demonstrates how the council has improved productivity and indicate its performance against that of comparable councils.

Standard efficiency indicators such as population per staff member or General Fund operating expenditure per capita can be misleading when applied to dense inner-city councils. North Sydney Council services a relatively small resident population (72,909) but operates as a major employment, education and activity centre with one of the highest daily non-resident populations in metropolitan Sydney.

North Sydney hosts approximately 107,754 jobs, with around 69,945 held by non-resident workers who commute into the LGA each day. These workers, together with students and visitors, make extensive use of Council's roads, public domain, open space and civic infrastructure. As a result, Council must service a materially larger functional population than resident-based metrics suggest.

To contextualise benchmarking comparisons, Council applied an adjusted service population measure by adding 50 per cent of non-resident workers to the resident population, reflecting that commuters spend a significant proportion of the day within the LGA. On this basis, North Sydney's effective service population is approximately 107,882.

When assessed against this adjusted population, North Sydney serves approximately 289 people per staff member, compared with an adjusted metropolitan council average of approximately 273. This places North Sydney around the midpoint (12th of 25 councils) despite operating in a uniquely high-intensity urban environment that includes a major CBD and one of Australia's most concentrated education precincts (21 schools and two universities within 10.5 km²).

A similar contextual adjustment to General Fund operating expenditure shows that North Sydney's operating cost per capita decreases from \$1,901 to approximately \$1,285, broadly aligned with the adjusted metropolitan average of \$1,297 (based on 2023–24 OLG time-series data). This indicates that Council's overall cost base is consistent with peers once service demand is properly considered.

Importantly, governance and administration expenditure, a more reliable indicator of organisational efficiency due to its relatively standardised nature across councils, remains below average. In 2023–24, governance and administration accounted for 19.4 per cent of total expenditure, compared with a metropolitan council average of 21.7 per cent. This reflects deliberate cost containment and productivity improvements that have shifted resources away from overheads and towards frontline service delivery.

Over time, Council has further reduced its administrative cost base. In 2024–25, general administration expenditure decreased from \$26.9 million to \$21.9 million (OLG Financial Data Return), a reduction of approximately \$5 million. While part of this reduction reflects short-term measures such as vacancy management and discretionary spending controls, it demonstrates Council's capacity to rapidly stabilise expenditure and contain costs during periods of

financial stress. These measures are not relied upon as long-term efficiency strategies and reinforce the need for structural revenue reform through the proposed Special Rate Variation.

Council's productivity improvements are also evident in service outcomes. Development Application processing times have reduced significantly using existing resources and targeted process reforms - from approximately 206 days in 2023-24, to 125 days in 2024-25, and to 80 days in 2025-26 (year-to-date). This improvement has moved North Sydney from being one of NSW's slowest councils for DA processing to a performance exceeding state expectations, representing a substantial productivity gain without additional staffing.

Notably, employee costs account for only 35.4 per cent of total operating expenditure, compared with a metropolitan average of 39.5 per cent, reflecting a lean internal staffing model supported by targeted use of contractors for operational services.

While North Sydney's average cost per employee (wages plus on-costs) is higher than the metropolitan average, at \$131,700 compared with \$120,800, this is reflective workforce composition and salary structures rather than inefficiency. For example:

- Council's use of contractors for operational activities such as waste management, cleaning, parks and gardens, road maintenance and re-sheeting reduces the number of operational staff as compared to other metropolitan councils. The proportion of professional staff is therefore higher, leading to an increased average cost per employee.
- In response to transport and environmental targets, Councils has replaced staff motor vehicle benefits (which is common within the industry), with allowances, reducing fleet costs, and increasing costs, while ensuring no net cost increase and reducing financial risk.
- As an inner-city council operating in the Sydney CBD labour market, Council must attract and retain highly skilled professional staff (including planners, engineers and compliance specialists) in an environment of skills shortage, which can require market allowances to compete with NSW Government and larger Councils. The recruitment of competent staff is a key driver to productivity.
- Many staff face long commutes (over 90% of employees live outside LGA), so Council offers incentives such as travel allowances to attract staff – a factor that councils in outer suburbs (with cheaper housing and larger local labour pools) don't face to the same degree.

