

A: 52 Raglan Street, Manly NSW 2095 W: www.manly.org.au

T:

21 March 2025

Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240S via email: ipart@ipart.nsw.gov.au

Subject: Objection to Northern Beaches Council's Special Rate Variation (SRV) Application

Dear IPART Review Panel.

On behalf of key stakeholders, including the Manly Business Chamber and Manly Community Forum, we submit this formal objection to the Northern Beaches Council's (NBC) application for a Special Rate Variation (SRV) of 39.6% over three years.

The Council's justification for this substantial increase, citing the need for additional working capital, service maintenance, and asset renewal, does not align with its own financial records and performance indicators. Our primary concerns are as follows:

- 1. NBC has recorded cumulative surpluses totalling \$160 million over the past three financial years.
- 2. NBC holds over \$200 million in reserve funds and investments, including \$80 million in unrestricted funds.
- 3. NBC has significantly reduced its liabilities, paying down \$81 million in loans, and is now largely debt-free.
- 4. Annual reports confirm that the Council has exceeded its maintenance targets for assets and infrastructure.
- 5. NBC's asset condition assessments indicate that only approximately 2.5% of assets fall into the "poor" or "very poor" category, raising questions about the necessity of the projected capital expenditure increases.

These points, among other concerns, are further detailed in the attached submission.

To support their review, they engaged senior, highly experienced consultants with deep expertise in local government finance, infrastructure, and strategic asset management.

Our analysis demonstrates that the proposed rate increases are unwarranted and place an undue financial burden on ratepayers without sufficient justification.



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We urge IPART to thoroughly review this application against its established criteria and, in the public interest, reject NBC's request for an SRV.

Should further clarification be required, we are available for discussion at your convenience.

Yours sincerely,



cc: 2024/25 Manly Business Chamber Executive Committee

Summary

In our submission, we established multiple grounds for IPART to refuse the Northern Beach Council's Special Rate Variation application.

1 Introduction

We understand that the Northern Beaches Council (the Council) has applied for the following increases to the rates (i.e. Option 3) (the Application):

- 12.1% permanent increase in 2025-26 (including 3.8% rate peg)
- 11.7% permanent increase in 2026-27 (including 3.4% rate peg)
- 11.5% permanent increase in 2027-28 (including 3.1% rate peg)

The Council is requesting a permanent, cumulative increase of 39.6% by the 2027-28 financial year, which will subsequently be permanently indexed forward by assumed rate capping for the balance of LTFP.

In this submission, we particularised the grounds for IPART to reject the Council's application for a Special Rate Variation (SRV).

2 Council failed to meet criteria

The <u>Special Variation Guidelines</u> (the Guidelines) state that the Council must provide sufficient evidence to satisfy specific criteria that IPART will use to assess the Application.

Our submission provides detailed and particularised reasons why the Council failed to meet the requirements set in the Guidelines.

Criteria in Guidelines	Summary of Submission on Option 3
Need for the	As outlined below and in the body of this submission, we have identified that the Council's purportedly demonstrated need appears to be predicated on investment in IPPE, as presented in the cashflow statement for Option 3 within the 2025 SRV LTFP. However, this is not supported by the corresponding investment stated in the 2024 Asset Management Plan (AMP).
Variation	We have also identified that the cash generated in the SRV from operations was based on a 2024/25 base year when employee benefits were 7.9% higher , and materials and services were 10.3% higher than the 2023/24 actuals .
	We also submit that if the Council had allowed employee benefits and materials and services to grow by the historical 3% in 2024/25 instead of the 7.9% and 10.3% included in the LTFP, the Council would have generated \$13.8 million in cash from operations in 2024/25, thereby mainly negating the need for the SRV when indexed forward to years.
	Additionally, the 10-year 2025 SRV LTFP for Option 3 appears extremely conservative regarding cash received through capital grants. From Year 4 onwards, the projections represent less than 30% of grants received by the Council historically.
	While the cash required for IPPE in the LTFP and Part A Application is approximately \$95-106 million per year, the Asset Management Plan has identified a significantly lower underlying cash requirement of approximately \$72-\$87 million per year (funded + unfunded). This is a material error in the LTFP modelling.

We further raise the fact that the Council has historically only
completed 70-75% of the budgeted capital works (as outlined in the
past financial statements – budget vs actual for cash on IPPE in
the Cashflow Statement). Despite this, the Council has historically
recorded in the Report on Infrastructure Assets that a large
proportion of assets are in condition 1 and 2, with less than \$100
million in condition 4 or 5. In the latest financial statements, the
value of assets in Condition 5 has decreased. We suggest that
despite the Council only completing 75% of the budget investment
in IPPE, that investment has maintained assets in good to very
good condition – as per the Council's own reporting. This raises
questions regarding the reliability and accuracy of the Council's
asset planning – which is the major evidence being used to justify
the SRV.

We also identified that the cash required for IPPE in the LTFP includes non-recurrent uses (purportedly for addressing the backlog, uplift in services, new assets, etc.), which, in our opinion, should not be funded through a recurrent source of revenue (i.e. rates). In such circumstances, it would be more equitable to use debt capital or proceeds from asset recycling to finance new assets to reduce the funding burden on existing ratepayers.

2. Community Awareness and Engagement

We acknowledge that the Council has undertaken various community awareness and engagement initiatives, but this investment has been squandered due to the Council's failure to engage with the community on critical matters and needs that necessitate additional funding, specifically new assets and enhanced services.

We also raise concerns about whether the Council had properly fulfilled its community engagement obligations under the IP&R Framework, as this is a prerequisite for a valid SRV application.

Of particular concern to us is the fact that despite **only 11%** of respondents supporting new assets and upgraded services, totalling \$104 million in Option 3 (of the \$255 million outlined in the Asset Management Plan), they still proceeded to legitimise Option 3 by inferring that 49% of respondents supported the SRV application, totally ignoring the results of the engagement with the community.

Therefore, we suggest that Option 3 in the SRV application does not accord with the majority of the community's wishes.

Impact on Ratepayers

We note that the use of average rate can be misleading when it does not accurately represent the midpoint. The application of the average rate is particularly misleading for larger employers in the region, who contribute significantly higher rates than the average, and will be disproportionately impacted by the average cumulative increase. The commercial viability of large employers in the region will be affected by a cumulative 39.6% increase in rates over three years.

4. IP&R Documents have been Exhibited and Adopted by the Council

a) We raise alarming concerns that the Council has not met the statutory standards required for exhibiting the Community Strategic Plan, the Long Term Financial Plan, the four-year Delivery Program, and the one-year Operational Plan, which constitute the IP&R Framework documents.

We also raise concerns that the Council, despite its claims, has failed to exhibit and adopt the necessary Community Strategic Plan (CSP) that particularised the proposed SRV, noting the last adopted CSP was dated 2022, featuring a former mayor and never anticipated the 2025 SRV.

We also raise concerns that the <u>Delivery Program and Operational Plan</u>, subordinate to the CSP, were never exhibited for community consultation, and the purported exhibition of the <u>SRV LTFP Financial Plan dated January 2025</u> (LTFP) was an inadequate substitution under the IP&R Framework, and therefore, may be found invalid. And even if its exhibition was somehow found to be valid, the absence of nexus with the <u>2024 Asset Management Plan</u>(a primary document in the IP&R Framework), would further put into question the validity of the SRV LTFP, dated January 2025.

As such, in terms of the criteria set in the Guidelines, we suggest that, on this ground alone, IPART should reject the application.

b) In the following and the body of this submission, we have further particularised our other IP&R concerns for IPART.

As noted above, we raise specific concerns about the integration between the LTFP, "Part A Application form", and the Council's 2024 Asset Management Plan. We have also raised our concern about the reliability, accuracy and confidence in the Council's Asset Management Plan, given the plans do not align with the Council Report on Infrastructure Assets, in that the AMP tries to support additional investment in assets, whereas the Report on Infrastructure Assets outlines that the Council has maintained a large portion of assets in condition 1 and 2, minimal assets in Condition 4, and decreased amount in 2023/24 in condition 5 – all this the result of only delivering 75% of the budget investment on IPPE.

Given that the necessity for the SRV was primarily pertains to asset investment, this discrepancy constitutes **a fundamental flaw** in the Council's application.

In its SRV Application, the Council has submitted a need to fund an additional \$255 million over 10 years. We submit that the cash required for IPPE in the LTFP and "Part A Application" is significantly more than the additional \$255 million stated in the Asset Management Plan.

We came to the conclusion that the IPPE investment in the LTFP and the Asset Management Plan cannot be reconciled.

5. Productivity Improvements and Cost-Containment Strategies

We submit that the Council has provided a "list" of measures it has taken over recent years, yet the base cost of the services continues to escalate.

Council proposes that \$6 million was saved at amalgamation, yet numerous research studies indicate that the anticipated efficiencies in the business case for amalgamation were not realised.

The Council states that \$7.4 million was purportedly saved over the past five years. If true, this figure represents less than 2% of total labour, materials, and services costs. An immaterial amount in the scheme of the Council's OpEx.

We also point out that in the LTFP base year of 2024/25, the Council is permitting employee costs to increase by 7.9%, and materials and services to increase by 10.3% compared to the 2023/24 financials. The 2024/25 base year is then escalated throughout the 10-year LTFP, applying indexation and growth.

We submit that this does not appear to indicate a Council that is taking all necessary steps to achieve productivity improvements and cost containment.

6. Other Relevant Matters

a) The Council has historically achieved benchmarks

Since its formation following amalgamations in 2016, the Council has consistently performed exceptionally well, achieving and, more often than not, surpassing benchmarks set by the OLG.

Council's <u>2024 Annual Report</u>, published in November 2024, speak volumes about how well the Council has managed its finances and assets.

When the SRV was issued for public consultation in November 2024, Council claimed that the SRV was need to fund unfunded asset and service gaps.

We submit that the Council's concerns are not supported by the evidence we have provided in this submission.

b) ARIC Commentary dated 30/12/24

In the circumstance set in our submission, it appears that ARIC may have offered its commentary without being fully informed on all the critical financial information. In addition, it appears it was not adequately informed on the cashflow assumptions used to project incomes and expenditures for Option 3 in the SRV LTFP, nor was it aware of the deficiencies in and among the various key documents on IPPEs that we have uncovered.

As such, we submit that IPART should seek clarification from ARIC about the basis for their commentary

3 Specific concerns

- Concern 1 The cash investment for future IPPE capital works included in the LTFP and SRV Application does not reconcile to the investment required in the Asset Management Plan. The AMP does not support the additional cash required in the SRV Application.
- a) We draw IPART's attention to AMP68, Table 26 in the 2024 Asset Management Plan (reproduced below), which outlines the 10-Year Financial Forecast for all infrastructure. The table on AMP69 (reproduced on page 7 of this submission) outlines the Total Capital Expenditure, including funded renewal and new assets, as well as total "unfunded" capital expenditure.

	ALL	DATE OF THE PARTY	Extend	Name of the	E STREET		Data de	- Constant	ALCOHOL:	A day of	Maria I	700 to 100
	INFRASTRUCTURE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$'000	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
	Index - CPI	3.40%	3.20%	2.50%	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%
	Capital Expenditure	\$63,035	\$83,339	\$76,310	\$60,363	\$51,763	\$51,718	\$55,018	\$54,975	\$57,312	\$56,984	\$62,613
LTFP	Operational & Maintenance Expenditure	\$46,335	\$43,615	\$45,140	\$46,623	\$47,983	\$49,243	\$50,510	\$51,832	\$53,182	\$54,628	\$56,100
	Estimated Annual Depreciation	\$35,730	\$38,104	\$39,816	\$41,587	\$42,926	\$44,321	\$45,609	\$46,986	\$48,430	\$49,854	\$51,376
	Forecasted Annual Renewal Ratio	103%	98%	100%	96%	93%	95%	94%	92%	92%	90%	90%

	TOTAL LIFE CYCLE EXPENDITURE - funded	\$109,370	\$126,954	\$121,450	\$106,987	\$99,746	\$100,962	\$105,528	\$106,808	\$110,494	\$111,612	\$118,713
	TOTAL MAINTENANCE & OPERATIONAL EXPENDITURE	\$46,335	\$43,615	\$45,140	\$46,623	\$47,983	\$49,243	\$50,510	\$51,832	\$53,182	\$54,628	\$56,100
	Additional operations exp for assets	\$0	\$0	\$172	\$307	\$386	\$421	\$455	\$496	\$536	\$579	\$617
	Additional maintenance exp for new assets	\$0	\$0	\$263	\$493	\$629	\$726	\$804	\$904	\$1,003	\$1,115	\$1,226
	Operations Expenditure	\$21,928	\$20,211	\$20,716	\$21,234	\$21,765	\$22,287	\$22,822	\$23,370	\$23,930	\$24,529	\$25,142
	Maintenance Expenditure	\$24,407	\$23,404	\$23,990	\$24,589	\$25,204	\$25,809	\$26,428	\$27,063	\$27,712	\$28,405	\$29,115
	TOTAL CAPITAL EXPENDITURE	\$63,035	\$83,339	\$76,310	\$60,363	\$51,763	\$51,718	\$55,018	\$54,975	\$57,312	\$56,984	\$62,613
	New - ALL	\$26,237	\$45,947	\$36,443	\$20,387	\$11,808	\$9,826	\$12,316	\$11,916	\$12,762	\$11,923	\$16,476
	FUNDED CAPITAL NEW											
L	Renewals - ALL	\$36,798	\$37,392	\$39,867	\$39,976	\$39,955	\$41,892	\$42,702	\$43,059	\$44,550	\$45,061	\$46,137
L	FUNDED RENEWALS									-		

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Assuming for now that the planned funded and unfunded is required, it would be expected that in the submitted LTFP and SRV Application Part A, the cash invested in IPPE would be explained by the 2024 Asset Management Plan, as it is required in the Integrated Planning and Reporting Guidelines.

