

Appendix B: Communications and marketing collateral (samples)

Council developed a number of communications and marketing collateral elements throughout the engagement, samples of which are found in the Figures below. The overall strategy focussed on raising awareness and pushing residents and business owners to Council's Have Your Say page for all the relevant information on the SRV options and the Minimum Rates proposal. A link to the SRV Have Your Say Page is here - <https://yoursay.northsydney.nsw.gov.au/srv>.

Additionally, Council exhibited its draft Information Strategies in line with the consultation on SRV and Minimum Rates proposal. The links to these Have Your Say pages are provided below:

- Culture and Creativity Strategy - <https://yoursay.northsydney.nsw.gov.au/culture-creativity>
- Economic Development Strategy - <https://yoursay.northsydney.nsw.gov.au/economic-development>
- Environment Strategy - <https://yoursay.northsydney.nsw.gov.au/environment-strategy>
- Governance Strategy - <https://yoursay.northsydney.nsw.gov.au/environment-strategy>
- Housing Strategy supplement - <https://yoursay.northsydney.nsw.gov.au/housing-strategy-supplement>
- Integrated Transport Strategy - <https://yoursay.northsydney.nsw.gov.au/integrated-transport>
- Open Space and Recreation Strategy - <https://yoursay.northsydney.nsw.gov.au/os-rec-needs>
- Social Inclusion Strategy - <https://yoursay.northsydney.nsw.gov.au/social-inclusion>

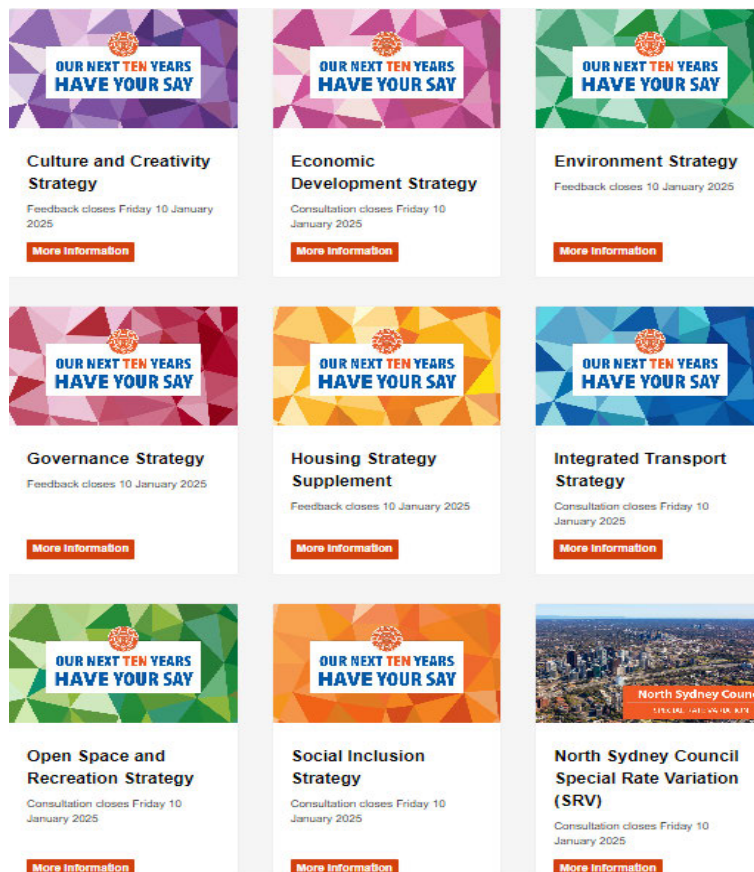


Figure 15 Sample of newspaper advertisement



HAVE YOUR SAY
on Council's proposed
SPECIAL RATE VARIATION

North Sydney Council is seeking community feedback on a proposed Special Rate Variation (SRV) as part of its strategy to secure long-term financial sustainability.

Please visit
yoursay.northsydney.nsw.gov.au
to have your say via our online survey and register to attend our community forums.



Telephone 02 9936 8100
If you require assistance.

Figure 16 e-Newsletter (sample)



Thank you once again for sharing your priorities and aspirations during North Sydney Council's **'Have your say on our next ten years'** engagement campaign earlier this year.

This was our most extensive community consultation to date and a once-in-a-generation opportunity to have your say on North Sydney's future. We were delighted to receive feedback from more than **1,000 people through our online surveys** and to connect with thousands more through in-person and online events.

Informing our future

Your feedback, combined with extensive research, has been instrumental in shaping eight bold, **forward-looking Informing Strategies** that will guide the services and infrastructure our community needs for the future.

Once finalised, these Informing Strategies will shape Council's **Community Strategic Plan for 2025-2035**, which will focus on enhancing quality of life, strengthening community, and delivering responsive services and infrastructure that meet the evolving needs of our population.

Council is now **actively seeking your feedback** on these draft strategies.

Please visit the links below to find out more and have your say:

[Culture and Creativity Strategy.](#)

[Economic Development Strategy.](#)

[Environment Strategy.](#)

[Governance Strategy.](#)

[Housing Strategy Supplement](#)

[Integrated Transport Strategy.](#)

[Open Space and Recreation Strategy.](#)

[Social Inclusion Strategy.](#)

Financial sustainability

Central to the realisation of these strategies is ensuring **long-term financial sustainability**. As you may be aware, Council is facing significant financial challenges.

Despite efforts to improve financial management through organisational restructuring and other improvement initiatives, the increased costs of the North Sydney Olympic Pool redevelopment, reductions in other sources of revenue, and rising infrastructure backlogs require

immediate action to ensure long-term financial sustainability.

To address these challenges and ensure a sustainable future, Council is proposing a [Special Rate Variation](#) as part of its updated Long-Term Financial Plan. This proposal outlines **four options**, which present different levels of financial strength and sustainability for North Sydney.

Some of these options will support the **delivery of the community infrastructure and service priorities developed in response to your feedback** and outlined in the Informing Strategies.

Please read our [Special Rate Variation fact sheet](#) to learn more.

Have your say

Council is committed to engaging with the community and is **actively seeking feedback** on the Informing Strategies and Special Rate Variation proposal, as well as our updated Long-Term Financial Plan, Delivery Program and Asset Management Strategy.

Your feedback is crucial in helping to ensure Council's decisions align with our community needs and priorities.

Please visit yoursay.northsydney.nsw.gov.au to learn more and have your say before **Friday 10 January 2025**.

Thank you again for your continued engagement and for helping to shape the future of our community.

North Sydney Council

Figure 17 Sample of signage



The signage features an aerial photograph of the North Sydney cityscape. In the top left corner, there is a circular orange logo with the text 'NORTH SYDNEY COUNCIL' and a central emblem. Overlaid on the bottom half of the image are two orange horizontal bars. The top bar contains the text 'HAVE YOUR SAY' in large white capital letters, followed by 'on Council's proposed' in smaller white lowercase letters. The bottom bar contains the text 'SPECIAL RATE VARIATION' in white capital letters. Below the image, the text reads: 'North Sydney Council is seeking community feedback on a proposed Special Rate Variation (SRV) as part of its strategy to secure long-term financial sustainability.' This is followed by 'Please visit' and the website 'yoursay.northsydney.nsw.gov.au' in bold. Below this, it says 'to have your say via our online survey and register to attend our community forums.' The consultation dates and times are listed: 'Wednesday 4 December' and 'Hutley Hall – 6pm to 8pm', followed by 'Monday 16 December' and 'Online – 6pm to 8pm'. A QR code is positioned below the dates. At the bottom, it provides the contact information: 'Telephone 02 9936 8100 if you require assistance.'

HAVE YOUR SAY
on Council's proposed
SPECIAL RATE VARIATION

North Sydney Council is seeking community feedback on a proposed Special Rate Variation (SRV) as part of its strategy to secure long-term financial sustainability.

Please visit
yoursay.northsydney.nsw.gov.au
to have your say via our online survey and register to attend our community forums.

Wednesday 4 December
Hutley Hall – 6pm to 8pm

Monday 16 December
Online – 6pm to 8pm



Telephone 02 9936 8100 if you require assistance.



Appendix C: Fact Sheet



North Sydney Council

SPECIAL RATE VARIATION

Overview

North Sydney Council is facing significant financial challenges and is currently in an unsustainable financial position. Despite efforts to improve financial management through organisational restructuring and other improvement initiatives, the increased costs of the North Sydney Olympic Pool redevelopment, reductions in other sources of revenue, and rising infrastructure backlogs require immediate response to ensure long-term financial sustainability.

These challenges are compounded by increased service delivery costs, ageing infrastructure, and the needs of a growing population. Without intervention, the funding gap will continue to widen, impacting Council's ability to maintain services and invest in essential infrastructure.

To address these issues, Council has developed a draft Long-Term Financial Plan (LTFP), which includes a proposed Special Rate Variation (SRV). The SRV will strengthen Council's financial position, reducing deficits, and providing the necessary resources to deliver services and infrastructure for the community, ensuring a positive legacy for future generations.

Council has also considered the feedback provided by the community during the 'Have your say on North Sydney's next ten years' consultation in May and June 2024 which, combined with key research, has shaped eight draft Informing Strategies. These strategies will guide the new Community Strategic Plan, focusing on enhancing quality of life, strengthening community, and delivering responsive services and infrastructure that meet the evolving needs of our population. Central to the realisation of these strategies is Council's long-term financial sustainability.

What is a Special Rate Variation (SRV)?

A Special Rate Variation (SRV) refers to an increase in total general rates that is greater than the published rate peg. Each year, the Independent Pricing and Regulatory Tribunal (IPART) sets a rate peg for each council, which is based on the expected cost increases that councils will incur. When councils need to increase total rates by more than the rate peg, they must apply to IPART for an SRV.

For an SRV to be approved, councils must demonstrate that they have met the criteria set out by the Office of Local Government, including demonstrating that there is a need for the SRV, ensuring that the community is aware of the proposed SRV, understanding the community's capacity to pay for the increase and making sure that the Council's planning and reporting documents (particularly its Long-Term Financial Plan) reflect the need and scope for the proposed SRV.

For North Sydney Council, the proposed SRV is critical to:

- strengthening and stabilising finances and reducing the structural deficit
- the delivery of current service levels
- addressing a growing backlog in infrastructure maintenance and renewal
- reducing internal and external debt associated with the North Sydney Olympic Pool redevelopment
- securing financial sustainability to meet the needs of a growing and changing population



Message from Mayor Zoë Baker

Dear North Sydney Community,

At the recent local government elections, I ran on a platform that included strengthening Council's financial position and continuing to increase transparency, accountability and strong governance in all of Council's operations. Those promises were not lightly made. The commitment was made in the context that Council's finances were unsustainable without urgent action and given with the full understanding that Council is facing significant challenges.

Addressing these financial challenges will require difficult decisions to be made in order to repair the impacts of more than a decade of chaos and neglect by former councils. We cannot 'kick the can down the road' for another future council to clean up.

The redevelopment of the North Sydney Olympic Pool has increased debt and reduced reserves, limiting Council's ability to invest in essential infrastructure. The legacy of poor decisions made about the North Sydney Olympic Pool redevelopment has created financial pressures that we cannot ignore.

Whilst upgrade and stabilisation works were necessary, an independent review found that early planning and oversight were deficient, undertaken without any real community consultation and compounded by a flawed decision to enter into a construction-only contract before final construction drawings were provided. The original budget was never sufficient in the first place, considering the risks that had been accepted by the former Council. This directly led to significant additional costs that now impact all of us.

At the same time, revenue has declined, while rising costs and growing demand for services have added further strain. Many Council assets require urgent upgrades after more than a decade of underfunding. Despite savings made from recent efficiency measures, many of Council's systems are shockingly outdated, which continues to hinder progress.