Taken together, these indicators demonstrate that North Sydney Council has improved productivity over time, maintained a comparatively lean cost structure, and performs in line with, or better than, comparable councils when service demand and urban intensity are properly considered.

Comparing productivity across the local government sector can be inherently challenging due to the variety of services and infrastructure provided by each. For example, consideration has been given to breaking down services or infrastructure by total operating cost for comparative purposes, however we feel such metric are not a reliable as they fail to account for the full breadth of services councils provide. Council does and will continue to compare individual services and their staffing and costs with like councils when undertaking detailed service reviews to ensure a continued focus on efficiency.

Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references

Council certification and contact information

Councils must submit a declaration in the specified form. It should be completed by the General Manager and the Responsible Accounting Officer.

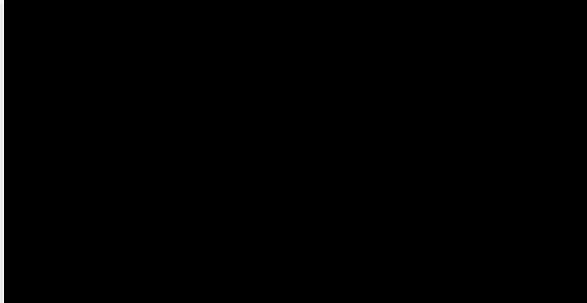
Certification of application and declaration

Prepare a document in the form indicated below. Please sign (electronic signature is also acceptable), scan and submit it with your application.

This is to be completed by General Manager and Responsible Accounting Officer.

Name of the council:	North Sydney Council
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We certify that to the best of our knowledge the information provided in the Part A application form and this SV Part B application form is correct and complete. We have completed the checklist for the Part A and B application forms and also provided all relevant attachments as requested (see Table 11, Table 12 and Table 13).

General Manager (name):	Therese Cole
Signature and Date:	
	02/02/2026
Responsible Accounting Officer (name):	
Signature and Date:	

Note: These signatures will be redacted before publication of the application.

Council contact information

IPART's formal contact with the council will be with the General Manager.

During the assessment period, IPART officers are likely to contact the council with detailed queries about the application and supporting documents. Councils should provide direct contact details of the primary contact for such inquiries where this person is a council officer who is not the General Manager. Council officer direct contact details will be redacted before publication of this application.

General Manager

General Manager contact phone	[REDACTED]
General Manager contact email	[REDACTED]

Note: These contact details will be redacted before publication of the application.

Primary council contact

Council contact phone	[REDACTED]
Council contact email	[REDACTED]
Council email for inquiries about the SV application	[REDACTED]

Note: These contact details will be redacted before publication of the application.

Secondary council contact

Council contact phone	[REDACTED]
Council contact email	[REDACTED]
Council email for inquiries about the SV application	[REDACTED]

Note: These contact details will be redacted before publication of the application.

List of required attachments

To complete (adding rows as necessary):

- Name each document.
- Check the box to indicate that the document is being submitted with the application.

Table 11 Required attachments checklist

Name of attachment	The document is included	The document is not applicable
Mandatory forms/attachments:		
Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/>	NA
Council resolution to apply for the special variation	<input checked="" type="checkbox"/>	NA
Completed certification and declaration (see O)	<input checked="" type="checkbox"/>	NA
If applicable, to support the responses provided in Question 5 of Description and Context (see section O) provide:		
Instrument for expiring special variation/s	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If applicable, to support the responses provided in Questions 6 AND/OR 7 of Description and Context (see section O) provide:		
Declaration of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan	<input checked="" type="checkbox"/>	NA
Delivery Program	<input checked="" type="checkbox"/>	NA
Long Term Financial Plan	<input checked="" type="checkbox"/>	NA
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (combined into one document)	<input checked="" type="checkbox"/>	NA