However, the total of funded and unfunded capital works shown for IPPE investments disclosed in the LTFP, is some \$20-25M more than what the AMP shown as required.

b) After reading through the LTFP, AMP and the SRV Application Part A, we cannot reconcile the demand for investment in assets outlined in the AMP with that required in the LTFP. We conclude that this error may have been wrongly used to form the Council's basis for creating the cash required from operations shown in the cash flow statement in the SRV application for Option 3.

ALL	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INFRASTRUCTURE \$'000	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Unfunded Renewals	\$0	\$12,201	\$12,567	\$12,944	\$13,333	\$13,719	\$14,117	\$14,527	\$14,948	\$15,396	\$15,858
Unfunded Renewals - Service Uplift	\$0	\$1,423	\$1,465	\$1,509	\$1,555	\$1,600	\$1,646	\$1,694	\$1,743	\$1,795	\$1,849
Unfunded New	\$0	\$3,598	\$3,706	\$3,818	\$3,932	\$4,046	\$4,163	\$4,284	\$4,408	\$4,541	\$4,677
Unfunded New - Service Uplift	\$0	\$1,510	\$1,555	\$1,602	\$1,650	\$1,698	\$1,747	\$1,798	\$1,850	\$1,906	\$1,963
TOTAL UNFUNDED CAPITAL EXPENDITURE	\$0	\$18,732	\$19,294	\$19,873	\$20,469	\$21,063	\$21,674	\$22,302	\$22,949	\$23,638	\$24,347
Unfunded Maintenance and Operations Unfunded Maintenance and	\$3,437	\$3,547	\$3,636	\$3,727	\$3,820	\$3,911	\$4,005	\$4,101	\$4,200	\$4,305	\$4,412
Operations - Service Uplift TOTAL UNFUNDED MAINTENANCE AND	\$0	\$4,140	\$4.244	\$4,350	\$4,459	\$4,566	\$4,675	\$4,788	\$4,902	\$5,025	\$5,151
OPERATIONS	\$3,437	\$7,687	\$7,880	\$8,077	\$8,278	\$8,477	\$8,681	\$8,889	\$9,102	\$9,330	\$9,563
TOTAL UNFUNDED EXPENDITURE	\$3,437	\$26,420	\$27,174	\$27,950	\$28,748	\$29,540	\$30,355	\$31,191	\$32,052	\$32,968	\$33,910

Concern 2 - Lack of integration with other summary investments outlined in the AMP.

We draw IPART's attention to other inconsistencies in the capital investment required in the SRV application and LTFP, with the AMP (reproduced below and on page 9 of this submission).

AMP 86, Figure 13 outlines the capital investment required, including renewal, new, unfunded renewals and additional unfunded new assets.

We have created the table below Fig 13 to sum up the investment required in Figure 13.

Again, the totals do not reconcile to the LTFP scenarios that include the SRV, nor do they reconcile with Table 8.3 Capital Expenditure in the WS8 – Expenditure Program Tab in the SRV Application Part A.

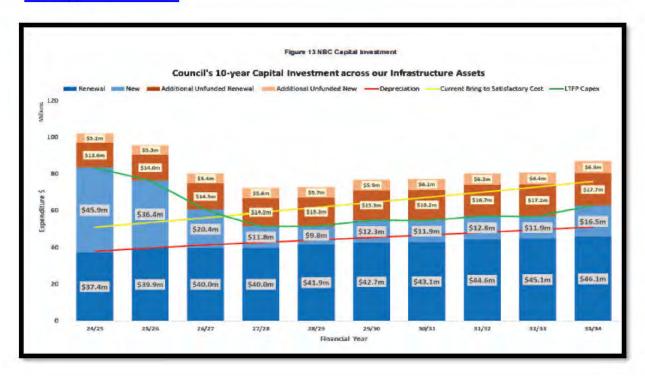


Figure 13 - AMP	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Renewal	37.4	39.9	40.0	40.0	41.9	42.7	43.1	44.6	45.1	46.1	420.8
New Additional Unfunded	45.9	36.4	20.4	11.8	9.8	12.3	11.9	12.8	11.9	16.5	189.7
Renewal	13.6	14.0	14.5	14.9	15.3	15.8	16.2	16.7	17.2	17.7	155.9
Additional Unfunded New	5.1	5.3	5.4	5.6	5.7	5.9	6.1	6.3	6.4	6.6	58.4
Total Capital Investment	102.0	95.6	80.3	72.3	72.7	76.7	77.3	80.4	80.6	86.9	824.8

	Result 2021/22 Silvic	7022773 1 000	Result 2073/74 1 000	7074/25 5 000	Year 2 70/25/75 5 1000	Year 3 7026/27 \$ 1000	Year 4 2077/28 \$ '000	Year 5 2028/29 5 '000	Year 6 2029/50 \$ 000	Year 7 7030/81 5 000	Year & 7031/32 5 '000	Year 9 2032/33 \$1000	Year 10 2033/34 5 000
Capital Funding	Carried Co.		100000					V 4099	-			-	
Working Capital	7,785	16,118	5,645	6,107	3.038	2,544	2,550	1,557	1,564	1.571	1,578	1,397	1,400
Signal (gradie)	-				1152	15887	8000	31,089	19 19	2.15	33,491	8.50	TS 80H
Depreciation	22,098	32,322	31.876	33,206	41.581	42,990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
Capital grants and contributions	11.												
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,543	3,913	1,913	1,913	1,913	1,913	1,913	1,913
Externally restricted reserves													
- Developer contributions	8.038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste	_		4		-	-	-		14,048	-	-	-	
- Other	1,797	2,347	1,757	1,965	2,009	3.156	2,037	2,024	2,012	2.000	2,518	1,976	1,964
nternally restricted reserves													
- Merger savings fund	1,893	343	323	209	702						-	-	
- Barrowings	-			9,935	515	- 7	-		-	-	-		
- Other	4,005	1,260	3,817	6,277	5.278	6,012	4,529	4,307	3,688	4,682	8,684	5,345	6,020
ncome from sale of assets	17												
Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2177	2,857	4,138	2,902	3,095
Total funding	76,872	32,856	73,468	113,768	99,842	91,201	91,928	96,442	129,895	100,142	109,539	140,861	152,957
Capital Expenditure													
Bu klings	21,091	15,413	9,841	26,287	15,735	17,333	13,344	19,658	35,248	14:171	19,459	55,893	55,794
Community Land	_	838		2,740	-	-			-				
Furniture & Fittings	730	74	65	178	36	36	36	36	36	36	36	36	36
and improvements	- 4		4,951	4,474	2.917	2.940	2,964	1,988	2,014	2.039	2,066	2.095	2,123
brary Books	888	885	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2.752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,302	11,182	11,800	10,923	12,396	16,676	18,322	13,234	18,215
Other Assets	696	163	357	114	702	-	-			-	-		
Other Structures	3,419	2,302	1,495	6,555	6.174	5,514	7,058	3,902	6,151	5.495	2,913	2.964	3,016
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,958	7,809	7,601	20,118	7,478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	31,785	26,999	26,998	29,741	30,671	31,216	31,886	34,597	36,475
Stormwater Drainage	5,505	8,485	9,686	8,497	12,001	12,583	15,670	16,795	16,969	16,763	16,746	17,318	21,711
Swimming Pools	345	1,109	620	1,811	1,020	2,388	3,097	2,364	2,777	1,667	2,477	2,540	2,600
Other Kimbriki Assets	2,718	12,785	-	- 0	-		1				- ×	-	-
Total expenditure	76.872	82.856	73,468	113,788	99.842	91.201	91,928	96,442	129.895	100.142	109.539	140,861	152,957

11. UNFUNDED PROGRAMS

A review of the current asset renewal and maintenance programs and the associated levels previously reported as Unfunded Programs has been undertaken as part of this AMP refresh. Infrastructure funding gaps have been identified within each of the sub-Asset Management Plans, highlighted in below showing a summary of funding shortfalls against the following categories:

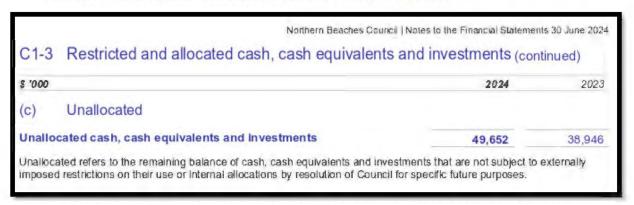
- Asset Renewal Gap
- Asset Maintenance Gap
- Uplift in Service
- New Assets

Table 35 10-Year Unfunded Programs

Category	10-year Gap (\$m)
Renewal Gap	\$117
Maintenance Gap	\$34
Uplift in Service Gap	\$67
New Asset Gap	\$37
Total unfunded Asset Management Plan	\$255 m

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- Concern 3 The council proposes to use the SRV to improve its working capital by \$13.1 million over the 10 years; we suggest this is not required, as the Council has significantly large cash holdings, which include substantial unrestricted cash (above \$ 40 million).
- a) We draw IPART's attention to Table 8.4 in WS8 Expenditure in <u>Application Part A</u>. And we also draw IPART's attention to Note C1-3 in the <u>Financial Statements 30 June 2024</u> that reports \$49,652 million in unallocated cash, cash equivalents and investments, with over \$200 million in total cash, cash equivalents and investments.



b) We therefore suggest that there is no requirement for the Council to improve its working capital position. Rather, we believe the Council is in an envious cash position that many commercial businesses would like to be in.

- Concern 4 The Council has prepared an LTFP with a projection that was based on conservative revenue and an inflated expense base, which results in an inflated requirement for additional rate revenue. The projected financial outcomes are not reasonable compared to actual historical revenue and expenditures.
- a) We draw IPART's attention to the projected <u>Income Statement and Cashflow Statement</u> in the LTFP prepared by the Council to substantiate an increase in rate revenue. In particular, we draw attention to the 2025 year (highlighted in yellow) that is used as a basis for projecting future years (+ indexation and growth).

ncome statement	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 1 2033/3
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ 000	\$ '000	\$ '000	\$ 000	\$ '000	\$ "000	\$ 000
facome from continuing operations													
Rates and annual charges	225,941	234,424	246,432	259,515	286,940	313,849	344,436	354,787	365,342	376,176	387,483	399,503	412,1 7
User charges and fees	79,722	91,876	99,931	102,637	104,372	106,638	109,167	111,542	114,064	116,652	119,358	122,201	125,10
Other revenues	22,343	20,086	21,620	20,845	21,037	21,356	21,683	22,001	22,314	22,634	22,975	23,340	23,7
Grants and contributions provided for operating purposes	27,165	31,496	26,529	25,181	20,221	19,663	20,926	20,986	21,440	21,040	22,437	22,104	23,5
Grants and contributions provided for capital purposes	43,952	33,917	29,218	39,594	25,389	15,775	10,969	10,303	9,776	10,847	11,070	11,299	11,5
Interest and investment revenue	1,238	7,085	11,083	8,918	5,489	5,292	5,785	6,304	5,849	6,261	6,807	6,323	5,7
Other income	6,736	6,392	6,915	6,946	6,976	7,151	7,329	7,505	7,678	7,855	8,043	8,244	8,4
Net gain from the disposal of assets	960	167		392	595	622	433	420	351	467	734	524	5
Total income from continuing operations	408,057	425,443	441,728	464,029	471,019	490,346	520,728	532,948	546,814	561,931	578,907	593,538	610,8
Expenses from continuing operations													
Employee benefits and on-costs	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,2
Materials and services	142,766	157,273	163,471	180,278	188,823	188,143	195,747	199,179	204,087	207,947	214,975	219,833	224,6
Borrowing costs	2,624	2,738	2,689	2,605	2,942	2,879	2,830	2,464	2,428	2,433	2,206	2,170	1,9
Depreciation, amortisation and impairment for non-financial assets	45,508	46,821	48,975	53,208	55,102	58,462	59,178	61,231	63,776	63,714	65,618	69,956	71,1
Other expenses	20,969	20,765	22,569	21,752	21,917	23,045	24,250	25,526	26,878	28,326	29,892	31,586	33,4
Net loss from the disposal of assets			545	-				-			-	-	
Total expenses from continuing operations	346,427	373,750	397,580	429,713	444,976	452,617	465,978	478,115	492,803	504,160	520,729	518,076	552,3
Operating result - Surplus / (Deficit)	61,630	51,693	44,148	34,317	26,043	37,709	54,750	54,833	54,010	57,771	58,178	55,462	58,5
Operating result before grants and contributions provided for capital purposes	17,678	17,776	14,930	(5.278)	654	21,934	43,781	44,530	44,235	46,924	47,108	44,163	47.0