These pressures have placed Council in an unsustainable financial position, threatening Council's ability to maintain the essential services and infrastructure our community depends on.

The North Sydney community highly values the services and infrastructure the Council provides. Without decisive action, we risk not being able to maintain these at the levels our community expects.

Council, therefore, proposes a Special Rate Variation as part of its Draft Long-Term Financial Plan.

The proposed Special Rate Variation aims to stabilise finances, reduce deficit and debt as well as provide resources to meet the needs of our growing community. This proposal is also informed by extensive community consultation and feedback, undertaken in mid-2024, which emphasised the importance of long-term sustainability and responsive service delivery.

Since I became Mayor, I have very publicly stated that we, as a community, would have to have an open, honest and difficult conversation about how to repair and protect Council's financial health, vital community services and assets. This newly elected Council is determined to tackle head on the significant financial challenges and work to ensure Council, and the vital community services it provides, are in better shape than we have inherited.

I understand that this is incredibly frustrating – especially at a time when everyone is under pressure from the rising

cost of living – and many people will feel angry about having to address these issues at all. It's especially challenging knowing that this outcome could have been avoided with better governance and decision-making in the past. I share that frustration and anger. There is absolutely no satisfaction in 'I told you so', having been one of only three councillors to sound the alarm against the financial impacts of decisions of the former Council, including voting more than 23 times against the redevelopment of the North Sydney Olympic Pool.

However, this Council has an obligation and commitment to transparency and accountability as we work to restore financial security and long-term sustainability.

One of the most responsible and prudent steps is to explore a Special Rate Variation.

This Council is committed to ensuring the community has a voice and we need your input throughout this process. Together, we can decide on the best path forward. No decision will be made without being informed by your views in this community consultation. It is not 'window dressing' – it is real and meaningful consultation.

Please visit

yoursay.northsydney.nsw.gov.au

to share your feedback and register to attend our community forums.

Finally, this Council is committed to responsible financial stewardship. We owe it to you and to future generations to tackle these challenges now.

Yours faithfully,



Zoë Baker

Why does North Sydney need to consider an SRV?

Several factors have contributed to Council's current financial challenges:

North Sydney Olympic Pool redevelopment: This major project has significantly impacted the Council's financial position. External debt has increased, and internal reserves have been drained, further reducing Council's asset renewal capacity. In addition, ongoing costs associated with interest repayments and future renewal costs will add to operating deficits.

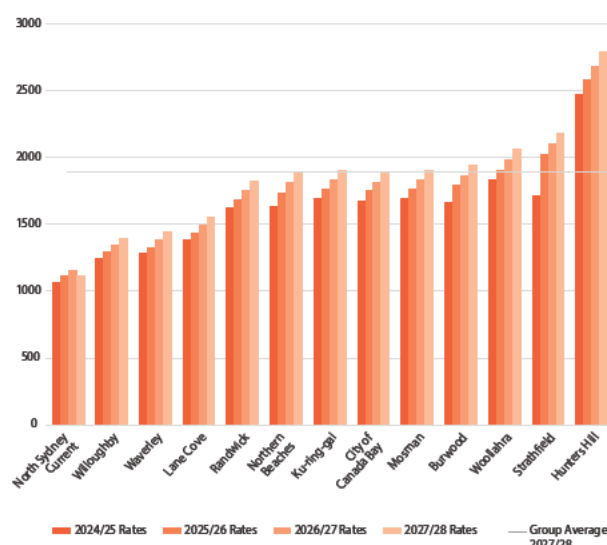
Declining revenue from other sources: Traditionally, around 45% of total operating revenue has been generated through user charges, fees, and other non-rate income. This includes on-street parking fees, fines, advertising revenue, and commercial rental income. While this strategy has lessened the financial burden on residents and businesses, it has also exposed the Council to financial shock and fluctuations in income. Since the 2020 COVID-19 pandemic, adjusting for inflation, income from user charges, fees, and other revenue streams, it is estimated that revenue for the current fiscal year is down by \$9.9 million. The cumulative effect of declining revenue has also impacted reserve levels and capacity for infrastructure renewal.

Asset maintenance and renewal: Current estimates of infrastructure backlog indicate a history of underinvestment in asset renewal, which has compounded over time and further exacerbated funding challenges. In particular, 62% of Council building assets have been assessed at a rating of less than 'good', which limits their ability to best service the community. Addressing this backlog will require targeted, sustained investment to bring infrastructure management up to a level that meets both current and future community expectations.

Cost increases: Costs have increased faster than revenue in recent years. While IPART has addressed some of these issues through rating reforms implemented in July 2024, historical gaps remain, exacerbating the financial strain. Like many councils, we have had to cut back on asset expenditure, leading to a growing backlog of capital works.

Outdated information systems and technology: Over the past two years, Council has actively reviewed its operations to identify opportunities for improvement. While progress has been made, Council's ability to generate efficiencies is constrained by its outdated suite of information systems and technology. These systems are not integrated, require excessive manual intervention, and lack the sophistication needed to support timely decision-making. The inefficiencies caused by these systems are a major source of frustration for the workforce and, indirectly, for residents and customers, negatively impacting the overall customer experience.

Historically low rates income: Historically, residential rates have remained low due to availability of other sources of income. This is no longer sustainable. The following chart shows a comparison of current and forecast residential rates with other councils in the region and across Sydney. This does not factor in SRVs currently being proposed in these council areas.



Outside of an SRV, what is Council doing to improve its performance?

Council has initiated a comprehensive program of review and improvement to ensure the effective use of public funds. In 2023, a major realignment of the organisational structure was implemented, establishing a clear leadership and service unit framework designed to enhance role clarity, accountability and communication, while reducing duplication and improving collaboration across the organisation. Additionally, over \$6.4 million in employee benefits and oncosts were reallocated to streamline leadership structures and address critical resource needs in areas such as risk management, commercial property management, parks and gardens maintenance, organisational improvement, technology, and strategic planning.

Ongoing and future review and improvement programs include the introduction of:

- **A process mapping initiative**, initially targeting 250 high-priority processes, with plans to expand to 1,000 over time. This effort aims to identify opportunities for greater operational efficiency.

- **A new service level review framework** to ensure that Council's services are aligned with the evolving needs and expectations of the community.
- **Service unit planning** to identify workforce development priorities, opportunities for process improvement, and areas for financial review.
- **A development and performance framework** to support the creation of a high-performing workforce.
- **A new workforce strategy** aimed at positioning Council as a competitive employer in a challenging environment marked by skills shortages.

Despite these significant commitments to improve organisational efficiency, Council's ability to generate efficiencies is constrained by its information systems and technology.

What options is North Sydney considering?

Council is consulting on four SRV options, which present different levels of financial strength and sustainability for North Sydney. Options one, two and three are different in size and reflect a different level of benefit. Options 2a and 2b provide the same benefits but have different implementation paths.



Option 1: Financial repair

focuses on financial repair, improvement to governance and administration, the delivery of critical infrastructure backlog projects and managing debt repayments.



Options 2a & 2b: Strength and sustainability

includes everything in Option 1 as well as delivery of community infrastructure and service priorities developed in response to widespread consultation in May and June 2024.



Option 3: Future growth

delivers everything in Options 2a and 2b, as well as additional funding to bring building infrastructure to a 'good' condition, over a ten-year period commencing in year 4.

Rate path proposals:

All options include the rate peg	2025-26	2026-27	2027-28	Cumulative ¹
Option 1: Financial repair (3 year SRV)	50%	5%	5%	65.38%
Option 2a: Strength and sustainability (2 year SRV)	50%	25%	Rate peg	87.50%
Option 2b: Strength and sustainability (1 year SRV)	75%	Rate peg	Rate peg	75%
Option 3: Future growth (3 year SRV)	60%	20%	10%	111.20%
Rate peg (base case)	4%	3%	3%	

¹ The Office of Local Government SRV Guidelines require Council to communicate the cumulative impact of the proposed rate increase over the years of implementation. Option 2a is proposed to be implemented over two years and 2b is proposed over one year, therefore their cumulative rates in the table are compounded over two years and one year, respectively. However, this doesn't allow for an accurate comparison with options 1 and 3, which span three years, as the rate peg increases will then apply to options 2a and 2b after the SRV is implemented. If the assumed 3% rate peg is applied for years two and three, the comparison rate for option 2a is 93.31% and for option 2b is 85.66%.

What does each SRV option provide?

	Option 1	Option 2 (a and b)	Option 3
Deliver current services and address operating deficits	●	●	●
Deliver required systems replacement in Governance Strategy	●	●	●
Maintain infrastructure renewals (80% renewal rate in first two years and 100% thereafter)	●	●	●
Repay 70% of borrowings	●	●	●
Reduce infrastructure backlog ²	●	●	●
Deliver expanded services and new and upgraded infrastructure identified in the Informing Strategies ³	●	●	●
Improve building assets to a 'good' condition, with \$15.5M per year from Year 4 to address backlogs	●	●	●

² Critical infrastructure addressed in first two years, \$15M per year (indexed) from 2027-28 to bring assets to a satisfactory condition

³ In May and June 2024, the Council launched an extensive community engagement initiative, 'North Sydney's Next Ten Years'. This initiative included discussion papers, expert panels, workshops, and information sessions. Over 1,000 surveys were completed, alongside significant feedback from in-person engagements. In parallel, independent consultants conducted research into key areas including open space and recreation, culture and creativity, social inclusion, integrated transport, and economic development. This research provided valuable insights that helped shape the priorities for North Sydney's future. The ten-year draft Informing Strategies are currently on exhibition until Friday 10 January and we welcome community feedback at yoursay.northsydney.nsw.gov.au

Projects identified within these strategies include, but are not limited to, the delivery of a community facility at Berrys Bay, upgrades to North Sydney Indoor Sports Centre, improved drainage infrastructure for sports fields, major upgrades to North Sydney Oval, upgraded amenities at Tunks Park, footpath improvements, cycling infrastructure, upgrade and expansion of Stanton Library, Cremorne Plaza and Langley Place upgrade, and other public domain upgrades in town centres.

What is a minimum rate?

A minimum rate is the minimum amount of a rate that can be levied on each parcel of land. Individual rates are calculated on the unimproved land value of a property. This can mean that the rates paid by individual houses on a block of land can be significantly more than for units on land of a similar value. Unit holders receive the same level of services from councils and often have comparable ability to pay rates as those in houses. For councils like North Sydney, minimum rates help ensure a degree of equity between the rates paid by ratepayers in units and houses.

What are the proposed changes to minimum rates?

North Sydney has one of the lowest minimum rates in metropolitan Sydney. Over 77% of residents currently pay the minimum rate and this does not support the level and variety of Council services currently offered to each household. To improve equity and ensure revenue keeps pace with growing unit developments, Council proposes increasing minimum rates in 2025-26 to:

- \$1,300 for residential properties
- \$1,400 for businesses

After 2024-25, minimum rates will increase by the approved rate path, which may either be one of the proposed SRV options or the rate peg.