Name of attachment	The document is included	The document is not applicable
Community feedback (including surveys and results). Confidential information should be redacted, or the entire document marked as confidential.	<input checked="" type="checkbox"/>	NA
Willingness to pay study (if applicable)	<input checked="" type="checkbox"/> Attachments 9-12	<input type="checkbox"/>
Hardship policy	<input checked="" type="checkbox"/>	NA
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
(List the additional documents)		
The Annual Financial Statements and Report on Infrastructure assets of 30 June 2025	yes	
Community Engagement report	yes	
Communication collateral and engagement activities	yes	
Phase1 Demographic Community Survey Service Level Asset Management	yes	
Phase 1 Opt In Community Survey Service Levels Asset Management	yes	
Phase 2 Demographic Community Survey	yes	
Phase 2 Business Survey	yes	
Capacity to Pay Report	yes	
Annual report	yes	
Audit, Risk and Improvement Committee minutes 11 October 2024	yes	
North Sydney Local Infrastructure Contributions Plan 2020 App B	yes	
General Managers Declaration on past SV	yes	
Transcript of the Audit Office Presentation at Council Meeting	yes	
Phase 2 Opt In Community Survey Service Levels Asset Management	yes	
Strategic Asset Management Plan	yes	
Micromex row data 1,2,3	yes	
Audit, Risk and Improvement Committee minutes 20 June 2025	yes	
How to read your rates	yes	
Let's Talk Rates New Year's Eve and more!	yes	
Lets Talk-Rates fact sheet	yes	
LetsTalk-RatesFSOct2025	yes	

Checklists

We provide these checklists to ensure that submitted applications meet a minimum standard.

Meeting the requirements of these checklists **does not** guarantee a council will be approved for the SV it has applied for.

Table 12 Part A Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
Data provided in Part A application (i.e. proposed SV%, rates amount etc) are consistent with those contained in Part B application.	<input checked="" type="checkbox"/>
Table 1.2 of "WS1-Application" lists all the tables in worksheets 1 -12 that council must complete, based on the nature of council's application. Please confirm that all the data requirements, as listed in table 1.2, have been completed.	<input checked="" type="checkbox"/>
All completed tables (values and units – i.e. \$ or \$'000) have been completed correctly and verified to source. Please pay attention to the units specified for each table in each worksheet.	<input checked="" type="checkbox"/>
WS 10 - LTFP agrees to the council's provided (adopted) LTFP.	<input checked="" type="checkbox"/>
Dollar numbers provided in "WS10 – LTFP" are in dollars (\$) not thousands (\$'000) or millions (\$M)	<input checked="" type="checkbox"/>
If the council has an expiring or existing SV, it has incorporated this when filling out WS 2.	<input checked="" type="checkbox"/>
Annual and cumulative percentages are rounded to 1 decimal place.	<input checked="" type="checkbox"/>
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and <i>not</i> consolidated.	<input checked="" type="checkbox"/>
If the council proposes an SV with both permanent and temporary components, the council has discussed the relevant data and modelling requirements with IPART prior to submission.	<input checked="" type="checkbox"/>
Indication whether optional tables in WS 12 has been completed.	<input checked="" type="checkbox"/>

Table 13 SV Part B Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
All required text boxes and tables have been completed.	<input type="checkbox"/>
All applicable documents per the List of Attachments (Table 11) have been provided.	<input checked="" type="checkbox"/>
The council has declared all SVs (including ASVs) approved since 2011-12 and provided annual reports that show compliance with the instrument reporting conditions, or explaining divergences.	<input checked="" type="checkbox"/>
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	<input checked="" type="checkbox"/>
The proposed SV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	<input checked="" type="checkbox"/>
If applying for a multi-year SV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SV using compounding.	<input checked="" type="checkbox"/>
The council has referenced community consultation materials that <i>at minimum</i> show the cumulative percentage of the SV and average total dollar increase (cumulative) per rating category.	<input checked="" type="checkbox"/>
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	<input checked="" type="checkbox"/>
The council has submitted a Minimum Rates Part B Application Form, if required.	<input checked="" type="checkbox"/>
For OLG Criterion 5 (section O), the council has provided concrete evidence and plans for past and future cost-containment and productivity strategies, as far as practicable.	<input checked="" type="checkbox"/>

Important information

Submitting online

Applications must be submitted through IPART's [LG Portal](#) by 05:00pm on Monday, 2 February 2026. Councils should note a file size limit of 150MB applies to any individual document uploaded in the portal.

Confidential content

IPART will publish all applications (excluding confidential content) on our website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as **CONFIDENTIAL**.

Publishing the council's application

Councils should also publish their application on their own website for the community to access.