	Result	Result	Result	Forecast	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 1
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/20	2028/29	2029/30	2030/31	2031/32	2032/33	2033/3
	\$'000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ 1000	\$ '000	S '000	\$ '000	\$ 1000	\$ '000	\$ '000
Cash flows from operating activities Receipts:													
Rates and annual charges	226,388	234,281	245,463	258,950	285,835	312,651	343,121	354,404	364,948	375,770	387,065	399,059	411,7
User charges and fees	84,398	96,268	104,315	108,572	110,503	112,905	115,582	118,100	120,769	123,509	126,373	129,377	132,5
Interest received	1,182	4,873	9,052	8.857	5,373	5,110	5,565	6,209	5,812	6,166	6,713	6,294	5,7
Grants and contributions	56,687	76,799	48,521	46,493	42,327	35,042	32,129	30,608	31,443	32,120	33,756	33,653	35,
Bonds, deposits and retentions received	7,098	7,741	8,143	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7.742	7,742	7,3
Olliter	45,056	41,346	44,656	46,877	46,550	46,086	47,726	48,251	52,319	50,392	51,846	56,174	56,
Payments:													
Payments to employees	(137,235)	(145.037)	(156, 343)	(167,957)	(174,941)	(178,581)	182,398	(188,091)	(193,960)	(200,013)	206,256	(212,695)	(219,3
Payments for materials and services	(158,507)	(176.928)	(182, 311)	(209,976)	(211,515)	(211,071)	226,787	(224,792)	(233,797)	(240,356)	243,593	(256,651)	(259,8
Borrowing costs	(1,142)	(1,064)	(924)	(696)	(1,084)	(932)	(798)	(656)	(536)	(452)	(364)	(243)	11
Bonds, deposits and retentions refunded	(5,466)	(5.571)	(5,867)	(7.742)	(7.742)	(7,742)	(7.742)	(7.742)	(7.742)	(7.742)	(7.742)	(7,742)	(7.7
Other	(28,886)	(22 019)	(21,914)	(20,735)	(21,649)	(22,728)	(23.928)	(25,207)	(26.564)	(28,008)	(29,559)	(31,236)	(33.0
Net Cash flows from operating activities	90,173	110,669	92,791	70 305	81,199	91,462	110,215	1 10,027	120,434	119,130	125,986	123,731	130,

 In the Option 3 modelling, the Council is projecting a significant decrease in the capital grant received to fund capital works. This is contrary to historical financial statements suggesting that the council receives approximately \$35-40 million in capital grants; however, in future projected years in the LTFP, the capital grants received are reduced to \$10-12 million.

We understand the Council needs to be careful in relying on grant funding, but certainly, the Council should be projecting more success in grant applications than only achieving 25% of what has historically been funded through grants.

Furthermore, if grant funding was unsuccessful, the community should decide whether to construct new assets rather than assuming rate funding should be used for new assets.

c) In <u>Table 10.2 (a) Application Part A</u> (below), the Employee Benefits for 2024-25 is \$171.9 million, escalating annually by 3%. However, the 2024-25 case amount (\$171.9 million) is 7.9% more than the actual employee expenses reported in the 2023-24 Financial Statements.

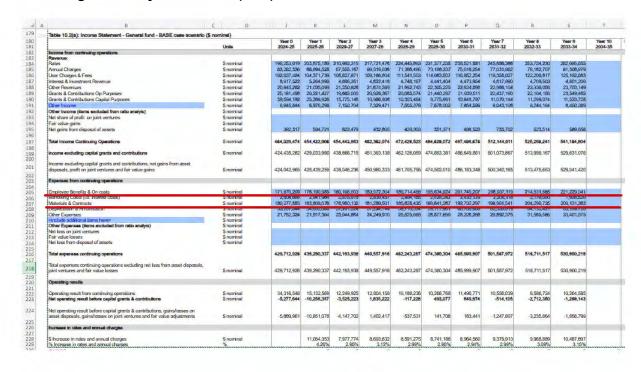
If the 2024-25 base year amount were reduced to a 3% increase from 2023-24, it would be \$164.1 million, or \$6.86 million less.

This is a significant portion of the additional rate revenue being requested by the Council through the SRV!

d) Similar to above, the Materials and Services in **Table 10.2 (a)** is \$180.3 million for the base year 2024-25 which is 10.3% more than the actual \$163.5 million for 2023-24 Financial Statements.

If the Materials and Services for 2024-25 were only increased by 3%, they would be \$173.4 million, which is \$6.9 million less.

- e) In total, the increase in expenditure for labour, materials, and services in the proposed LTFP for 2024-25 (the base year in the SRV application) is approximately \$13.8 million, more than a 3% increase on the 2023-24 actuals.
- f) We suggest to IPART that the assessment on the rate increase requirement should be based on a reasonable increase in the cost base for 2024-25 (i.e. 3%), not an inflated cost base that is then escalated across the 10-year assessment period.
- g) Setting the cost base to realistic assumptions would decrease the cash required through a rate by almost half (50%)!



Concern 5 - Council has accumulated cash - in particular unrestricted cash - there is no need for the SRV to increase working capital.

a) We draw IPART's attention to the Summary in the 2023/24 Financial Statements and the Note on Cash and Investments. The council has accumulated unrestricted cash over time.

Northern Beaches Council				
Summary results				
Income Statement	2024	2023	2022	2021
Income	\$441.7m	\$425.4m	\$408.1m	\$365.8m
Operating expenses	\$397.6m	\$373.8m	\$346.4m	\$365.7m
Net operating result for the year	\$44.1m	\$51.7m	\$61.6m	\$0.1m
Result excl capital grants & contributions	\$14.9m	\$17.8m	\$17.7m	(\$26.5m)
Capital expenditure	2024	2023	2022	2021
New capital works	\$29.9m	S41.7m	\$44.2m	\$33.8m
Capital renewal works	\$43.4m	\$40.3m	\$32.7m	\$39.4m
Non-cash asset dedications	\$0.2m	\$0.8m	-	\$0.8m
Total capital expenditure	\$73.5m	\$82.9m	\$76.9m	\$73.9m
Loan repayments	2024	2023	2022	2021
Total loan repayments	\$3.4m	\$4.8m	\$5.0m	\$5.1m
Cash and investments	2024	2023	2022	2021
Externally restricted	\$62.0m	\$53.1m	\$41.5m	\$30.8m
Internally allocated	\$88.6m	\$90.8m	\$80.2m	\$83.4m
Unrestricted	\$49.7m	\$38.9m	\$36.4m	\$33.0m
Total cash and investments	\$200.2m	\$182.9m	\$158.1m	\$147.2n
Cashflows	2024	2023	2022	2021
Net cash from operating activities	\$92.8m	\$110.7m	\$90.2m	\$74.6m
Net cash from investing activities*	(\$70.8m)	(\$79.8m)	(\$73.0m)	(\$75.2m)
Net cash from financing activities	(\$4.7m)	(\$6.1m)	(\$6.3m)	(\$6.5m)
Net incr / (decr) in cash & investments	\$17.3m	\$24.8m	\$10.8m	(\$7.1m)
* Excludes purchase and sale of investments				
Financial Position	2024	2023	2022	2021
Total assets	\$5,888.9m	\$5,636.4m	\$5,421.0m	\$5,245.2п
Total liabilities	\$186.5m	\$187.3m	\$184.5m	\$198.6m
Net assets	\$5,702.4m	\$5,449.2m	\$5,236.5m	\$5,046.6m

b) As of the end of December 2024, and published in the <u>February 2025 agenda</u>, the Council's total cash and investments were \$226m.

Restricted cash, cash equivalents and investments

At the end of December 2024 total cash & investments were \$226,173,191 and were made up of the following reserve allocations.

Allocation of Funds	Amount (\$)	Percentage
Externally Restricted	\$55m	24.2%
Internally Restricted	\$84m	37.3%
Total Restricted	\$139m	61.5%
Unrestricted	\$87m	38.5%
Total	\$226m	100.0%

c) While we understand that much of the total cash and investment are for externally restricted purposes, a large amount of cash, shown as internal restrictions, could adequately be used to fund future commitments.

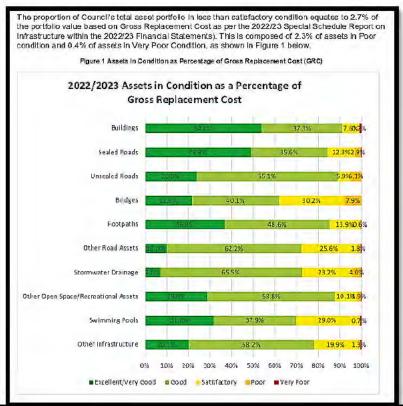
We suggest that the residual cash of \$87million as of December 2024 is a very healthy position for the Council.

d) We also note that, historically, the Council spent only 70% the budgeted allocation on IPPE. This would contribute to the unrestricted cash. This brings into question the Council's asset planning underpins the need for a SRV rate rise!

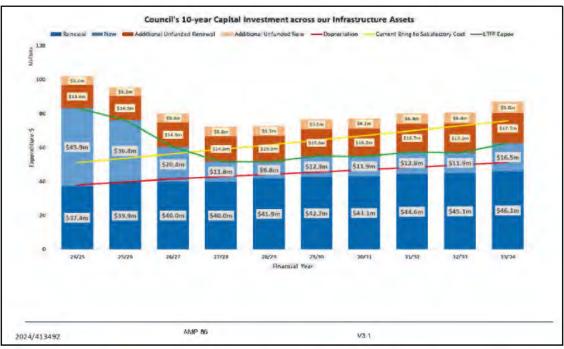
Northern E	Beaches Council			
talamani	of Cash Flows			
	ided 30 June 2024			
Original				
unaudited			-	
budget			Actual	Actu
2024	\$ 990	Mates	2024	202
	Cash flows from operating activities			
	Receipts:			
246,349	Rates and annual charges		245,463	234,28
100.908	User charges and fees		104.315	96.26
6,770	Interest received		9,052	4.87
39.063	Grants and contributions		48,521	76.78
7,098	Bonds, deposits and retentions received		8,143	7,74
45,369	Other		44,656	41,34
	Payments:			
(155,511)	Payments to employees		(156,343)	(145.03)
(188,484)	Payments for materials and services		(182,311)	(176,92)
(965)	Borrowing costs		(924)	(1,06-
(7,098)	Bonds, deposits and retentions refunded		(5,867)	(5,57
(21,851)	Other		(21,914)	(22,01
71,648	Net cash flows from operating activities	G1-1	92,791	110,68
	Cash flows from investing activities			
	Receipts:			
341.698	Sale of investments		269.831	272,22
2.675	Proceeds from sale of IPPE		2,513	2.16
-,-,-	Payments:			
(300,000)	Purchase of investments		(276,178)	(297,12)
(111,309)	Payments for IPPE		(73,302)	(81,97)
(66,938)	Net cash flows from investing activities		(77,136)	(104.70)

Concern 6 – The Asset Management Strategy and Asset Management Plan do not support the need for the SRV - putting into question the integrity of the SRV application by the Council

a) We draw IPART's attention to the below information extracted from the Council's <u>2024 AMP</u> (Page AMP8) and the C 1-6 table published in the <u>2024 Financial Statements dated</u> November 2024.