Minimum rates:

All options include the rate peg	Current 2024-25	2025-26	2026-27	2027-28
Residential Rates				
Option 1: Financial repair (3 year SRV)	\$715	\$1,300	\$1,365	\$1,433
Option 2a: Strength and sustainability (2 year SRV)		\$1,300	\$1,625	\$1,674
Option 2b: Strength and sustainability (1 year SRV)		\$1,300	\$1,339	\$1,379
Option 3: Future growth (3 year SRV)		\$1,300	\$1,560	\$1,716
Rate peg (base case)		\$744	\$766	\$789
Business Rates				
Option 1: Financial repair (3 year SRV)	\$715	\$1,400	\$1,470	\$1,544
Option 2a: Strength and sustainability (2 year SRV)		\$1,400	\$1,750	\$1,803
Option 2b: Strength and sustainability (1 year SRV)		\$1,400	\$1,442	\$1,485
Option 3: Future growth (3 year SRV)		\$1,400	\$1,680	\$1,848
Rate peg (base case)		\$744	\$766	\$789

For comparison purposes, it is important to note that in addition to the minimum rate, residential ratepayers pay an average of \$129.34 in infrastructure, environmental and main street levies – calculated as a base amount plus an ad valorem component based on their land value. These special levies will not be charged in addition to the minimum rate under the new SRV proposal. Instead it is proposed that this special levy income, which is currently levied as a separate charge, be rolled into the ordinary rate revenue. If your property is subject to a minimum, this means that these levies will not be an additional charge in future.

What do the proposed SRV options mean for rates?

The rates you pay depend on the unimproved land value of your property. The average rates that would result from each of the SRV options are outlined below.

Council has also recently reviewed its rating structure and proposes the removal of the infrastructure, environmental and main street levies mentioned above, which are currently paid separately to rates. The income from these levies would be incorporated into the ordinary rate charged. This would mean that total permissible rates income is raised entirely through ordinary rates, making the Council's rating structure simpler and more equitable. Residents are paying approximately 90% of all the levies, whereas they pay 60% of total ordinary rates and receive approximately 60% of the benefits from Council services. These changes mean that residents would pay 60% of the total permissible income and businesses pay 40%. The averages below show this change, with the levies that are included in the average for 2024-25 and rolled into ordinary rates from 2025-26 onwards.

Proposed rates:

All options include the rate peg	Current 2024-25	2025-26	2026-27	2027-28
Residential Rates				
Option 1: Financial repair (3 year SRV)	\$1,040 ⁴	\$1,511	\$1,586	\$1,665
Option 2a: Strength and sustainability (2 year SRV)		\$1,511	\$1,888	\$1,945
Option 2b: Strength and sustainability (1 year SRV)		\$1,762	\$1,815	\$1,870
Option 3: Future growth (3 year SRV)		\$1,611	\$1,933	\$2,127
Rate peg (base case)		\$1,048 ⁵	\$1,080	\$1,112
Business Rates				
Option 1: Financial repair (3 year SRV)	\$6,724 ⁶	\$10,601	\$11,131	\$11,687
Option 2a: Strength and sustainability (2 year SRV)		\$10,601	\$13,251	\$13,648
Option 2b: Strength and sustainability (1 year SRV)		\$12,267	\$12,739	\$13,121
Option 3: Future growth (3 year SRV)		\$11,307	\$13,569	\$14,926
Rate peg (base case)		\$7,396	\$7,618	\$7,847

How can I find out more and have my say?

Council is committed to engaging with the community and is actively seeking feedback on the SRV proposal, updated Long-Term Financial Plan, Delivery Program, Asset Management Strategy and Informing Strategies. Community consultation is open from Wednesday 27 November 2024 to Friday 10 January 2025. Please visit yoursay.northsydney.nsw.gov.au to learn more and have your say.

Next steps

Once the community consultation period concludes, Council will review the feedback received. A report will then go to Council for their consideration of the feedback. Council will decide whether to proceed with the SRV application. If Council decides to proceed, the application will be submitted to IPART in early 2025. IPART will conduct its own consultation, with public submissions likely to be sought, before they make their determination in May 2025. If the SRV application is successful, Council will then need to resolve to include the SRV in its rates from 1 July 2025. The new Community Strategic Plan, Delivery Program, Resourcing Strategy and Operational Plan will also come into effect from 1 July 2025.

4 Average Residential Rate for 2024-25 includes infrastructure and environmental levies. Current average residential ordinary rates (excluding levies) are \$915.

5 The Average Residential Rate for 2025-26 reflects Council's intention to remove the levies and raise total permissible rates entirely through ordinary rates. This will redistribute the revenue collected by total levies (approximately 90% of levies are currently paid by residential ratepayers) across the ordinary rate category split of 60%/40% Residential/Business respectively.

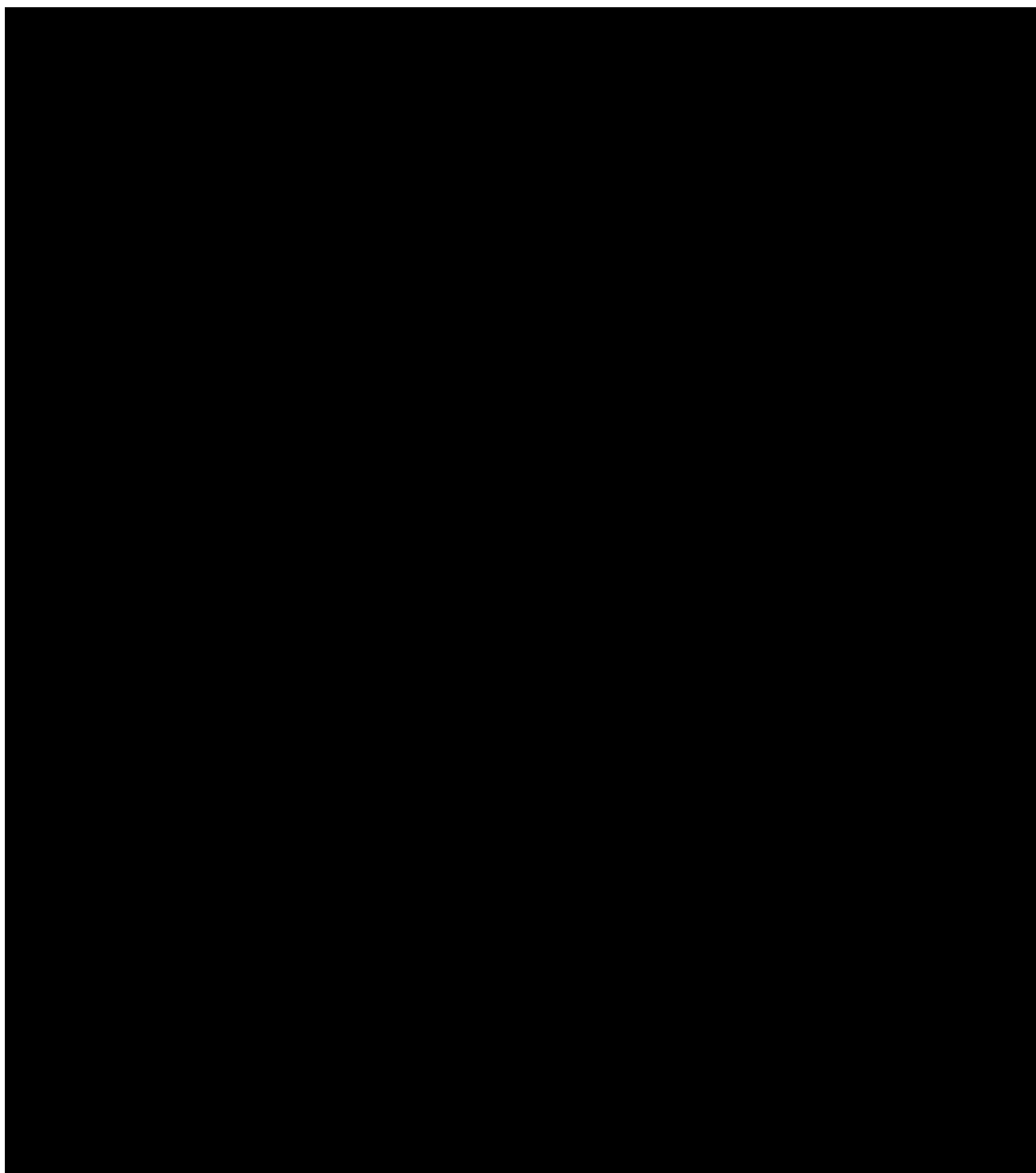
6 Average Business Rate for 2024-25 includes the infrastructure, environmental and main street levies. Current average business ordinary rates (excluding levies) are \$6,455.

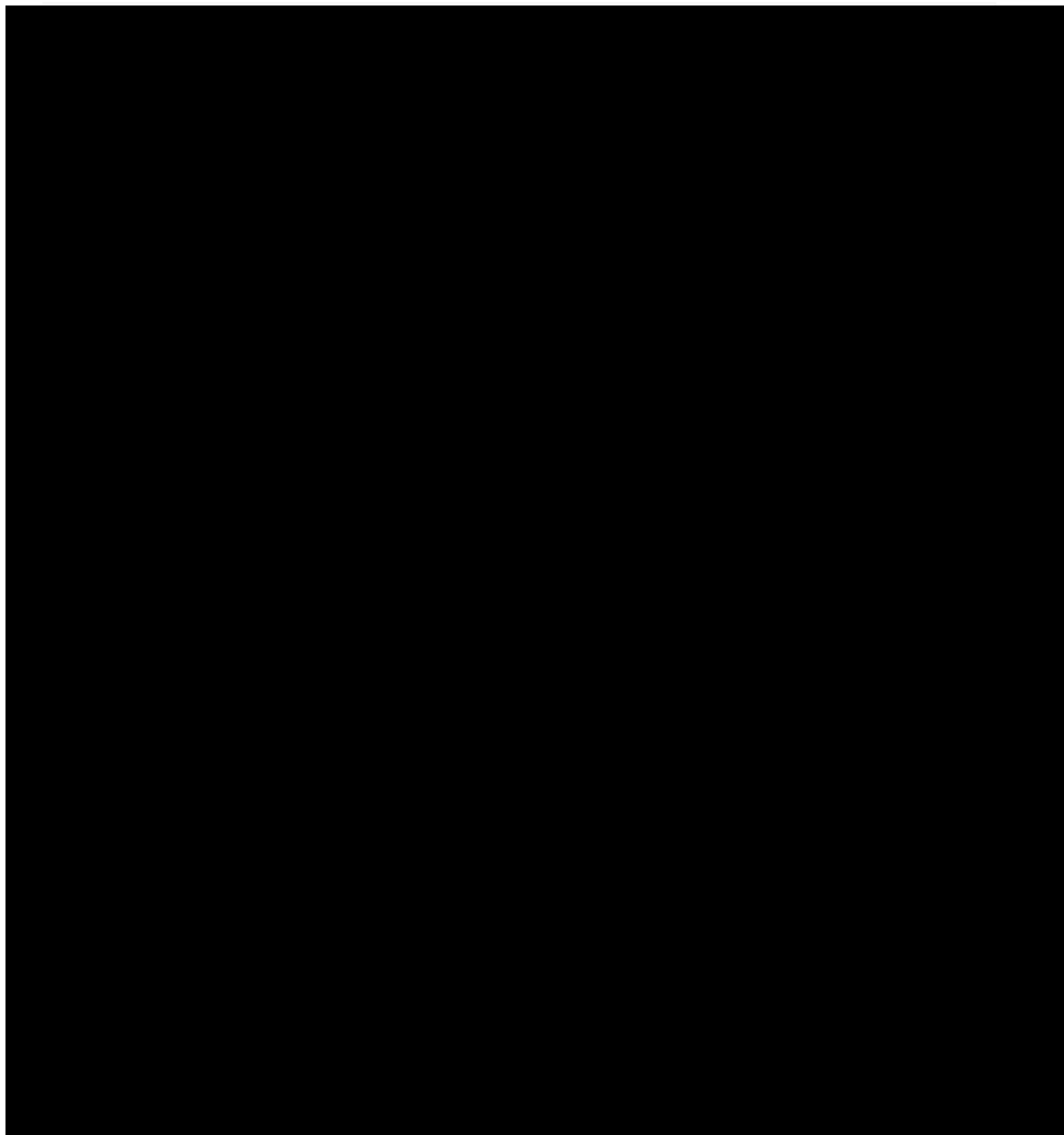
Appendix D: Media coverage (samples)

Coverage of the Council's proposed SRV and Minimum Rate increase was picked up by national, metro-Sydney and local publications. Below are some examples of news articles and links to others.