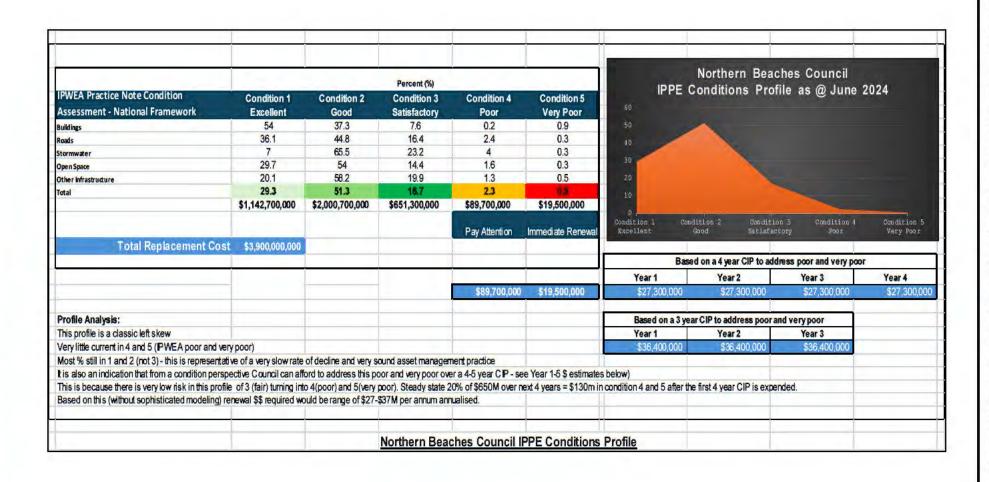


By aggregated		A11 July 2003			1.0	asel moveme	nts during the	bottog period				Ar 30 June 2020	Ar 30 nume 2000			
asset class	Gross tarrying amount	Accimulated depreciation and Impairment	Alet cartying amount	Additions ienewals	Additions new	Carrying value of disposais	Depreciation expense	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying	Accumulated depreciation and impairment	Ne carryin amous			
Capital work in progress	44,401	~	44,401	42,758	25,766	-	-	[76,849]		-	36,076	-	36,00			
Plant and equipment	45,331	(24,5.84)	20,777	1,211	2,155	(822)	[5,717]				17,870	(26,926)	21,0			
Office equipment	28,729	(24,077)	4,652	2,097	109	-	{2,130}	-		-	11,125	(6,397)	4,7			
Furniture and fittings Land:	2,808	(2,207)	601	-	24	-	(162)	-	-	-	942	(479)	4			
- Operational land	402,817	-	402.817	-	-	-	-	~		15.859	418.676	-	418.6			
- Community & Crown land	2,083,297	-	2.083,297	_	-	_	-	-		26,249	2,109,546	0.00	2,109,5			
- Land under roads (post 30/6/08)	759	_	759	-	-	-	-	-	_	10	769	-	7			
Land improvements - depreciable	24.711	(13,812)	10.899	4.694	-	-	[2,479]	15.164	-	_	44,567	(16,289)	28,2			
Infrastructure:		1,,	,	.,			1-1	,				(,,				
- Buildings	804.502	(223,233)	581,269	5,530	1,444	(10)	(9,621)	-	-	82,244	961,837	(300,981)	660,8			
- Roads sesied	608,614	(76,814)	531,800	11,321	442	(352)	(8,254)		(29,474)	- 2	626,266	(120,783)	50 5,4			
- Roads unsealed	2,167	(294)	1,873	-	3	-	(5)	-	(272)	-	1,796	(197)	1,5			
- Bridges	17.424	(3,864)	13,560	1,310	5	-	(306)	2,526) e	310	23,651	(6,246)	17,4			
- Footpains	141.969	(94.761)	127,208	1,434	4,572	(353)	(1,920)	_	(25, 347)	-	147,977	(42,383)	105,5			
- Other road assets (including bulk						100001	-		-			1000000				
earthworks)	291,613	(47,420)	244,193	2,118	3,255	(439)	(1,939)	-	-	72,494	471,620	(151,938)	319,6			
- Stormwater dramage	1,110,453	(199,503)	910,950	4,615	250	(139)	(6,206)			46,458	1.171.727	(215,760)	955,0			
- Swimming pools	47,311	(8,008)	39,303	544	-	(19)	[349]	-	-	2,004	50,145	(8,662)	41,4			
- Other open space/recreational																
assets	159,465	(18,880)	140,585	1,516	939	(347)	(4,338)	-	-	7,170	169,338	(23,713)	145,6			
Other infrastructure	266,724	(39,181)	227,543	3,566	8,619	(579)	(2,548)	(2,526)	-	11,473	287,986	(42,439)	245,5			
Other assets:																
- Library books	20,088	(17,184)	2,904	727	-	-	(1,070)	-	-	-	4,866	(2,305)	2,5			
- Other	5,338	(1)	5,337	-	567	-	-	-	-	(-)	5,906	11)	5,9			
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
- Asset remediation	26.093	(7.0 14)	19.079	_	(2,424)	_	(666)	_	-0		23,669	(7,680)	15,9			
Total infrastructure, property, plant and equipment	6.134.614	(720.807)	5,413,807	86.701	46.026	(3.060)	(47,710)	(61.685)	(55.093)	264.271	6.616.355	(973,098)	5,643,2			



	Result 2021/22 5 '000	Result 2022/23 \$1000	Result 2023/24 \$ '000	ore cast 2024/25 \$ 1000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 5 '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ 000	Year 7 2030/31 \$ 1000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 19 2033/34 \$ '060
Capital Funding	-	-					_						
Working Capital	7,785	16,118	5,645	6,107	3.038	2.544	2,550	1,557	1,564	1.571	1,578	1,397	1,400
Зиссіві Увивной	-		- 8	_	8 182	15,685	26,004	31,866	48,194	32 013	33,491	69,562	T5.204
Depreciation	22,098	32,322	31,876	33,206	41.581	42.990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
Capital grants and contributions				1									
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,548	3,913	1,913	1,913	1,913	1,913	1,913	1,913
Externally restricted reserves													
- Developer contributions	8,038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste									14,048				
- Other	1,797	2,347	1,757	1,965	2,009	3,156	2,037	2,024	2,012	2,000	2,518	1,976	1,964
Internally restricted reserves													
- Merger savings fund	1,893	343	323	209	702				-			-	
- Borrowings	-			9,935	515		-				-		
- Other	4,005	1,260	3,817	6.277	5.278	6.012	4,529	4,307	3,688	4.682	8,684	5,345	6,020
income from sale of assets													
- Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
Total funding	76,872	82,856	73,468	113,788	99,642	91,201	91,928	96,442	129,895	100,142	109,539	140,861	152,957
Capital Expenditure													
Buildings	21,091	15,413	9,841	26,287	15,735	17,333	13,344	19,658	35,248	14,171	18,459	55,893	55,794
Community Land		838	-	2,740	-	-	-	-		-		-	
Furniture & Fittings	730	74	65	178	36	38	36	36	36	36	38	36	36
Land Improvements	-		4,951	4,474	2,917	2.940	2.964	1,988	2014	2.039	2,066	2.095	2,123
Library Books	868	885	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2,752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,302	11,192	11,600	10,923	12,396	16,676	18,322	13,204	18,215
Other Assets	696	163	357	114	702	-	-	-	-	-	-	-	
Other Structures	3,419	2,302	1,495	6,555	6.174	5,514	7,058	3,902	6,151	5.495	2.913	2.964	3,016
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,956	7,809	7,601	20,118	7.478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	31,785	26,999	26,998	29,741	30,671	31,216	31,886	34,597	36,475
Stormwater Drainage	5,505	8,485	8,686	8,497	12,001	12.583	15,670	16,795	16,969	16,763	16,746	17,318	21,71
Swimming Pools	345	1,109	620	1,611	1.020	2,388	3,097	2,364	2,777	1,667	2,477	2,540	2,600
Other Kimbriki Assets	2.718	12,785		0.	-				-	-	-		
Total expenditure	76,872	82,856	73,468	113,788	99,842	91 201	91,928	96,442	129,895	100,142	109,539	140.861	152,957

b) From analysis of the information that Council has reported in the Report on Infrastructure Assets, included in the annual Financial Statements, it is clear that Council's past reprorting on assets indicates that the current investment has maintained the assets in a reasonably good condition.



An analysis of Infrastructure Assets published in Council's Financial Statements over 5 years is as follows:

Gross Replacement Cost	2020	2021	2022	2023	2024
Buildings	665,615	694,611	735,672	804,502	961,837
Sealed Roads	532,140	537,899	565,179	608,614	626,266
Unsealed Roads	1,745	1,910	1,927	2,167	1,796
Bridges	12,509	12,436	14,876	17,424	23,651
Footpaths	114,562	120,869	126,790	141,969	147,977
Other road assets	247,355	252,114	270,156	291,613	471,620
Stormwater drainage	977,219	980,704	1,036,493	1,110,453	1,171,727
Smming Pools	27,338	28,831	30,774	47,311	50,145
Other - Open Space/ Recreational Assets	130,957	133,538	146,131	159,465	169,338
Other Infrastructure Assets	212,074	215,764	234,302	266,724	287,986
TOTAL	2,921,514	2,978,676	3,162,300	3,450,242	3,912,343

December of Tabel Second Asset Class	2020	2021	2022	2023	2024
Percentage of Total in each Asset Class	2,921,514	2,978,676	3,162,300	3,450,242	3,912,343
- Condition 1	25.0%	28.6%	28.8%	29.3%	17.8%
- Condition 2	55.2%	52.3%	51.8%	51.3%	52.3%
- Condition 3	17.1%	16.3%	16.6%	16.7%	27.2%
- Condition 4	2.5%	2.3%	24%	23%	2.5%
- Condition 5	0.2%	0.5%	0.4%	0.4%	0.2%
\$ '0000 In Asset each Class	2020	2021	2022	2023	2024
- Condition 1	730,379	851,901	910,742	1,010,921	696,397
- Condition 2	1,612,676	1,557,848	1,638,071	1,769,974	2,046,155
- Condition 3	499,579	485,524	524,942	576,190	1,064,157
- Condition 4	73,038	68,510	75,895	79,356	97,809
- Condition 5	5,843	14,893	12,649	13,801	7,825
	2,921,514	2,978,676	3,162,300	3,450,242	3,912,343

Until 2024, we observed that the Council spent more on asset maintenance than the Asset Management Plan required (see Maintenace Cost table below).

Maintenance Costs	200	20	2021		2022		2023		20	24
	Target	Actual								
Buildings	7,979	11,076	13,147	17,038	13,584	15,910	14,189	17,723	17,153	17,900
Sealed Roads	8,375	8,344	7,878	7,861	8,268	8,171	8,422	11,567	9,403	10,788
Unsealed Roads	105	105	13	24	13	38	14	19	12	65
Bridges	9	9	43	7	49	2	146	2	227	33
Footpaths	2,160	2,158	1,924	2,181	1,943	2,001	1,929	1,723	2,660	2,307
Other road assets	3,096	3,089	2,995	2,889	3,134	3,468	3,054	2,482	4,647	3,012
Stormwater drainage	3,353	2,223	3,679	2,759	3,925	2,509	4,258	3,244	4,643	346
Smming Pools	1,325	1,388	1,600	998	1,604	1,057	991	913	1,018	1,227
Other - Open Space/ Recreational Assets	4,958	6,032	5,119	6,037	5,404	6,011	5,462	5,881	5,522	5,979
Other Infrastructure Assets	4,778	4,577	4,799	4,090	4,064	3,856	4,743	3,842	5,206	4,760
TOTAL	36,138	39,001	41,197	43,884	42,788	43,023	43,208	47,396	50,491	46,417

- It was only until the 2024 report that the target expenditure on maintenance increased above the actual expenditure – resulting in a poor result.
- d) It was also only until 2024 that the Council was reporting a high percentage of assets in Condition 1. Assets in Condition 3 significantly deteriorates in the 2024 report, without explaination.
- e) However, we also highlight from the Council's Financial Statements reported the pecentage of assets in Condition 5 has improved over the past five financial years, while the percentage of asssets in condition 4 has been held stable (table above).

- f) While the replacement cost of assets in condition 4 and condition 5 was \$105 million, we suggest that not all assets in condition 4 should be replaced, particularly if they were not critical assets. In fact, replacing assets too early is not of optimal value to the capital invested in the asset.
- g) Assuming the Council had compemplated, in the worse case IPPE scenario, twe conclude that the financial envolpe required for addressing all assets in conditions 4 and 5 infrastructual assets, identified on Page 17 of this submission, was between \$26m over 3 years and \$37 over 4 years, which was, in our opinion, well within the Council's existing BAU financial capability to undertsake.
- h) This conflicts with the stated need by the Council to invest significantly more in assets, requiring the rate rise to fund that additional investment in assets.
- i) We suggest that the evidence for such a large increase in investment in IPPE that underpins the need for the rate rise is not supported by the Council's own Report on Infrastructure Assets as published over the past five years.
- Concern 7 The Council has maintained assets in good to very good condition despite only achieving 70-75% on budget investment in IPPE putting into question the reliability of the Asset Management Plan and the accuracy in costing future asset requirements.

The table below summarizes the historical budget and actual cash used for IPPE for the past five financial years. The council has maintained assets in good condition despite not spending the planned amount on them.

Investment in IPPE	2020	2021	2022	2023	2024
Budget	110,310	103,449	136,672	107,024	111,309
Actual	80,171	73,150	76,755	81,973	73,302
Difference % Complete	30,139 72.7%	30,299 70.7%	59,917 56.2%	25,051 76.6%	38,007 65.9%

Consequentially, the evidence suggests that the Council's IPPE case for justifying a need for an SRV is completely unreliable and appears unfounded.