Figure 18 Excerpts from ABC News article by Tony Ibrahim from 18 November 2024

Excerpt from ABC News redacted for copyright purposes





Excerpt from Sydney Morning Herald redacted for copyright purposes

Figure 19 Excerpts from Sydney Morning Herald article by Megan Gorrey from 23 November 2024

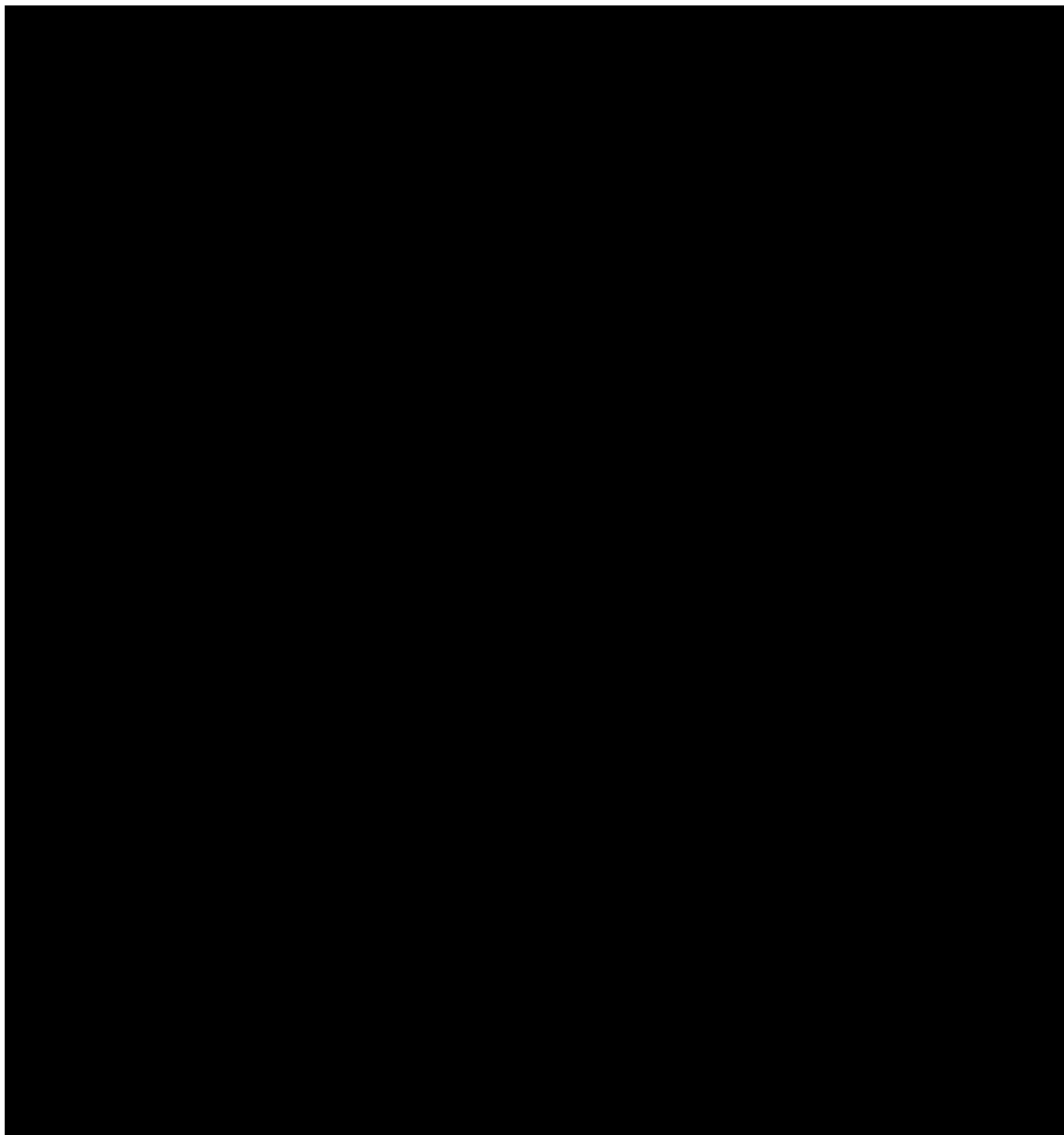
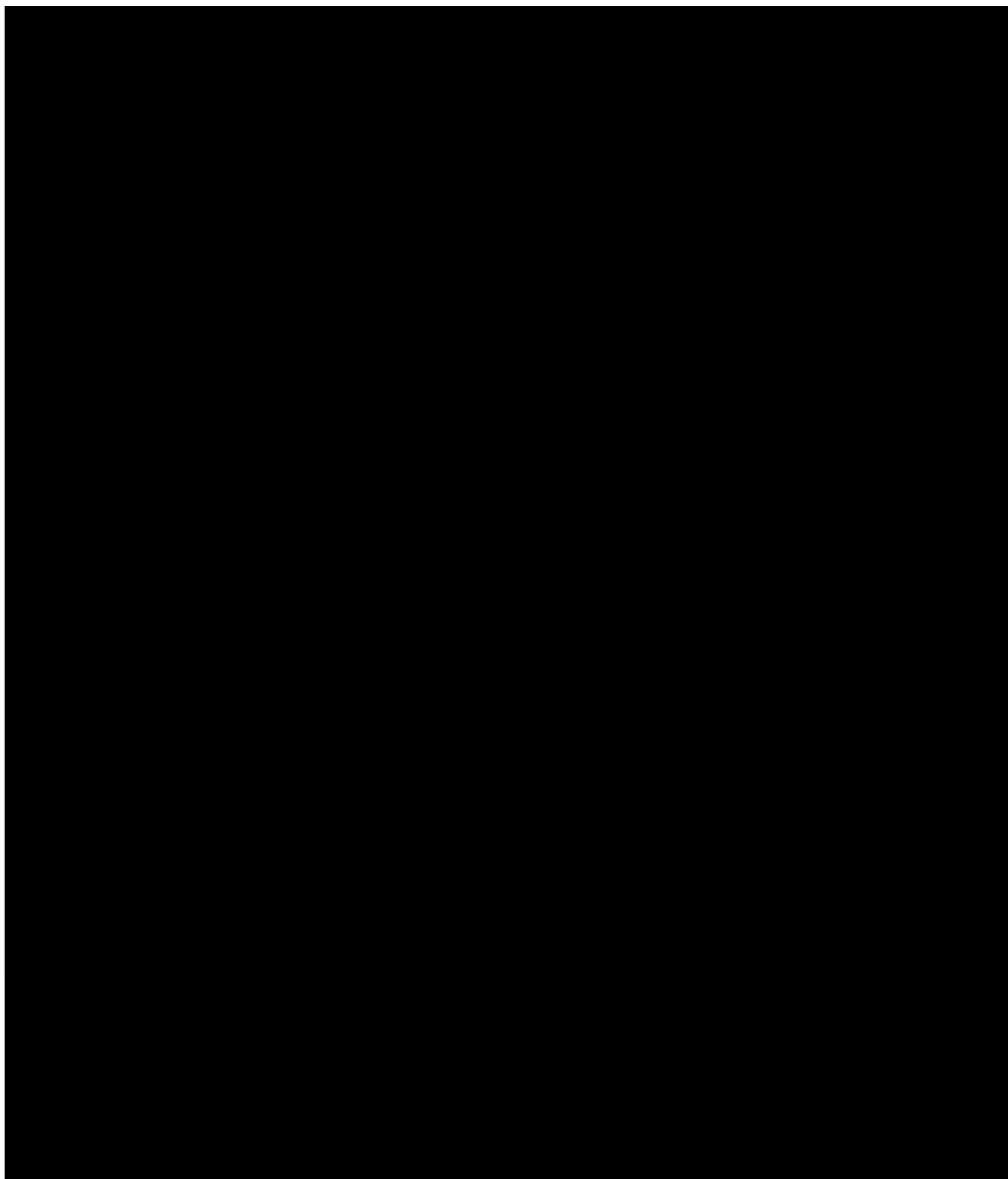
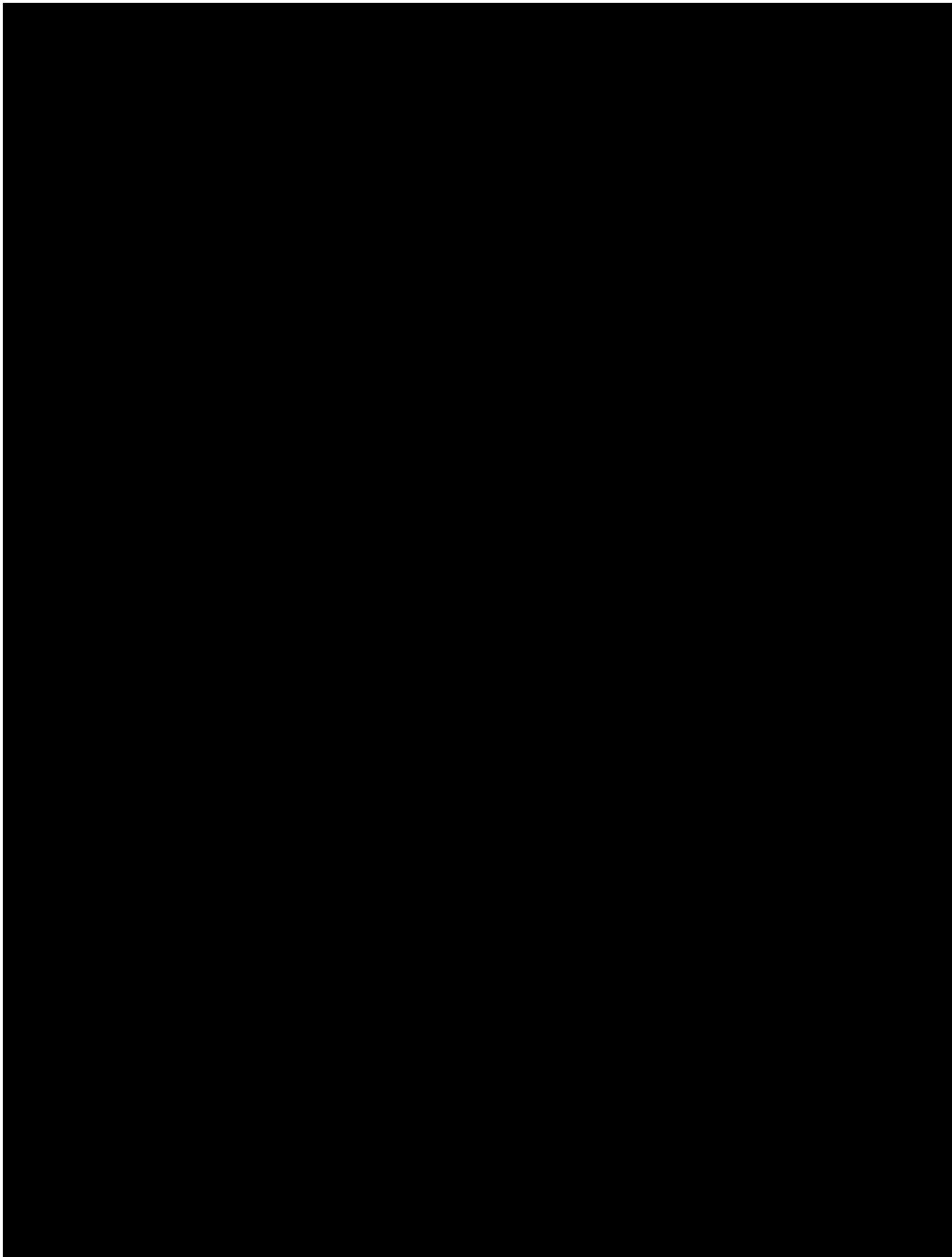
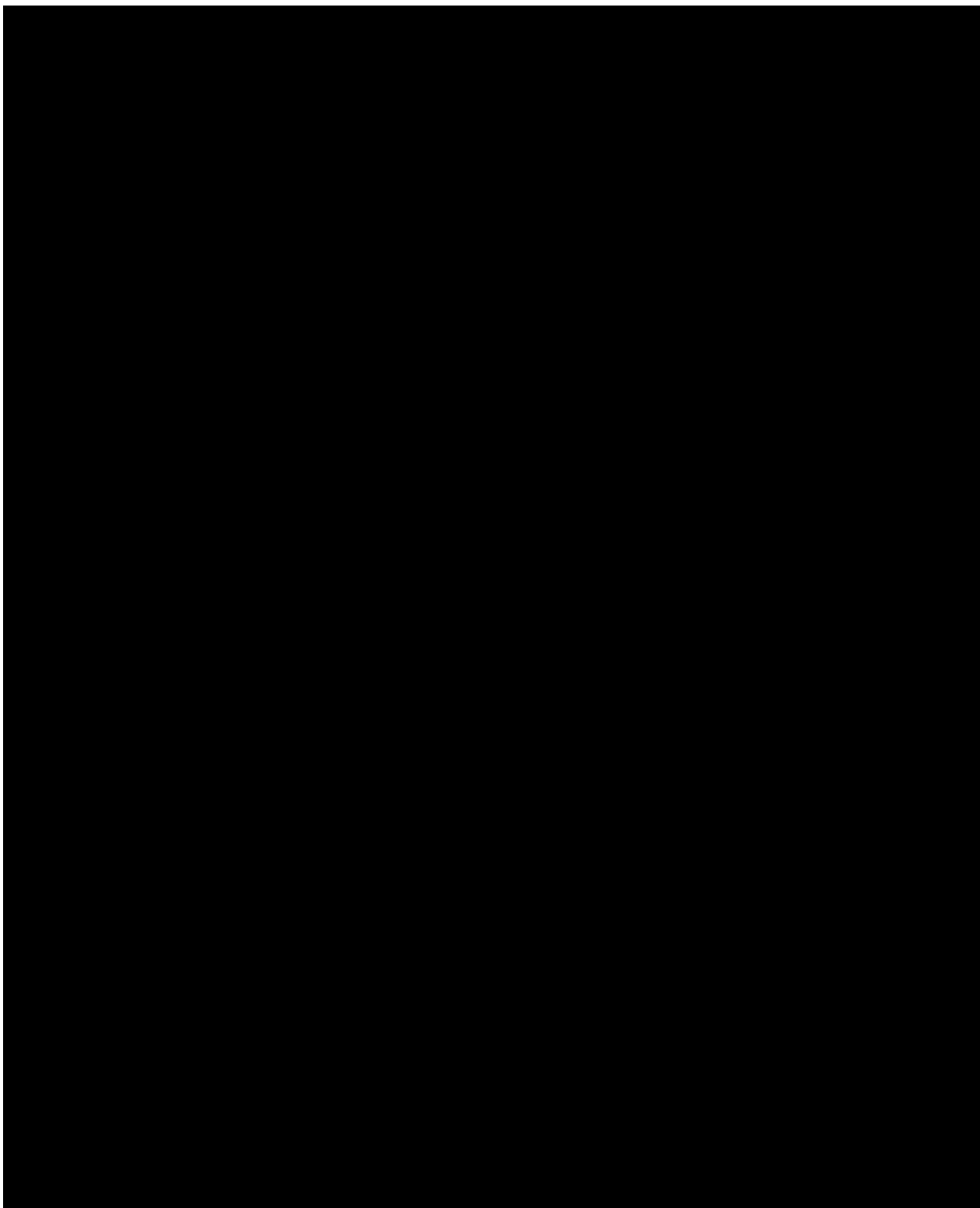


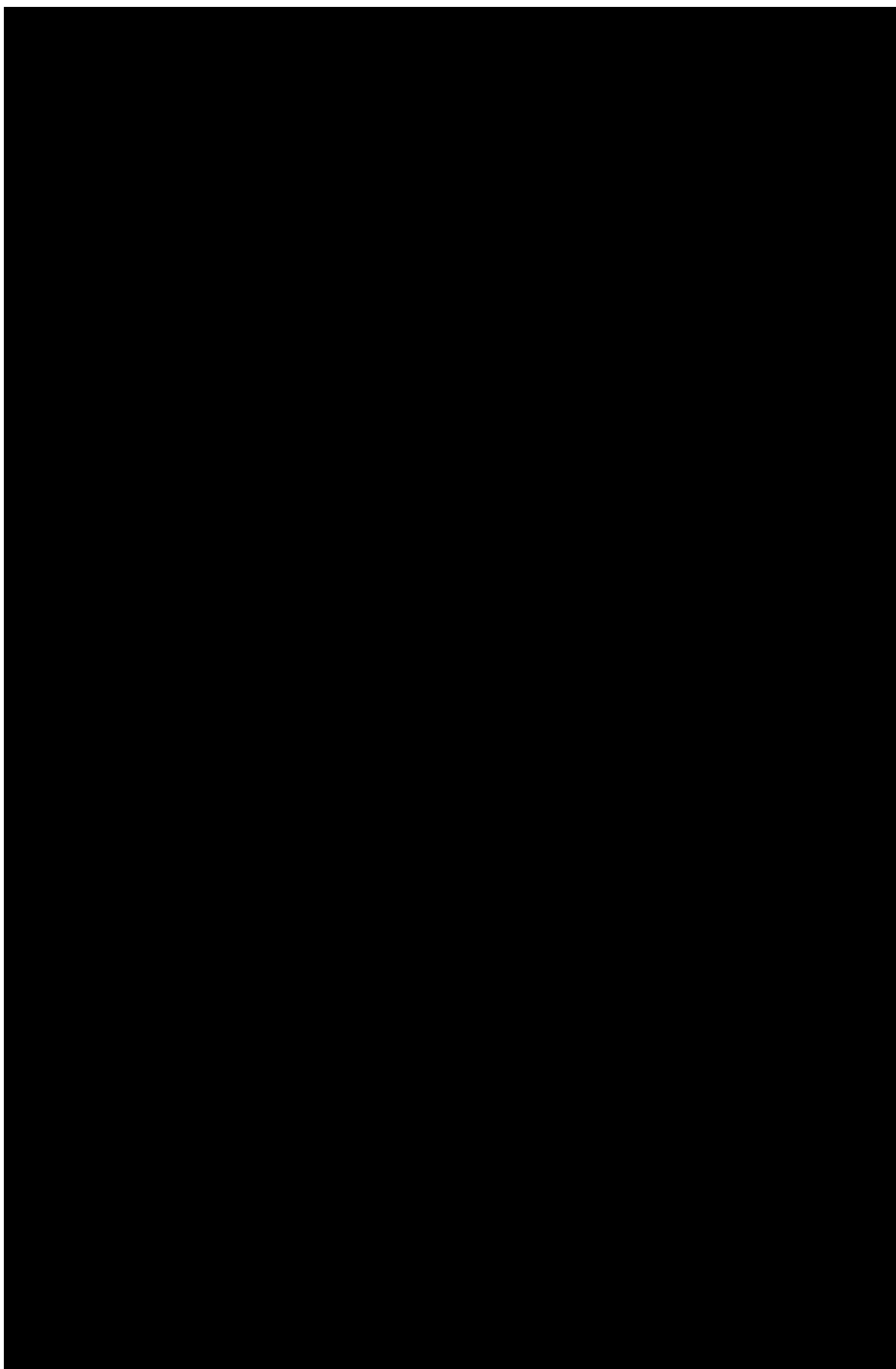
Figure 20 Excerpts from Northern Sun article from 26 November 2024

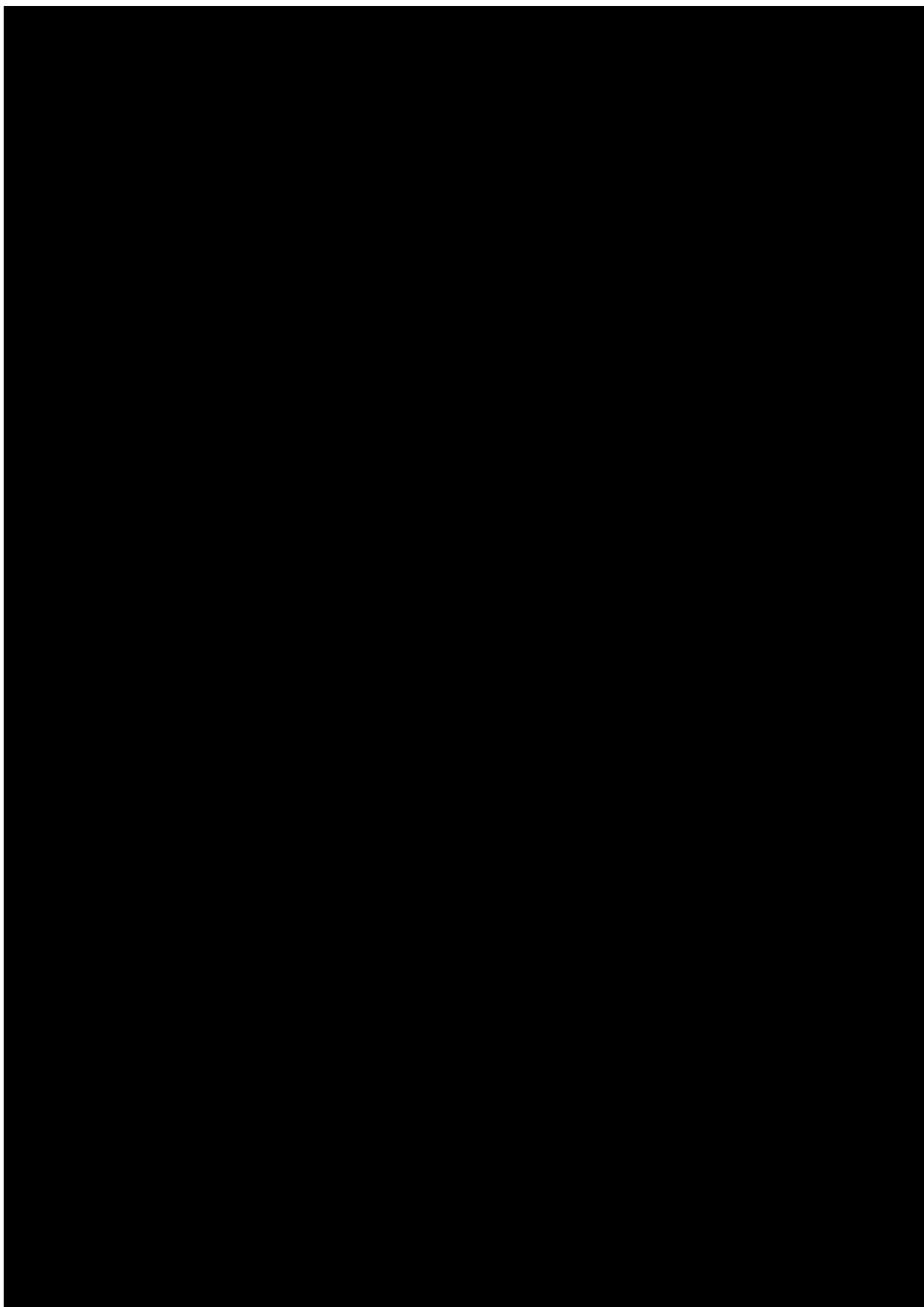
Excerpt from Northern Sun redacted for copyright purposes