4 Conclusions

In our submission,

- a) we established that the Council's application has failed to:
 - i. meet any of the following <u>key criteria</u> established by OLG and IPART for a valid Special Rate Variation (SRV);
 - Need for the variation.
 □
 - ☑ Community awareness and engagement.
 - Impact on ratepayers.
 - ☑ IP&R documents have been exhibited and adopted by the Council.
 - ☑ Productivity improvements and cost containment strategies.
 - ☑ Other relevant matters.
 - ii. consider the disporpotionate impacts of the SRV will have on local businesses and their capacity to provide employment.
 - iii. respond to social research statistics informing the Council of the absence of community support for the 39.6% Special Rate Variation (SRV).
 - iv. demonstrate there is Community support for Asset uplifts;
 - v. demonstrate an SRV is required to fund the renewal of existing infrastructural assets;
 - vi. demonstrate that an uplift in demands for asset maintenance cannot be achieved within the Council's existing BAU financial capability, and
 - vii. demonstrate that future demands cannot be within the Council's existing BAU financial capability.
- b) We also submit that IPART should examine whether the Council's debt-free capital structure is justified.
- c) We raise our concern about the Council's assets being renewed sooner than required and maintained at a rate in excess of their depreciation.
- d) We are particularly concerned that the Council has banked significant operating surpluses each year, equivalent to 23% of rate yield, rather than spending collected revenue contemporaneously to deliver improved services or reduce rates.
- e) We also submit that, for reasons outlined in our submission, the ARIC Committee of the Council could not have been adequately informed about the Council's financials and IPPEs to offer its commentary on the SRV, which is now on record as part of the SRV application.

Therefore, we believe that ARIC's commentary should be disregarded.

For reasons stated in our submssion, we urge IPART to refuse the Northern Beaches Council's application.



Special Rates Variation: Submission from the Executives of the North Harbour Community Group to IPART

1. Introduction

This submission has been prepared by the executive of the Community Group in support a s508A application by Northern Beaches Council for an increase in rates for the three years beginning in 2026.

Our submission is made after:

- reviewing the financial information provided by the council on the Special Rate Variation Options on its website and at briefings to residents,
- reviewing the Council Benchmarking Data provided by the Office of Local Government,
- attending and participating in briefings from Council staff of the report submitted to councillors on 28 January 2025,
- formal and informal consultation with residents in North Harbour with whom the executive has regular and active contact with.

2. Review of the Options and Choice of Option 3 Special Rate Variation

While there was consensus among the executive of the Community Group to support Option 3 (Improve Services) this is not the view most residents in the Community Group whom the executive consulted with. The executive support for Option 3 should not be seen by the council as support for the way services are currently delivered or new projects are planned and implemented.

The primary reasons for supporting Option 3 Special Rate Variation are:

- Option 3 provides additional funds for council in the short term to address the major backlog in the maintenance and upgrading of critical infrastructure,
- The realisation that unless this backlog is addressed in the short term, the cost of clearing the backlog and the known investment needs of new infrastructure will be higher,
- Without urgent attention, some of the infrastructure could fail resulting an even higher cost to replace the infrastructure.

3. Caveat for the support of the executive for Option 3 Special Rate Variation

We recognised that the decision councillors made at the council meeting on 28 January is specific to the Special Rate Variation submission the council has submitted to IPART. Our support for Option 3 comes with a caveat that relates to the Delivery of Services and New Projects (the Delivery Program) that will be submitted to councillors later this year.

The caveat is: The council needs to radically change the way it interacts and involves ratepayers in prioritising, preparing and delivering services (including maintenance) on a *Ward-by-Ward* basis.

Through the Manly Ward Forum we shall be seeking support from the executives of the other Resident/Community/Interest Groups for changes to the way council interacts and involves ratepayers in the Manly Ward in the planning and delivery of services.

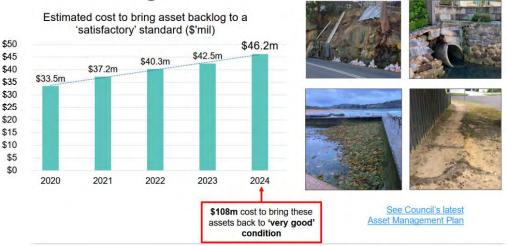
4. Support for our Caveat

There is, in our view, considerable confusion around critical expenditure on the maintenance of assets and discretionary expenditure on new assets (including the phasing of the expenditure). We believe that there are options available to council to get residents involved at an early stage of the planning process for discretionary projects.

5. Justification for the Executive Support for Option 3 Special Rate Variation

A common complaint among residents about the council is the state of important assets like roads, footpaths, street trees, public toilets, parks/reserves and stormwater drains over/under council land. The executive and many residents were not surprised to read that the maintenance of council assets has been neglected – see below. However, many of the residents and resident groups are either ignoring this very serious problem or simply do not understand the importance of maintaining and improving critical infrastructure.

Asset challenges



We accept that part of the reason maintenance of the assets has been under-funded has been because the State Government has been shifting costs onto councils that in the past were covered the State Government.

6. Inadequacy of the Current Rating System

We believe that the current method of setting council rates by is no longer fit-for-purpose – as agreed in the recent reviews of Local Government Funding conducted by the Upper House of the NSW Parliament and by the Senate in the Federal Government. Even if we assume that the current method is changed, it is unlikely it will take place in the near term.

It is hoped that when a new and fairer method to set rates will allow councils to more effectively and efficiently to plan expenditure on infrastructure and to adequately fund services.

7. Council's Operating Costs and Staff Remuneration

Many submissions by residents and resident groups to Council's submission to IPART for a rate increase (Option 3) focus on council's operating costs and seek IPART to not allow Northern Beaches Council to increase rates as proposed in their submission to IPART but rather have the council reduce manpower levels and to reduce salaries.

In reviewing council's operating costs and comparing these costs with those of councils in NSW of similar size and with similar geographic/topographical challenges (data from the Office of Local Government) we came to the view that the manning levels and operating costs of the Northern Beaches Council are not excessive when benchmarked against councils of similar size and with similar challenges. We note that in awarding the Northern Beaches Council the A R Bluett Memorial Award in 2022, the judges of the award commented on the efficiencies achieved by the council since amalgamation of the

three councils in the Northern Beaches. The A R Bluett Award is regarded as "The greatest accolade a council can achieve" and "the pinnacle of local government achievement".

However, we believe that there is scope for ongoing improvement in efficiencies that will reduce operating costs but continue to maintain a level of service delivery that the council is required to deliver under the LG Act.

8. In Conclusion

Perhaps the strongest reason for IPART to accept and support the rate increase of the Northern Beaches Council is that:

We recognise and accept that unless the backlog in expenditure to bring council's assets to an acceptable condition in the short term, these assets will continue to deteriorate and the costs of repair and/or replacement will be considerably higher – leading to an even higher increase in rates in the future than is requested by the council.

Finally, the councillors and ratepayers would be aware of the current horrific fires in Los Angeles and the flooding in the Valencia, Castilla-La Mancha and Andalusian areas in Spain in 2024. Underinvestment in the maintenance of important resources and infrastructure in both cases contributed to the loss of life and the destruction of private and public property.

Executive of the North Harbour Community Group

21 March 2025



15 March 2025
The Secretary
INDEPENDENT PRICING and REGULATORY TRIBUNAL
2-24 Rawson Place
SYDNEY 2000
Dear Secretary

Re: Northern Beaches Council Special Variation of Rates Application
Submission

This submission is prepared by the Palm Beach & Whale Beach Association, whose principal role since its formation in 1918 over the past 106 years ago, has been to advocate on behalf of the residents and businesses of Palm Beach and Whale Beach. The Association has more than 475 members. The Association appreciates the opportunity to put forward its views to assist the Independent Pricing and Tribunal in relation to the Application by Northern Beaches Council to seek a Special Rates Variation (SRV) totalling 39.6% over the next three years.

The Association believes that the program to inform and consult with the community of Northern Beaches was flawed for a number of reasons and did not put the community in an informed position to consider and comment on the SRV proposal.

- 1. The process by which the Councillors arrived at their decision to seek an SRV was flawed. The Councillors, not the Council administration, are responsible for fixing the rates. They and the community were both presented by the Council staff with four alternative propositions in relation to the fixing of the rates for the financial years 2025/2026 to 2027/2028 and beyond, with selected supporting information. But the Councillors were only allowed to vote on one of the four options put out for public consultation, whereas they should have been able to decide which of the four options best met the needs and interests of the community whilst keeping the Council sustainable that is their legal responsibility.
- 2. Insufficient information was provided to the Councillors or the community to allow them to come to and express an informed opinion on the four options under consideration.

 Insufficient time was provided to the community to consider the information provided, given that the response period covered the Christmas/New Year break and in any case was during what is a holiday period for many people.
- 3. Of the four options under consideration, the first option was said to result in cuts in the services being provided by the Council. The information supplied did not provide any indication of the nature of the services vulnerable to cuts, the extent of the cuts or the methodology for making such decisions. The Council administration may argue that since the Councillors had not made any decision about cuts, this information was not available but other Sydney councils were able to provide this information to their communities. Absent such information, Councillors' and community views supporting this option were insufficiently informed.
- 4. Option 2 was described as providing sufficient additional revenue to enable maintenance of Council assets to be carried out to return them to a "satisfactory" condition.

- 5. Option 3 was expected to generate sufficient revenue to return Council assets to "satisfactory" condition with a surplus which might enable the consideration of special projects. No information was provided to enable quantification of this possible surplus or what the special projects might be. Given that the period concerned for the SRV is partly within the Council's forward projections of its Delivery Program, for revenue and expenses, this information must be available and should have been provided, at least for the next four years. Additional information was added to the Delivery Plan which provided some headings under which projects might be included plus amounts of expenditure but this was too general and too late to be of any use to the community; in any case it only covered the current financial year and the three immediately succeeding years.
- 6. Option 4 would obviously generate a bigger surplus. How much and what would the Council consider spending it on?
- 7. Insufficient attention appears to have been paid to cost reductions. An example is found in employment numbers which are forecast for the current year (at 1308 FTE) to be very similar to the total of the three councils in 2015, before amalgamation (1315 FTE).
- 8. The Council is known to operate with an internal list of priorities which is not made available to the community whose interests the Council is mandated to serve. It should be published, in order to enable the public to know how the Council determines which services and projects to undertake and to provide a framework within which the four options for the SRV were determined.
- 9. Greater transparency from the Council on priorities and benchmarking of projects would enable better decision-making and more informed commentary by the public. This would lead to fairer and more productive allocation of funding. An example relates to tourism the second most popular tourist destination in Northern Beaches is Palm Beach/Barrenjoey Headland (after Manly). More than 250,000 people per annum travel through Palm Beach and Governor Phillip Park to visit Barrenjoey Headland, according to data supplied by National Parks & Wildlife. There were more than 100,000 parking fees paid in Palm Beach in 2023/2024, none of which would have been paid by ratepayers of Northern Beaches (they get parking stickers) this would result probably in the order of 300,000 visitors to the car parks per annum (these figures should not be added together there would be double-counting). Yet there is not one dollar of capital expenditure in Palm Beach in the current financial year nor the next three years in the Council's Delivery Plan to help service the needs of this flow of tourists who spend time and money in the area and the condition of the assets they use such as Governor Phillip Park is poor and lack, for example, adequate toilet facilities.
- 10. The figures supplied to I PART as part of the application for the SRV include "Special variation for future works" totalling \$296.1 million over the next 9 years. This is an awful lot of cash to be generated without a disclosed purpose but there is no information on priorities or how projects will be identified or chosen for this cash to be invested..
- 11. In its documentation, the Council claimed that the net present value of cost savings from the merger was \$161.6 million but offered no further information. How were these savings realised, how is the sum calculated and on what has the money saved to date been spent? If these savings will be realised over the next 10 years, how is the Council currently in financial difficulty?
- 12. In the projections of expenditure provided to I PART, there is an amount described as "Uplift compliance services" averaging \$1 million p.a. over the next nine years but no corresponding income item from enforcement activities. Why? (Table 8.2, Part A, Application). It is known that the Council received more than \$7 million in parking fines during the 2023/2024 financial year, with a below strength enforcement team.
- 13. The survey of "residents" (some were from outside the LGA area) carried out by Micromax which the Council relies on to demonstrate affordability and support was carried out in

- August last year, well before anyone in the community had any idea of the magnitude of the proposed increases.
- 14. The survey carried out by the Council during its own consultation period was heavily slanted towards a particular result so it was not a fair reflection of community views.
- 15. Local government financial statements are not easy to follow. The structuring of Council's financial information in accordance with Government accounting policies is not comprehensible to most members of the community who are more familiar with business accounting principles. A tiny example cash flowing out of the Council is described as "investment" a more familiar description for most community members would be "expenses". In order to inform the community, the Council should present its accounts for public consumption in a more familiar form or a summary.
- 16. The Council had been aware for more than two years of this looming insufficiency of funds. In such conditions, it was unwise not to postpone the reconstruction of the Warriewood Community Centre which, at \$15.836 million, is the largest project the Council is undertaking at present, until conditions became more sustainable. Decisions such as this increase the current lack of confidence in the Council's decision-making process.
- 17. The affordability survey carried out for the Council is capable of more than one interpretation. For example, The LGA has, from information previously furnished by the Council, a proportion of the population which is aged or retired which is considerably above the average for New South Wales LGA's. These people generally own their own homes but do not have mortgages; they are also likely to be on fixed incomes. All of this means a significant proportion of the population who are not able to afford the proposed increase of rates but their position is not recognised in the Council's affordability study. In any case, this was only a "study of studies" there was no on-the-ground research. There are also a number of pockets of less well-off residents.

It has to be said that despite the (flawed) findings of Council's satisfaction surveys, the level of distrust of the Council by the community has been growing over the last few years; the way this Application was handled in its community consultation phase and the lack of serious attempts to deal with levels of spending has significantly added to the levels of concern in the community. The Council gives the impression that with the increased rates, it will be a return to business as normal. It wants ratepayers to tighten their belts to pay higher rates – it should be more prepared to take some of the same medicine. There have been a significant number of new policies designed by consultants for the Council such as diversity and multicultural policies, which might be nice to have in good times but could be deferred when times are tough.

In the view of the Association, the information provided by the Council is neither sufficient in detail nor adequately demonstrated, to justify the size of increase sought by the Council in its Application, especially in view of the substantial amounts of money this option generates for which no specific purpose has been indicated.

In our view, a decision by I-PART which was close to Option 2 of the four put on display would "tick all the boxes", to use the Council's own description it, enable the condition of the Council's assets to be brought up to "satisfactory" and, if coupled with greater discipline on spending, would generate additional funds for future capital expenditure. Such a decision would impose less pressure on the community which is still trying to cope with rising costs, with more rises forecast, and relatively high interest rates.

We appreciate the opportunity to put our views before the Tribunal.

Yours truly



21 March 2025

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Property Council of Australia

Mr Independent Pricing and Regulatory Tribunal PO Box K35
Haymarket Post Shop NSW 1240

Via email: jpart@ipart.nsw.gov.au



We welcome the opportunity to provide feedback on the Independent Pricing and Regulatory Tribunal's (IPART) review of Northern Beaches Council's Special Variation (SV) proposal.

As Australia's peak representative of the property and construction industry, the Property Council's members are the nation's major investors, owners, managers, developers, designers and builders of property of all asset classes. Many of our members own and develop property across the Northern Beaches local government area.

Northern Beaches Council has applied for a permanent increase in rates income for the period from FY 2025-26 to FY 2027-28 (inclusive) of 39.6 per cent. The permanent nature of the proposed SV will result in Council being in a favourable financial position by FY 2033-34, with a forecast operating performance ratio of 7.8 per cent, which well exceeds the Office of Local Government's (OLG) benchmarks for financial performance. The rationale for a permanent solution has not been sufficiently articulated or justified in the Council's Integrated Planning and Reporting documents submitted with the application.

While the Property Council recognises the financial challenges faced by councils, we are concerned that the SV process is being increasingly relied on to secure long-term financial sustainability. We are concerned that no option has been provided for a temporary SV or an alternative solution that phases one-off costs over a longer period to reduce the cumulative impact on ratepayers. In the context of businesses already facing substantial cost pressures, we urge IPART to carefully assess whether alternative funding options referred to above should be considered in lieu of a permanent increase.

Higher rates are likely to deter investment, increase operational costs, and potentially slow down development projects – in turn affecting housing supply and affordability and business operations in the area. While a 'Capacity to Pay' report was commissioned to support this application, we are

¹ Northern Beaches Council 2025, *Long-Term Financial Plan 2024–2034 – Special variation update:* Funding our Future, accessed 18 March 2025,

March 2025, https://www.yourcouncil.nsw.gov.au/nsw-overview/finances/.

https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/North-Sydney-Council-Attachment-Other-Attachment-Attachment-1-Long-Term-Financial-Plan-2025-2035.PDF, p. 83.

Office of Local Government 2025, *Finances - Your Council NSW*, NSW Government, accessed 18

concerned that it does not provide adequate data or commentary to substantiate that business ratepayers will have capacity to absorb the proposed rate increase. There is also insufficient justification to support Council increasing its business rates to among the most expensive of OLG Group 3 councils. As a result, we are not in a position to support this application as the impact on affected ratepayers is not clearly defined, having regard to the current rate levels and the proposed purpose of the SV.

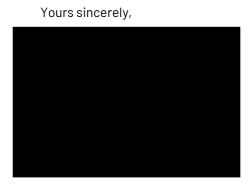
We note that Northern Beaches Council have historically renewed their assets to a higher standard compared to other metropolitan councils, and often at a higher cost. The SV application does not state whether Council is reconsidering its position, or if there has been a review of existing assets to identify ones that may not require immediate renewal to a higher condition. We recommend that IPART seeks clarification about Council's position and recommends that Council revisits their approach to prioritising asset upgrades to avoid a one-size-fits all approach.

The consultation process leading up to IPART's consideration of this proposal could also be improved. While we acknowledge the timing of IPART's review process to ensure rate changes come into effect at the start of a new financial year, Council's engagement overlapped with the Christmas/New Year holiday period which could have precluded people from having a meaningful opportunity to participate in consultation. Future engagement efforts need to be enhanced to build trust and ensure that stakeholders are adequately consulted and have their feedback considered as part of any changes.

While Council's consultation determined that ratepayers are generally in favour of expanded services and new and upgraded infrastructure, it did not provide any context about the quantum of rate revenue increases needed to fund such improvements. Affordability was a key sentiment raised throughout the community consultation and concerns were raised about funding service improvements and works through significant increases in council rates. We believe that the application does not demonstrate the community's awareness of the need for a rate rise of this magnitude.

Council has demonstrated a commitment to some productivity improvements and cost containment strategies that are expected to continue over the SV period. However, there is room for consideration of options to increase revenue through alternative means. Ratepayers need to be assured that any additional revenue generated by the SV will be used efficiently to deliver high-quality services and future-proofing their assets for long-term growth rather than simply funding increasing operational and staffing costs.

We thank IPART for the opportunity to provide a submission to this consultation. If you have any questions about this submission, please contact



The Secretary Independent Pricing & Regulatory Tribunal Level 16, 2-24 Rawson Place SYDNEY NSW 2000

Dear Secretary

NORTHERN BEACHES COUNCIL SPECIAL VARIATION OF RATES APPLICATION

We consider that the forced amalgamation of Pittwater, Manly and Warringah Councils in 2016 created an oversized Council which has inevitably resulted in out-of-control staff costs as the burgeoning bureaucracy struggles to adequately respond to residents' needs.

Whilst recognising this problem is primarily a structural one created by the failed amalgamation, we urge IPART to reject the application for a special rate variation (SRV) which will only serve to exacerbate these inefficiencies and make structural reform harder in future.

We are concerned that if the SRV is approved, the Northern Beaches Council (NBC) will continue down the path of irresponsible financial management with exponential growth in staff costs such that further SRVs will become the norm. We implore IPART to prevent this unacceptable burden on Northern Beaches Communities and not to set a dangerous precedent of approving rates increases of such unjustifiable magnitude.

Focusing on the key areas of IPART's review, we make the following submissions:

- There was insufficient exploration given to alternative financial and servicing remedies. NBC management chose to not look inward at the over-staffed management, their salary levels, and added entitlements. Where the previous Pittwater Council had been led by one general manager, the amalgamated NBC boasted three senior managers under which were employed five general managers. Rather, the NBC has looked outward to extract additional funds from ratepayers whilst protecting the interests of senior management.
- 2. NBC management appear to have presented very limited options to a group of new Councillors, many with little prior experience in questioning the assumptions underlying those recommendations and with insufficient opportunity to allow alternative approaches to be explored. The need for the SRV was presented as a fait accompli, with Councillors provided with insufficient time to investigate its validity.
- Of equal concern is the timing of the Council meeting which made the decision to
 pursue this SRV coming at the end of a holiday summer period when many residents
 were away during the lead up to the crucial decision and unaware of what their
 Councillors were about to vote on.

- 4. The community preferred option survey deliberately employed a methodology which enabled Council to avoid hard meaningful data. Unlike the rigorous stratified random probability sampling methodology (as per all national polling), the opt-in survey method measures the responses only of those community members interested enough to reply (in this case approx. 6,000 of the 170,000adult population). In no way can results be said to be representative of the NBC population; nor can one apply typical reliability and confidence measures, as per properly constructed surveys. (Such a sample of 400 residents could have been conducted for around \$50,000 to deliver an accurate and projectable community response.) NBC management belled the cat when they revealed they had used the data from the \$170,000 survey to structure a 'thematic' approach, using its data along with a range of other inputs to develop said themes to inform their final decision. This is simply marketing camouflage. It was a deliberate choice by NBC management needing flexibility to, as we have said, 'orchestrate' their desired result.
- 5. We doubt the accuracy of the figures relied on by the NBC in its four-options paper. We refer you to the submission by an allied group, The Palm Beach & Whale beach Association Inc. for a full discussion of those figures. We support the data contained therein.
- 6. We challenge the methodology of the MorrisonLow capacity to pay report as relied on by NBC as it appears to rely heavily on the relative advantage of the Northern Beaches region in comparison to other regions without sufficiently addressing the actual capacity to pay significant rate increases. In particular, the report documents that the Northern Beaches has slightly lower mortgage stress than other regions, but fails to show how the 17% of households with mortgage costs exceeding 30% of income would manage to meet this significant rate rise without having to move to other areas. Similarly, with significant business rates increases, there appears to be little consideration given to whether a large percentage of businesses might be pushed to close by such significant rate increases.

For the above reasons, we ask IPART to reject NBC's application for such a large SRV with insufficient justification and inadequate consultation.





DUFFYS FOREST RESIDENTS ASSOCIATION INC

P.O. Box 567 TERREY HILLS NSW 2084

1. PURPOSE

The Duffys Forest Residents Association ("**DFRA**") makes this submission to the Independent Pricing and Regulatory Tribunal ("**IPART**") in response to a s508A application by Northern Beaches Council ("**Council**") for a permanent increase in rates for the three years beginning FY26.

The DFRA submits that pursuant to s15(1) of the IPART Act, Council's application for a special variation is deficient and should not be approved by IPART. Further, Council has acted contrary to community opinion and has hastily progressed an unsupported rate increase. Based on Council's documentation, Council demonstrates its inefficiency.

We focus on three of the community's areas of concern, being;

- Council's process and its disregard of the community, including our community's voice,
- The reliability of Council's financial plan, &
- The Independent Expert's report on businesses' capacity to pay.

CONTENTS

- SUMMARY
- MAJOR POINTS
- ➢ COUNCIL'S PROCESS
- ➤ COUNCIL'S FINANCIAL PLAN
- BUSINESSES CAPACITY TO PAY
- CONCLUSION

2. **SUMMARY**

The Duffys Forest Residents Association (DFRA) submits a response to the Independent Pricing and Regulatory Tribunal (IPART) opposing Northern Beaches Council's application for a permanent rate increase over the three years starting FY26. The DFRA highlights deficiencies in the Council's application and its disregard for community opinion.

- Community Opposition: The majority of the community opposes any rate increase above the PEG, and Council's resolution for a 40% rate increase was passed by the barest margin. Only 17% of residents supported Option 3 or higher. –
- **Financial Inconsistencies**: The DFRA points out inconsistencies in the Council's financial plan, including discrepancies in projected profits and cash flow statements. Our analysis indicates that Council's financial model lacks the required reliability.—
- Employee Cost Efficiency: The DFRA questions the Council's claim of efficiency, noting a significant increase in employee costs in the current and prior fiscal years, as well as the three forecast years. There is scepticism about Council achieving zero incremental employee costs on increased revenue of \$111m. Benchmarking suggests that substantial savings are available to Council. –
- No need for Urgency: The DFRA argues that there is no immediate urgency for the rate
 increase, as the Council has time to achieve cost savings and cash conservation. In the
 alternative, we suggest that a one-year increase could be considered while Council
 provides accurate and reliable documentation. In FY25, the Valuer General is expected
 to produce its tri-annual valuation for the northern beaches, the changes need to be
 assessed. –
- **Business Capacity to Pay**: The DFRA challenges the Council's independent expert report, suggesting that Northern Beaches businesses may not have the required resilience to bear a 40% rate increase. –
- Financial Transparency: The DFRA calls for IPART to refuse Council's application until
 financial data are made reliable and it is matched with community consultation
 collateral.