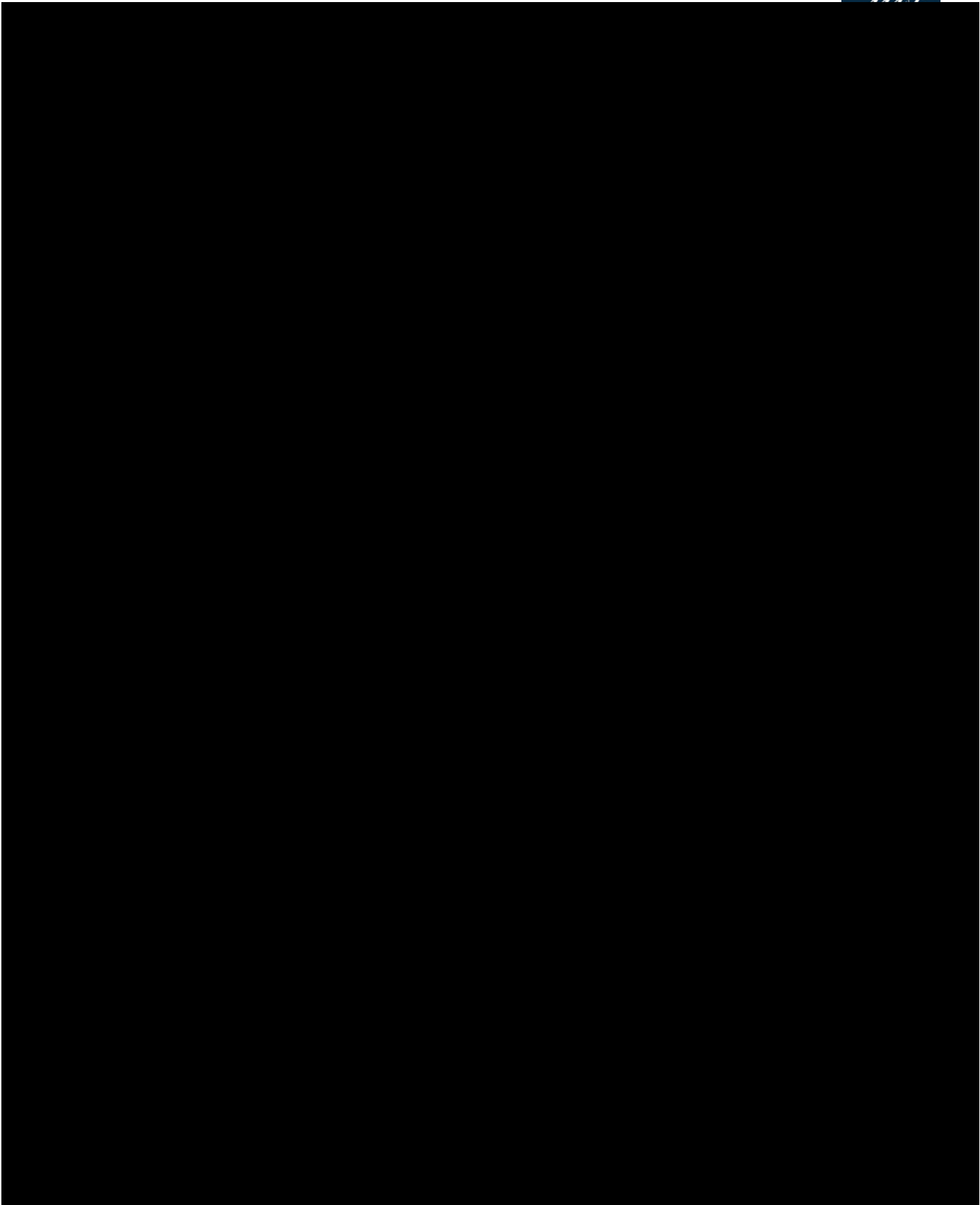












Appendix E: Social media posts (samples)

Figure 22 Social Media Post from 27 November 2024



Figure 23 Social Media Post from 2 December 2024

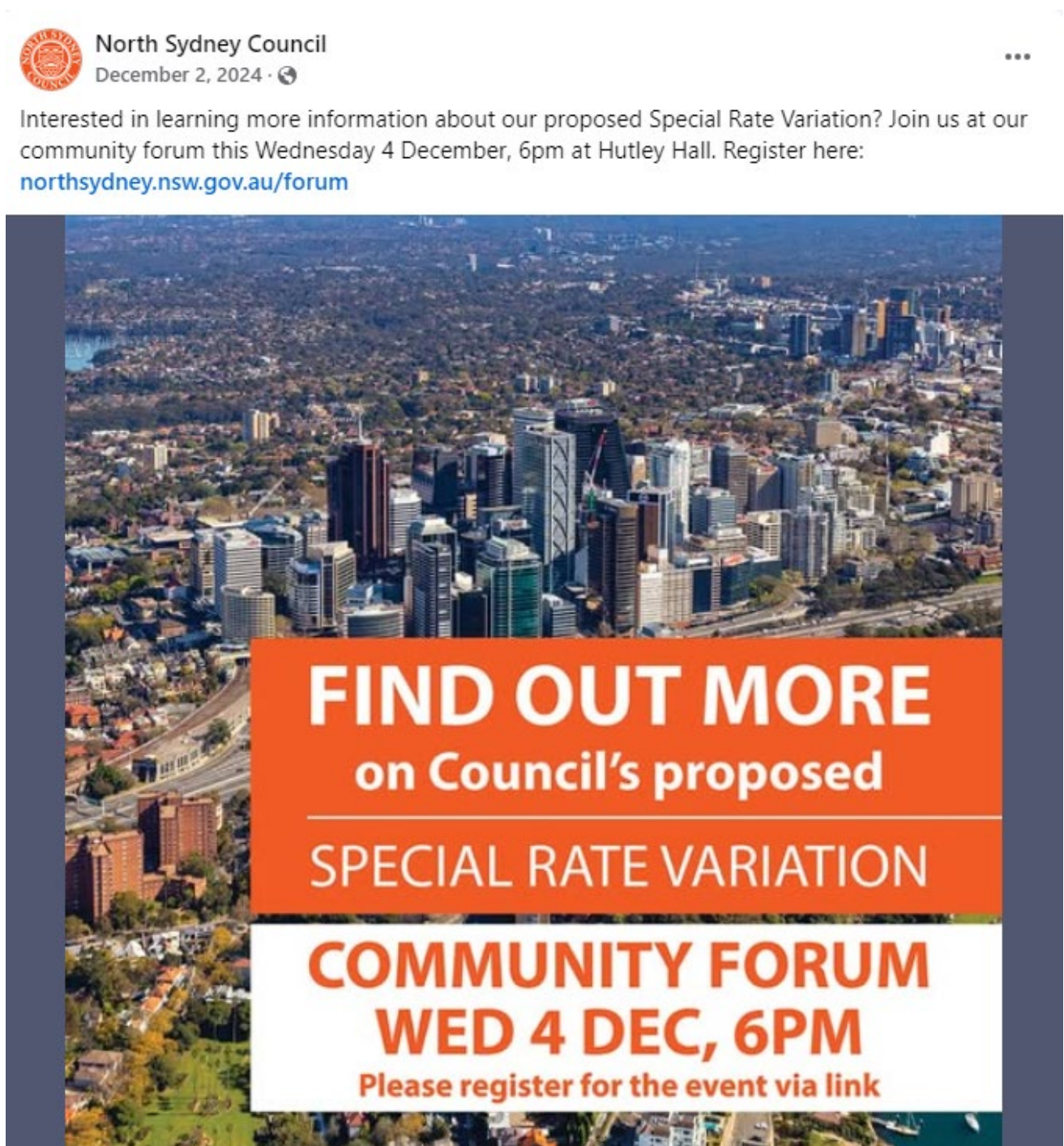
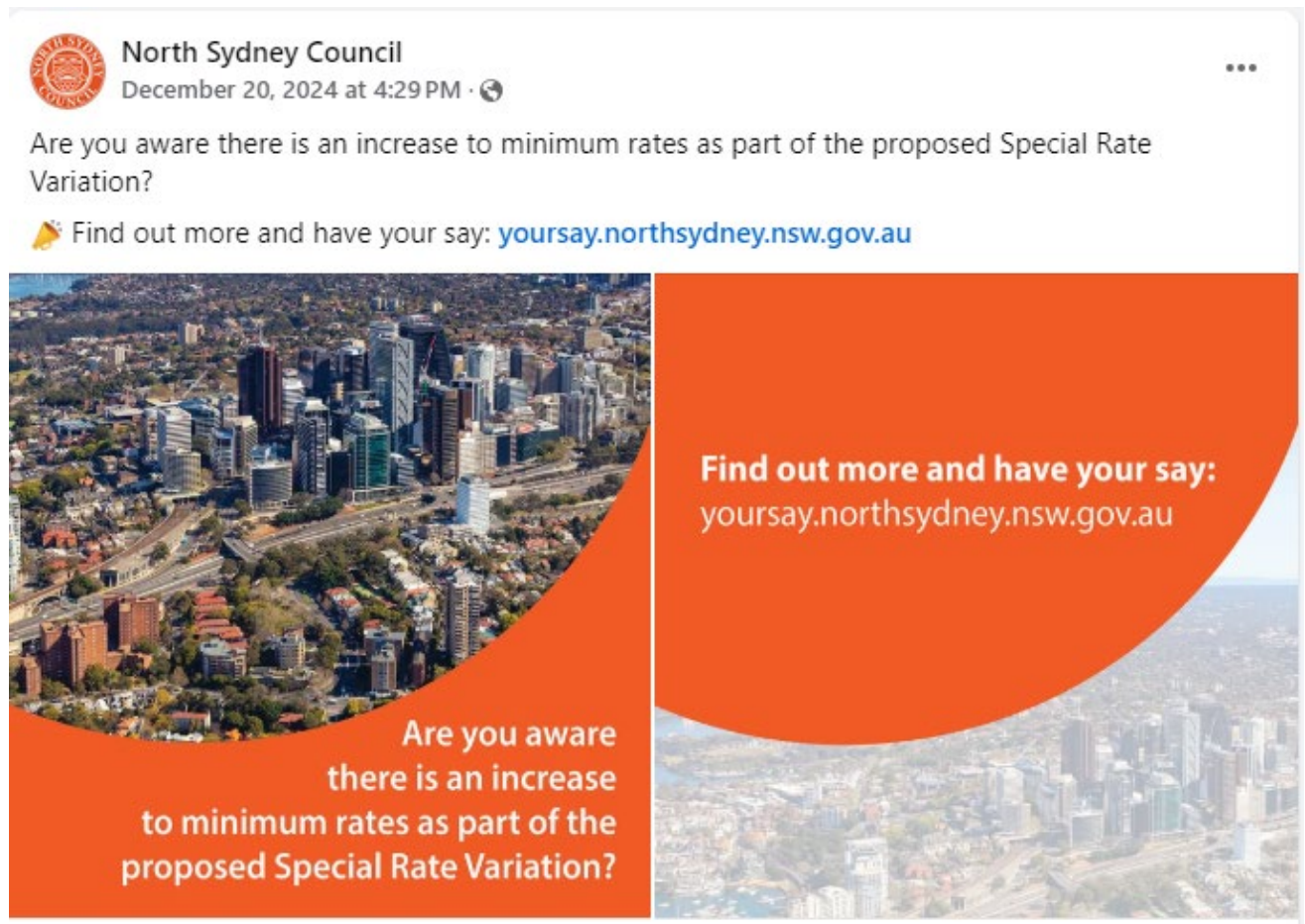


Figure 24 Social Media Post from 11 December 2024



Figure 25 Social Media Post from 20 December 2024





Appendix F: Community forum and meeting presentations


Council delivered a number of community information presentations, the example here is from the Wollstonecraft Precinct Committee meeting on 10 December 2024.



1

Special Rate Variation Proposal

A Council with strong financial performance is one that maintains a revenue stream adequate to sustain existing service levels and infrastructure while also supporting the growing needs of an expanding population.



2

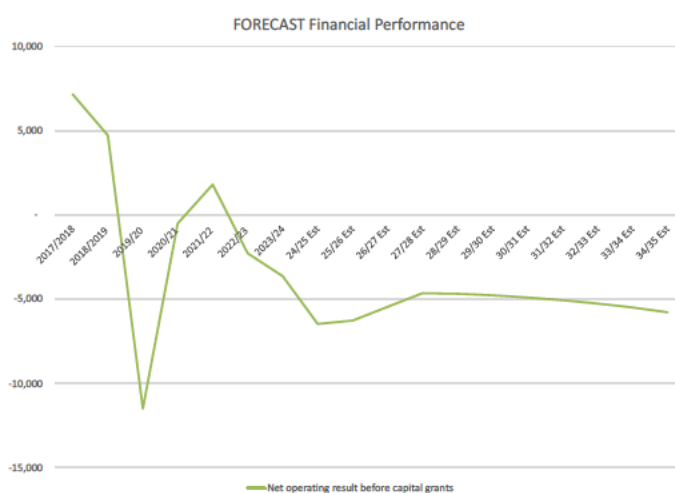
Our Financial Position

Where are we now?



3

Where are we now?



Continued operational deficits over ten-year period (plus risk).

The Office of Local Government Benchmark OPR is 0%.

This benchmark is insufficient to address renewals, asset backlog and repayment of debt.

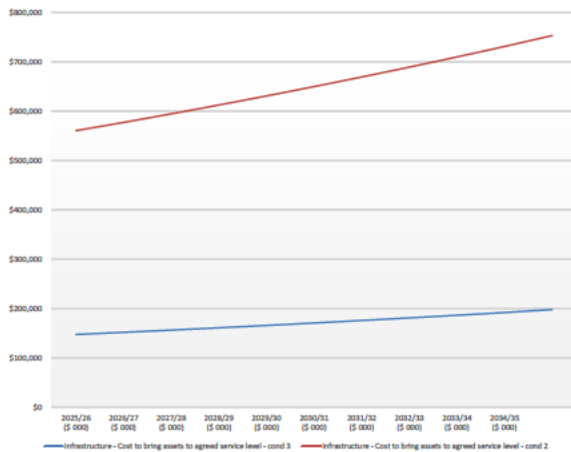
North Sydney Council should aim for an OPR of above 18%.



4

Where are we now?

FORECAST INFRASTRUCTURE BACKLOG



A 'satisfactory' level of service refers to infrastructure that continues to function but requires maintenance to sustain its operational capacity. If maintenance is insufficient, infrastructure in this category will deteriorate further, leading to service disruptions and potential public safety risks.

A 'good' level of service is defined as infrastructure that operates effectively with only minor maintenance required.

62.32% of building assets are currently below a good level of service, which has led to a range of service delivery issues, including:

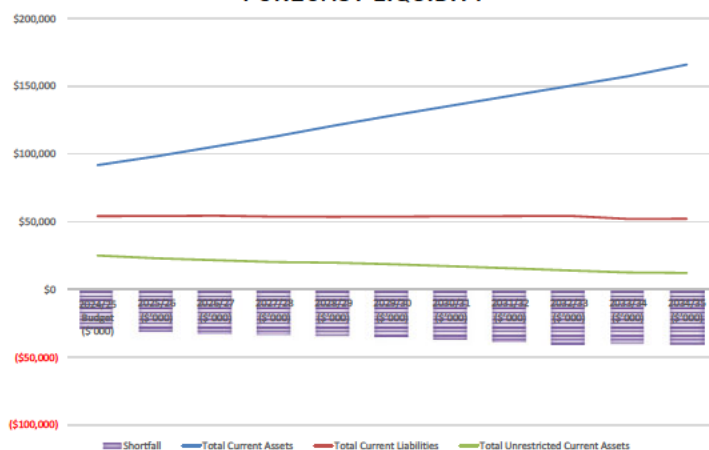
- Low utilisation rates
- Periods of closure for reactive maintenance
- Increased frequency and cost of ongoing reactive maintenance
- Public safety risks



5

Where are we now?

FORECAST LIQUIDITY



CRITICAL POSITION

Budgets being reviewed for reduction

Capital programs will be reviewed

If savings aren't found, further borrowings may be required.

Target \$7M (however still weak)

Timing is everything – cashflow management critical



6

A breakdown of costs

2024/25 financial forecast



Employee costs \$54.4M (46.96%)



Depreciation \$28.7M



Materials and contracts \$53.9M (46.60%)

Including:

- 24.41% - waste and recycling contracts
- 20.62% - infrastructure maintenance, parks, mowing, building repairs.
- 13.63% - service costs e.g. bank charges, electricity, insurance, telephone, street lighting



Other expenses \$4.7M (4.13%)

Including:

- \$3.1M in emergency services levy
- \$1.2M donations and community assistance



7

Our Financial Position

Why are we here?



Heavy reliance on user charges and other sources of revenue



Revenue decline



Insufficient investment in infrastructure renewals



Poor investment in systems and process



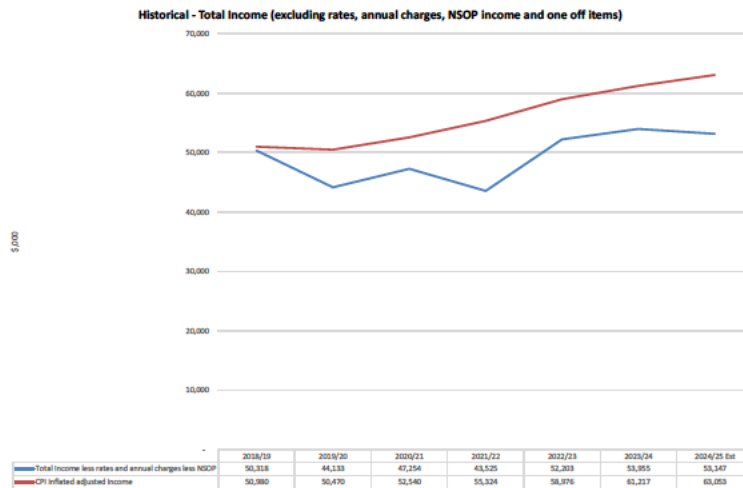
North Sydney Olympic Pool



8

Why are we here?

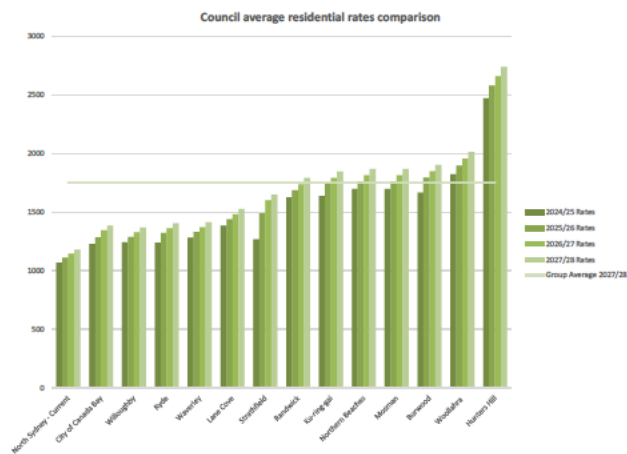
Declining Revenue



9

Why are we here?

Relatively low reliance on rates



10

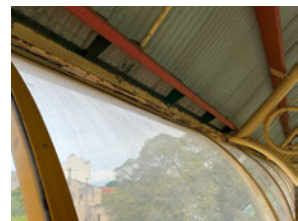
Why are we here?

Critical infrastructure backlog

North Sydney Indoor Sports Centre



North Sydney Oval

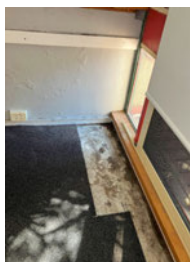


11

Why are we here?

Critical infrastructure backlog

Crows Nest Community Centre



Bus Shelters

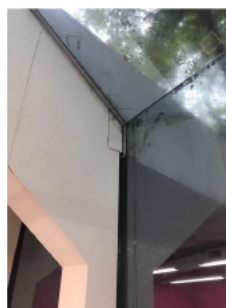
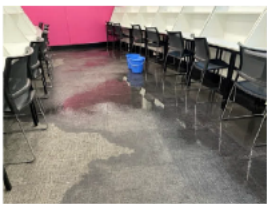


12

Why are we here?

Critical infrastructure backlog

Stanton Library



13

Why are we here?

Lifecycle costs of new assets



14

Why are we here?

Construction costs

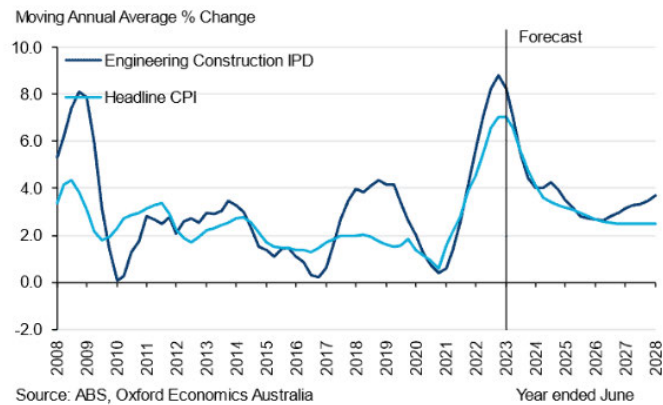


Fig. 1. Engineering Construction IPD and Headline CPI, 2008-2028



15

Why are we here?

Upgrades to meet community needs Coal Loader Centre for Sustainability



16

Why are we here?

Insufficient levels of developer contributions



17

Why are we here?

Underinvestment in Governance and Administration



Investment in support functions has been deprioritised over direct services and infrastructure.



Lack of documented processes.



Key systems used by Council lack integration and require significant manual intervention.



Data and reporting capability maturity low.



18

Why are we here?

North Sydney Olympic Pool

Income (User Fees)	2025/26	2026/27	2027/28
Operational Performance:	(320)	554	1,450
Depreciation	(2,300)	(2,369)	(2,440)
Interest on Pool Loans	(2,114)	(1,976)	(1,829)
Centre Performance	(4,734)	(3,791)	(2,819)

\$122 million project

\$34.19 million internal borrowings

\$51 million external borrowings

Reduction in infrastructure renewals

**Interest income forecast to decline as
reserve balances decline**



19

A Strong and Sustainable future

How will we get there?



Clear strategic direction



Improved governance and administration



Structural change to Revenue Policy



20

Objectives

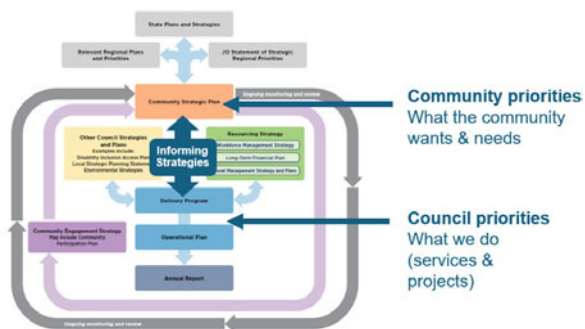
- The capacity to be responsive to change
- Improved governance and administration
- Deliver operating surpluses to fund infrastructure
- Fund existing service levels
- Reduce internal and external borrowings
- Reduce infrastructure backlogs and ensure timely renewals
- Leave a good financial legacy



21

How will we get there?