3. MAJOR POINTS

- Majority community opinion is that no increase in rates (other than above the PEG) should occur. Only 17% of the community indicated that Option 3 (or the higher taxing Option 4) was acceptable, see Figure 3.
- The resolution by Councillors for an IPART submission for a 40% permanent increase in rates was passed on the barest majority. Councillors' agenda papers differ from Council's IPART submission.
- The Duffys Forest community is an ad valorum ratepayer and has been adversely
 affected for a substantial period by Council's inequities and distributional practices.
 This Association believes that inequities and inefficiencies need to be addressed before
 Council rates are increased.
- Council's financial information is inconsistent with its community consultation statements and is financially unreliable. Inconsistencies include;
 - Council generating an incremental profit of \$78m on the increased revenue of \$111m from Option 3 (70% incremental profit margin). Contrasted with a forecast profit of \$30m, that was communicated to Councillors and the community (27% incremental profit margin). See Figure 1 & Table 2.
 - The cashflow statement indicates Council intends to build a surplus securities portfolio of \$32m, arising from the \$111m rate increase. As this is achieved in 3 years, the growth rate for this buffer is excessive, see Table 4.
 - Council's base model reveals a 'blow-out' in current and prior year employee costs. The forecast employee to total income cost ratio shows continuing future inefficiencies, see Tables 6 & 7.
 - Council's model indicates that it can achieve zero incremental employee costs whilst receiving \$111m additional revenue generated by Option 3, see Table 5.
 - Benchmarking of employee costs provide Council the opportunity to achieve significant cost savings, see Table 8, where a \$59m cost saving is illustrated.
- IPART needs to undertake a full assessment of Council's operation and its future income generating capacity, that process should not be truncated based on purported urgency. The following points are salient in considering urgency;
 - Council's residential ratepayers are generally in the highest socio-economic bands.
 - Council's borrowings are minimal with Council's debt service ratio standing at 1.3% in FY24,
 - Under its base case, Council forecasts an operating loss of \$5.3m in FY25, based on total revenue of \$464m, or 1.1% of revenue, there remains sufficient time for cost savings to be achieved by Council in FY25.
 - Council expects a decrease of \$8.6m in cashflow, closing FY25 with a cash balance of \$9.0m (a rough solvency coverage ratio of 1 year), there remains sufficient time in FY25 for Council to implement cash conservation.
 - The employee cost ratio indicates Council has substantial leeway to achieve significant savings.
- Council's independent expert's report discloses business metrics that cause concern.
 In aggregate, northern beaches businesses may not have the required resilience to bear a 40% rate increase.
- Council's independent expert did not address the competitiveness of northern beaches businesses when rates under Option 3 move from 9th to 4th highest of Council's peers.

4. **COUNCIL's PROCESS**

4.1. Council's process

Council resolution

- 4.1.1. Council at its meeting of 28 January resolved to apply to IPART for a special rate variation.
- 4.1.2. The resolution was passed on a bare majority of 8 vs 7 Councillors.
- 4.1.3. Option 3, being a permanent increase of 39.6% was resolved by the Council.
- 4.1.4. Prior to the resolution, Councillors were briefed with the results of the community consultation.
- 4.1.5. The resolution adopted an Addendum to the Delivery Program 2024-2028.

 Option 3 provides an Income & Expenditure statement that provides a closing balance of \$29.6m for FY28 (pages 12 14), see Figure 1 below.
- 4.1.6. Option 3's income and expenditure statement is summarised in Table 1 below with increased rates revenue for the three forward years of \$108m, expenditure of \$79m is committed and there is an uncommitted surplus of \$30m, or 27% of the increased rates.

\$'000	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	3-year Cumulative
Additional Rates income Option 2 + Option 3	16,279	35,082	56,800	108,161
expenditure	11,689	25,418	41,440	78,547
Depreciation			12	12
Net income from option 3	4,590	9,664	15,360	29,602

Table 1 Summary of Option 3 data provided to Councillors.

Option 3 Improve Service	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	
Opening balance		-	4,590	14,254	
Additional rates Income		16,279	35,082	56,800	
Total		16,279	39,672	71,054	
Expenditure by key service:					
Option 2 Maintain Service program total		11,689	24,873	39,480	
Economic development, events and engagement	-	1 (6)	545	840	
Property and facilities		H	E	1,120	
Total		11,689	25,418	41,440	
Future funding:					
Depreciation and maintenance on new assets above	3		- 6	12	
Total Option 3		11,682	25,418	41,542	
Closing balance		4,590	14,254	29,602	

Figure 1 Extract of agenda papers provided to Councillors for Option 3.

Community consultation

- 4.1.7. Council has submitted to IPART its community engagement collateral.
- 4.1.8. Council's consultation process resulted in total community responses of 6,389 (page 6 of the briefing note). This is equivalent to a 6.1% engagement rate of ratepayers.
- 4.1.9. Option 1, being no increase in rates beyond the rate peg, received a majority of support with 51%. Council's chart of response profiles, from page 22 of its briefing note, is shown below in Figure 2.

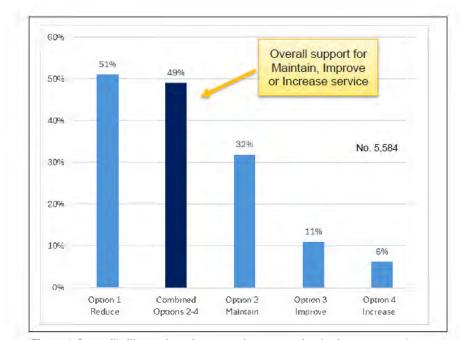


Figure 2 Council's illustration of community support for the four proposed rate increase scenarios

4.1.10. There was 11% community support for Option 3. That grows to 17% support when the higher Option 4 is added.

4.2. Background on Duffys Forest & RU4 properties

- 4.2.1. Duffys Forest is a rural suburb of approximately 170 properties. All properties are homogenously zoned RU4 Rural residential.
- 4.2.2. Duffys Forest adjoins the suburb of Terrey Hills and it has approximately 210 properties zoned RU4.
- 4.2.3. The RU4 community is a destination zone with intra and inter council tourism. Visitors engage in social and recreational facilities drawn by the National Park, the international golf course, the accredited gun club, the equestrian facilities, and function and retail centres; there is an active rural and non-rural commercial sector; and there is a long-standing resident population.
- 4.2.4. Collectively the circa 380 RU4 properties contributed over \$2.1m in rateable income to Council in FY25, being 1.1% of Council's Ordinary Rates General Income.

- 4.2.5. These 380 properties are a collective of rateable residential and business properties, they represent 0.36% of all assessments, accordingly all RU4 properties are subject to Council's ad valorum rate.
- 4.2.6. Over the four years to FY28, the RU4 properties will pay Council rate income of circa \$10.2m under Option 3 with annual rate income in FY29 to be re-set to circa \$3.1m.
- 4.2.7. The DFRA provided a submission to Council, and it is attached for IPART's review. We advocated Option 1, and we noted the failures of Council's consultation.

5. COUNCIL'S FINANCIAL PLAN

5.1. Application to IPART

- 5.1.1. Council has submitted as part of its application, an excel spreadsheet model labelled Northern Beaches Council Application Part A and downloads as an excel spreadsheet model labelled %5BW25-168%5D-Northern-Beaches-Council-Application-Part-A.XLSM.
- 5.1.2. There are 13 sheets on the excel spreadsheet. These excel spreadsheets contain information not disclosed by Council to the community during the community consultation.
- 5.1.3. Council's briefing notes indicate that 57% of community responses indicated a desire for Council to cut/control costs.
- 5.1.4. For background, Council presents findings on its need to invest in its infrastructure and Council's view that it is likely that Council's income from grants and contributions will suffer a significant reduction over the forecast three years.
- 5.1.5. This Association is supportive of equitable infrastructure investment and suggest that the loss of grant income might prove to be overly pessimistic, perhaps Council can provide to IPART and the community greater insight into its expectations for the significant decline in grant income.

5.2. Income & Expenditure Statement

- 5.2.1. Sheet WS-10 LTFP details Council's 10-year income & expenditure plan with its base model and the changes by implementing Option 3, see the summary in Table 2 below.
- 5.2.2. Option 3 results in Council receiving \$111m in additional income over the three forward years.
- 5.2.3. Expenses under option 3 increase by \$33m over the three years.
- 5.2.4. Council records an incremental profit of \$78m from the additional \$111m in revenue over the three years (i.e. 70% incremental profit margin).

		Row	Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	3-year Cumulative
Total Income Continuing							
Operations	Option 3	39	464,029,474	471,018,999	490,346,098	520,727,582	1,482,092,679
Total Income Continuing	Base						
Operations	Case	197	464,029,474	454,422,906	454,443,863	462,362,074	1,371,228,843
Diff				16,596,093	35,902,235	58,365,508	110,863,836
Total expenses continuing							
operations	Option 3	58	429,712,926	444,975,738	452,637,245	465,978,029	1,363,591,012
Total expenses continuing	Base		.20,1 .2,020	,0. 0,. 00	102,001,210	.55,5: 5,525	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
operations	Case	216	429,712,926	439,290,337	442,193,938	449,557,916	1,331,042,191
				5,685,401	10,443,307	16,420,113	32,548,821
Operating result from							
continuing operations	Option 3	64	34,316,548	26,043,261	37,708,853	54,749,553	118,501,667
Operating result from	Base						
continuing operations	Case	222	34,316,548	15,132,569	12,249,925	12,804,158	40,186,652
	·	·	•	10,910,692	25,458,928	41,945,395	78,315,015

Table 2 Council's Base Case vs Option Income & Expenditure

5.3. Cashflow Statement

- 5.3.1. Sheet WS-10 LTFP details Council's 10-year cashflow statement with its base model and the changes by implementing Option 3, see the summary in Table 3 below.
- 5.3.2. The \$78m profit (as shown in Table 1) translates into an \$80m increase of operating net cash for three forward years.
- 5.3.3. Investing activities increase by \$80m for the three forward years funded from the \$80m generated from operating cash.

		Row	Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	3-year Cumulative
Net cash provided (or used in) operating activities Net cash provided (or used in)	Option 3 Base	93	70,384,898	81,398,814	98,481,922	110,215,058	290,095,794
operating activities	Case	251	70,384,901	70,205,575	72,318,286	67,526,524	210,050,385
				11,193,239	26,163,636	42,688,534	80,045,409
Net cash provided (or used in) investing activities	Option 3	115	-86,131,190	-75,498,528	-94,625,678	106,174,151	-276,298,357
Net cash provided (or used in) investing activities	Base Case	273	-86,131,190	-64,305,131	-68,605,180	-63,670,039	-196,580,350
				-11,193,397	-26,020,498	-42,504,112	-79,718,007
Net cash provided (or used in) financing activities Net cash provided (or used in)	Option 3 Base	131	7,179,911	-4,025,459	-3,065,860	-3,200,355	-10,291,674
financing activities	Case	289	7,179,911	-4,025,459	-3,065,860	-3,200,355	-10,291,674
				0	0	0	0

Table 3 Council's Base Case vs Option 3 Cashflow Statement

5.4. Surplus Funds

- 5.4.1. Sheet WS-10 LTFP incorporates into the cashflow statement, a reconciliation of the impact of investment/sale of investment securities arising from investing activities.
- 5.4.2. That reconciliation presents the flows and balances of the cash, cash equivalents and investments over the three forward years with its base model and the changes by implementing Option 3, see the summary in Table 4 below of the yearly closing balance.
- 5.4.3. Cash, cash equivalents and investments increase by \$32m over the three forward years with Option 3's cash and investment balance closing with Council holdings totalling \$172m.

		Row	Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28
Cash, Cash Equivalents & Investment - end of year Cash, Cash Equivalents &	Option 3 Base	142	166,173,736	146,483,473	153,545,667	171,870,356
Investment - end of year	Case	300	166,173,739	141,472,717	138,006,385	139,646,652
				5,010,756	15,539,282	32,223,704

Table 4 Council's Base Case vs Option 3 closing Cash & Investments

5.5. Expenditure Breakdown

- 5.5.1. Sheet WS-10 LTFP provides breakdown of its expenses, with its base model and the changes by implementing Option 3, see the summary in Table 5 below and the line-item variances.
- 5.5.2. Option 3 facilitates a \$33m increase in expenses over the three forward years.
- 5.5.3. \$29m of the \$33m will be spent on materials, with \$4m attributed to depreciation and amortisation.
- 5.5.4. As can be seen in Table 5, there is zero variance for employee benefits, interest costs and other expenses by Council implementing Option 3.