Clear Strategic Direction



Draft Informing Strategies

- | | |
|------------------------|---------------------------|
| Culture and Creativity | Open Space and Recreation |
| Environment | Housing |
| Economic Development | Governance |
| Integrated Transport | Social Inclusion |



22

How will we get there?

Strategy Deliverables



Open Space & Recreation

- North Sydney Oval - \$16M
- North Sydney Indoor Sports Centre - \$5.5M
- Drainage St Leonard's Park \$1.1M



Culture & Creativity

- Street Art program \$1.5M
- Culture & Creative Hub in St Leonard's \$500K pa from Year 4
- Enhancing website with 'what's on'



Environment

- Renewable energy infrastructure \$720K
- Tree Planting
- Transition Council fleet to electric by 2035 \$3.2M



Social Inclusion

- Woodley's Shed \$1M
- Expansion of Stanton Library \$24M



Economic Development

- Public Domain Improvements program \$11M
- Cremorne Plaza and Langley Place upgrade project \$5.2M



Integrated Transport

- Pedestrian crossings, improved walkability widening footpaths \$5.3M
- North Sydney Bike Plan \$4.5M



Housing

- Review the North Sydney Local Housing Strategy



How will we get there?

Improved Governance and Administration



Continued focus on organisational improvement efforts



Implementation of new enterprise resource planning system to streamline operations, enhance efficiency, and improve service delivery



New DA management platform



Review of Council workplace accommodation



Council building assets and commercial property review



Workforce Performance and development framework



Structural change – revenue policy



Minimum rates
Levies
Revenue levels



25

What we don't have control over



Rates must be levied on unimproved land value



Rates can't be levied based upon the number of bedrooms



Schools, churches and other institutions are exempt



The total revenue increase is limited to the rate peg outside of the SRV process.



Businesses can't be levied differently based on the type of business, e.g. small business vs large business



26

Rating principles

Rates contribute 44.85% towards Council's services and infrastructure.

The extent to which those who receive the benefits of council services also pay for those services – the so called “**benefit principle**”.

The extent to which those who pay for council's services have the ability to pay for those services – the so called “**ability to pay principle**”.



27

The minimum rating structure

Minimum rates apply to 77.26% of residential properties within North Sydney.

Advalorem rates apply to 22.74% of residential properties

On this basis, it is assumed that those who own a property with a higher 'unimproved land value' also have a higher capacity to pay



28

The recommendation:

- An increased minimum rate of \$1,300 for all residential ratepayers.
- This is recommended regardless of the SRV revenue option chosen.
- Considered a fair contribution to Councils services.
- Ensures future population adequately contribute to services and infrastructure.



29

Levies

Under the SRV proposal – all income from levies will be rolled into Ordinary rates

Levy	Number of properties	Total income 2024/25	Base rate %
Environment Levy	40,375	\$2,761,667	50%
Infrastructure levy	40,375	\$2,460,762	50%
Crows Nest Mainstreet Levy	742	\$297,975	30%
Neutral Bay Mainstreet Levy	449	\$199,995	30%
Total income from Levies		\$5,720,399	



Businesses currently only contribute 10% of environment and infrastructure levies



30

Residential vs Business

A review of benefits provided to businesses has determined a revenue split of:

40% business (3,464 assessments)
60% residential (36,890 assessments)

Including levies, business currently pay 37.84% or \$23M

Council could consider further sub-categorising business areas such as North Sydney CBD and Crows Nest, however based upon the current economic climate it has not been recommended.

Council can choose to redistribute rates in any year as part of its Revenue Policy without the need for SRV.



How will we get there?

Option 1 – Financial Repair Only

Internal borrowings are repaid and external borrowings are reduced by 70%.

80% infrastructure renewal rate in years 1 and 2, with 100% renewal from years 3 to 10, to bring building infrastructure to a 'satisfactory' condition over a ten-year period.

Required improvements to governance and administration are included.

Critical backlog is addressed in years 1 and 2, with level 3 backlog funding of \$15M per year indexed from year 3.

No allowance has been made for costs associated with new/expanded services, initiatives and projects outlined in Draft Informing Strategies.



How will we get there?

Option 2a and 2b – Financial Repair and Future Focused

Internal borrowings are repaid and external borrowings are reduced by 70%.

80% infrastructure renewal rate in years 1 and 2, with 100% renewal from years 3 to 10, to bring building infrastructure to a 'satisfactory' condition over a ten-year period.

Critical backlog is addressed in years 1 and 2, with level 3 backlog funding of \$15M per year indexed from year 3.

Required improvements to governance and administration are included.

New/expanded services, initiatives and projects outlined in Draft Informing Strategies included.



How will we get there?

Option 3 – Financial Repair and Future Focused

Internal borrowings are repaid and external borrowings are reduced by 70%.

80% infrastructure renewal rate in years 1 and 2, with 100% renewal from years 3 to 10, to bring building infrastructure to a 'satisfactory' condition over a ten-year period.

Critical backlog is addressed in years 1 and 2, with level 3 backlog funding of \$15M per year indexed from year 3.

Required improvements to governance and administration are included.

New/expanded services, initiatives and projects outlined in Draft Informing Strategies included.

From Year 4, an additional \$15.5M per year allocated to bring building infrastructure to a 'good' condition.



How will we get there?

Rating Increases Included in Options

	2025/26	2026/27	2027/28
Option 1	50%	5%	5%
Option 2a	50%	25%	Rate peg
Option 2b	75%	Rate peg	Rate peg
Option 3	60%	20%	10%

In all options, minimums increase in 2025/26 to:

- \$1,300 for residential
- \$1,400 for business

Roll up of special levies (infrastructure, environmental, main street)



35

How will we get there?

Minimums

	2024/25	2025/26	2026/27	2027/28
Option 1	\$715 (plus levies)	\$1,300	\$1,365	\$1,433
Option 2a	\$715 (plus levies)	\$1,300	\$1,625	\$1,674
Option 2b	\$715 (plus levies)	\$1,300	\$1,339	\$1,379
Option 3	\$715 (plus levies)	\$1,300	\$1,560	\$1,716

Average

	2024/25	2025/26	2026/27	2027/28
Option 1	\$1,040	\$1,511	\$1,586	\$1,665
Option 2a	\$1,040	\$1,511	\$1,888	\$1,945
Option 2b	\$1,040	\$1,762	\$1,815	\$1,870
Option 3	\$1,040	\$1,611	\$1,933	\$2,127



36

10-year breakdown

Where will the money go?



Asset backlog \$139M



New or upgraded assets \$101M



Expanded services \$64M



Loan Repayments \$74M



Financial repair \$151M



Questions?





Appendix G: Survey

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

Submission Form - North Sydney Council Special Rate Variation (SRV)

This survey should be completed to give your feedback on the proposed North Sydney Council Special Rate Variation (SRV).

Note: In the interests of transparency, any submission you make is open to public scrutiny under North Sydney Council's *Access to Information Policy*. Council generally makes the submission, and the name and address of the person/organisation making the submission, publicly available on our website (or associated sites) unless the submitter requests otherwise.

PRIVACY INFORMATION

[Access to Information Policy](#)

(Choose all that apply) (Required)

☐ I have read and understand Council's Access to Information Policy.

[GIPA](#)

(Choose all that apply) (Required)

☐ I understand that my submission may be released subject to provisions of the Government Information (Public Access) Act 2009.

Privacy Statement

(Choose all that apply) (Required)

☐ I have read and understood Council's Privacy Statement (as below).

Note: Privacy Statement: North Sydney Council is collecting your personal information for the purposes of processing a submission. The supply of personal information is entirely voluntary. If you elect not to provide or do not wish to provide your personal information, Council may not be able to act on or acknowledge your submission. Council shall be regarded as the agency that holds your personal information and access to your personal information by interested parties, may be released in line with Council policies. Council may publish any personal information included in a submission on a proposal or proposed development. You have a right to access your personal information held by Council. You also have a right to have your personal information corrected or amended by Council. Applications by members of the public to view Council's records which are not in the public arena are subject to the provisions of Privacy and Personal Information Protection Act 1998, Government Information (Public Access) Act 2009 and Council's Privacy Management Plan.

If required, detail the reasons you would like all or part of your submission to be withheld:

Note: In the interests of public transparency, submissions in their entirety will be made publicly available via Council's website (or associated sites - Your Say North Sydney or Application Tracking) and in some instances content from submissions will be included within Council Officer's reports. If you do not wish to have all or part of your submission published in this way, you must detail above your reasons for not wishing this information to be published.

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

Have you read North Sydney Council's long-term financial plan (LTFP)?

(Choose any one option)

- ☐ Yes
- ☐ No

Please provide any feedback on the LTFP and SRV options in the space below

Please provide any feedback on the proposed changes to the minimum rates in the space below

Please provide any feedback on the proposed consolidation of existing levies into ordinary rates in the space below

Preferred funding option: (select one)

(Choose any 1 options)

- ☐ Option 1: Financial repair - 65.38%
- ☐ Option 2a: Strength and sustainability (SRV over 2 years) - 87.50%
- ☐ Option 2b: Strength and sustainability (one-year SRV) - 75%
- ☐ Option 3: Future growth - 111.20%

Note: Required so submissions can be categorised for analysis purposes

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

-

With Options 2a, 2b and 3, for every \$100 of total rates income received over the next ten years, an average of up to \$13.50 would be spent on new projects, services and initiatives outlined in the Informing Strategies. Would you be willing to pay this?

(Choose any one option) (Required)

☐ Yes

☐ No

Note: Required so submissions can be categorised for analysis purposes

Please provide any feedback you may have on the updated Asset Management Strategy in the space below

Note: Council has recently completed a review of its Asset Management Strategy, assessing the condition of assets as well as the renewal and maintenance requirements. This review has provided Council with a clearer understanding of the costs involved in maintaining assets at their current levels, as well as the additional funding needed to improve the condition of deteriorating assets.

Note: Answer this question if it applies

Attach related file(s) as required

Please provide any feedback you may have on the updated Delivery Program in the space below

Note: The current 2022-26 Delivery Program has been updated to consider the revised 2025-35 Long-Term Financial Plan and address Council's declining financial situation. It also includes a new Appendix 3 that lists the expanded services and new and upgraded infrastructure that would be funded through SRV options 2a, 2b or 3 in 2025/26.

ABOUT YOU

Name (required)

(Required)

What of the following terms best describes you?

Please select all that apply.

(Choose all that apply) (Required)

☐ Residential ratepayer - owner occupier

☐ Residential ratepayer - non-occupier (property is tenanted)

☐ Business ratepayer - owner occupier

☐ Business ratepayer - non-occupier (property is tenanted)

☐ Resident - tenant

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

- ☐ Business - tenant
- ☐ Worker
- ☐ Student
- ☐ Visitor
- ☐ Other (please specify)

Business name (if applicable)

Unit number

Street address

Suburb (required)

(Required)

Email address (required)

(Required)

Would you like to be added to our 'keep informed list'?

(Choose all that apply)

- ☐ Yes
- ☐ No

How did you hear about the SRV? (required)

(Choose any one option) (Required)

- ☐ Community noticeboard
- ☐ Council website
- ☐ Email/newsletter
- ☐ Event
- ☐ Media
- ☐ Online search
- ☐ Outdoor advertising
- ☐ Print
- ☐ Social media
- ☐ Word of mouth

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

- ☐ Precincts
- ☐ Letter from Council
- ☐ Other (please specify)