	Row	Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	3-year Cumulative
Option 3		2024-25	2025-20	2020-21	2021-20	Cumulative
Employee Benefits & On-costs	47	171,870,209	176,190,985	180,108,503	183,972,304	540,271,792
Borrowing Costs (i.e. interest costs)	48	2,604,666	2,941,964	2,878,915	2,830,457	8,651,336
Materials & Contracts	49	180,277,883	188,823,070	188,142,611	195,747,444	572,713,125
Depreciation & Amortisation	50	53,207,844	55,102,415	58,462,352	59,177,914	172,742,681
Other Expenses	51	21,752,324	21,917,304	23,044,864	24,249,910	69,212,078
			444,975,738	452,637,245	465,978,029	1,363,591,012
Base Case						
Employee Benefits & On-costs	205	171,870,209	176,190,985	180,108,503	183,972,304	540,271,792
Borrowing Costs (i.e. interest costs)	206	2,604,666	2,941,964	2,878,915	2,830,457	8,651,336
Materials & Contracts	207	180,277,883	183,608,076	178,960,132	181,280,501	543,848,709
Depreciation & Amortisation	208	53,207,844	54,632,008	57,201,524	57,224,744	169,058,276
Other Expenses	209	21,752,324	21,917,304	23,044,864	24,249,910	69,212,078
			439,290,337	442,193,938	449,557,916	1,331,042,191
Variation on Base Case						
Employee Benefits & On-costs		0	0	0	0	0
Borrowing Costs (i.e. interest costs)		0	0	0	0	0
Materials & Contracts		0	5,214,994	9,182,479	14,466,943	28,864,416
Depreciation & Amortisation		0	470,407	1,260,828	1,953,170	3,684,405
Other Expenses		0	0	0	0	0
			5,685,401	10,443,307	16,420,113	32,548,821

Table 5 Breakdown of expenditure variances by Council Base Case vs Option 3

5.6. Historic & Current Year Employee Costs

- 5.6.1. Sheet WS9 financials is Council's historic income and expenditure statement.
- 5.6.2. In Table 6, we construct an historic analysis of Council's employee cost to income ratio for the five years ending FY24 and calculate the cumulative and 5-year average ratio.
- 5.6.3. Council's five-year cumulative income totals c \$2,006m for the 5-year period to the end of FY24.
- 5.6.4. Employee costs for the five years totals \$715m or 35.6% as a cost to income ratio.
- 5.6.5. Annual employee costs, as a ratio to income, range between 33% and 38%.
- 5.6.6. In FY24, Council' most recent completed fiscal year, Council's income increased by \$16m, employee costs rose by \$13m.

5.6.7. The incremental change in FY24 over FY23, adversely moved the employee cost to income ratio from 34.4% to 36.1%, see Table 6. **Incremental employee** costs in FY24 consumed 80% of Council's FY24's incremental revenue.

\$'000	Row	2019-20	2020-21	2021-22	2022-23	2023-24	5-year cumulative
Total Income	29	365,955	365,789	408,057	425,443	441,728	2,006,972
Employee Benefits & On-costs	33	135,555	139,118	134,560	146,153	159,331	714,717
Employee costs as % of income		37.0%	38.0%	33.0%	34.4%	36.1%	35.6%

Table 6 Council's historic employee cost to income ratio for 5 years to FY24

- 5.6.8. Using the data on Sheet WS-10 LTFP, we have created Table 7 where we compare Council's employee cost to income ratio under its Base model and Option 3.
- 5.6.9. For the yet to be completed FY25, Council's income is forecast to increase by \$22m with employee costs increasing by \$13m.
- 5.6.10. The incremental change in FY25 over FY24, adversely moves the employee cost to income ratio from 36.1% to 37.0%. In Council's current fiscal year, incremental employee costs will consume 56% of Council's FY25's incremental revenue
- 5.6.11. Under Council's Base Case forecast, Council's employee costs will hit a new record of 38.8% of total income in FY26. The employee cost to income ratio continues to climb and reaches 39.8% in FY28.
- 5.6.12. Under Option 3, notwithstanding Council increased income (i.e. \$111m across three years, as shown in Table 2), Council's employee cost to income ratio will be 37.4% in FY26. By FY28, the ratio is forecast to decline to 35.3%, or near the 5-year average of 35.6%, as shown in Table 6.

		Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28
Employee costs as % of income Employee costs as % of	Option 3	37.0%	37.4%	36.7%	35.3%
income	Base Case	37.0%	38.8%	39.6%	39.8%

Table 7 Council's Base Case vs Option 3 employee cost/income ratio

5.6.13. Table 8 is a benchmarking calculation of employee costs, illustrating the potential savings to Council by it improving its efficiency and fiscal discipline.

		Row	Year 0 2024-25	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	4-year Cumulative
Total Income		39	464,029,474	471,018,999	490,346,098	520,727,582	1,946,122,153
Employee Benefits & On- Costs	Option 3	47	171,870,209	176,190,985	180,108,503	183,972,304	712,142,001
Employee costs at threshold 35.6%			165,194,493	167,682,764	174,563,211	185,379,019	692,819,486
Savings in employee costs			6,675,716	8,508,221	5,545,292	-1,406,715	19,322,515
Total Income		197	464,029,474	454,422,906	454,443,863	462,362,074	1,835,258,317
Employee Benefits & On- Costs	Base Case	205	171,870,209	176,190,985	180,108,503	183,972,304	712,142,001
Employee costs at threshold 35.6%			165,194,493	161,774,555	161,782,015	164,600,898	653,351,961
Savings in employee costs			6,675,716	14,416,430	18,326,488	19,371,406	58,790,040

Table 8 Subjecting Council's Base Case and Option 3 to the five-year average employee cost to income ratio

- 5.6.14. Council's five-year average employee cost to income of 35.6%, is utilised as the benchmark, see Table 6.
- 5.6.15. Table 8's benchmarking calculates that Council could achieve a cumulative 4-year employee cost savings of \$59m on its Base model.
- 5.6.16. The same calculation for Option 3, Council could achieve a cumulative 4-year employee cost savings of \$19m, as shown in Table 8.

5.7. Summary: Financial Statements

- 5.7.1. Council's financial data provided to IPART is unreliable and it differs from the information provided through community consultation.
- 5.7.2. Councillors were tabled with an income and expenditure statement that detailed a three-year surplus from Option 3 of \$30m (see discussion in point 3 above and Figure 1).
- 5.7.3. Council's 10-year financial plan, provided to IPART, records a three-year cumulative incremental profit of \$78m from implementing Option 3 (i.e. 70% incremental profit margin), see Table 2.
- 5.7.4. Review of Council's breakdown of its forecast expenses reveals that Council expects to incur a zero change in its employee costs over the three-year forecast under Option 3, see Table 5.
- 5.7.5. Historic and current financial year data suggests Council's financial modelling is deficient. Council's modelling that it achieves a zero incremental employee cost on the additional revenue generated under option 3 is inconsistent with experience and the model.
- **5.7.6.** Council's base model forecast shows employee efficiency is declining and the metric of employee cost to income ratio rises to historic highs, illustrating Council's inefficiency, see Table 7.

- 5.7.7. Under Option 3, it takes Council three years to restore its employee cost ratio to FY24 levels in FY28, benefitting from the increased rate revenue.
- 5.7.8. Council's claim about its fiscal discipline is not supportable.
 - 5.7.8.1. In FY24 incremental employee costs consumed 80% of Council's FY24's incremental revenue.
 - 5.7.8.2. In FY25 Council's incremental employee costs are expected to consume 56% of Council's FY25's incremental revenue.
- 5.7.9. Our Association suggests that IPART require Council to implement measures that would enable Council to achieve its historic employee cost to income ratio.
- 5.7.10. Based on benchmarking, Council could achieve employee cost savings of \$59m on its base model, see Table 8.
- 5.7.11. Council's briefing paper discloses that 57% of community submissions wanted Council to achieve cost savings.
- 5.7.12. Given the significant inconsistencies and differences in Council's financial data, our Association suggests that IPART should refuse to consider Council's unreliable application until it is has;
 - 5.7.12.1. explained how Council's base case forecasts are aligned to Council's historic performance,
 - 5.7.12.2. matched its IPART documents to its community consultation collateral and
 - 5.7.12.3. accounted for the inconsistencies with Council's statements of being fiscally disciplined, particularly given the deterioration in Council's employee cost to income ratio.

6. BUSINESSES CAPACITY TO PAY

6.1. Council's documentation and processes for Business ratepayers

- 6.1.1. Council engaged an independent expert ("IE") to inter alia assess businesses' capacity to pay increased rates.
- 6.1.2. The IE uses metrics to demonstrate business's capacity to pay being; Growth in Gross Regional Product ("GRP") & the growth in GRP to population (pages 21-22 of the IE's report).
- 6.1.3. The IE cites increased GRP & increased GRP to population ratio as suitable proxies to demonstrate business's capacity to pay, by stating ".... the positive indications from our industry analysis, it is considered that there is capacity to pay the proposed rate increases". (page 33 of the IE's report)
- 6.1.4. The IE calculates that Northern Beaches GRP has grown by 27.7% over the 10 years from 2013 (page 22 of the IE's report).
- 6.1.5. The IE calculates that Northern Beaches GRP to population index has increased from 0.72 in 2013 to 0.74 in 2023 (page 22 of the IE's report).
- 6.1.6. Table 22 in the IE's report (based on data supplied by Council) calculates that business rates based on a hypothetical \$1m land value property would see northern beaches business under Option 3 move from a ranking of 9th to 4th for the highest council rates when compared to a selection of peer councils (pages 29-30 of the IE's report).

6.2. Discussion Business Ratepayers

Gross Regional Product

- 6.2.1. GRP is an aggregate measure of production; it is not necessarily a measure of net income or profitability. Business profitability would be the most appropriate measure to assess businesses' capacity to pay.
- 6.2.2. The IE provides little analytical context to its Northern Beaches GRP measure, and apart from growth, how that measure assists in determining capacity to pay.
- 6.2.3. The GRP for Greater Sydney for the 10 years to 2023 grew by 29.4%. For the 22 years from 2001 Greater Sydney's GRP grew by 66.6% while Northern Beaches GRP grew by 45.4% (Gross Domestic product | Northern Beaches | economy.id). These data are graphed in Figure 3 below.

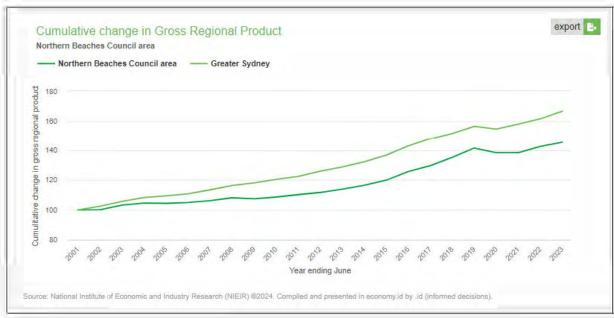


Figure 3 Greater Sydney vs Northern beaches GRP 22 years from 2001

6.2.4. Northern Beaches businesses, in aggregate, based on the IE's GRP measure could be underperforming, against Greater Sydney when compared to a 10-year period and 22-year period.

GRP to population

- 6.2.5. GRP to population is not a measure of profitability per capita. It might be considered a metric for productivity per capita or represents some form of hybrid measure of labour productivity.
- 6.2.6. The IE calculates absolute growth of 2.77% over 10 years in the GRP to population ratio for northern beaches businesses.
- 6.2.7. ABS multifactor productivity data for the whole of NSW for the 10 years to 2023 records an 8.3% increase in multifactor productivity (see 5266.0.55.002 Table 27 row 19).
- 6.2.8. ABS labour productivity data for the whole of NSW for the 10 years to 2023 records a 7.3% increase in labour productivity (see 5266.0.55.002 Table 36 row 19).
- 6.2.9. Northern Beaches businesses, in aggregate, based on the IE's GRP to population metric could be underperforming productivity, against NSW when compared to a 10-year period to 2023.

Competitive resilience

- 6.2.10. The IE notes that under Option 3 business rates move from 9th to 4th highest, when compared to Council's peer group.
- **6.2.11.** The IE does not provide further context and/or comment on the implications for competitiveness and businesses' resilience to a substantial increase in overhead.

7. CONCLUSION

The northern beaches community has provided numerous feedback points on Council's community consultation on its future rates and expenditure. That feedback was done in the absence of the data provided to IPART and Council's FY25's projection. Overwhelming the community wants Council to 'live within its means'.

Our Association comments on just three matters to detail the inadequacy of Council's consultation, inaccuracies and its disregard of the community, being;

- Council's process
- Council's financial plan &
- Business ratepayer's capacity to pay.

Our ad valorum community has been subjected to substantial inequity over a considerable time-period through Council's allocation of expenditure and the disregard of our rating burden by Council's formulae. We invite IPART to review Council's inequities.

We submit that Council's application for a special variation is deficient and not supportable. Council's evidence demonstrates inefficiencies. Through benchmarking we illustrate substantial cost savings. Council needs to make its financial model reliable, it needs to meet fiscal discipline benchmarks.

There is no urgency, there is time for IPART to conduct a comprehensive review, analysis, obtaining of necessary proofs and discussion with Council. In the alternative, a one-year rate increase could alleviate any claimed fiscal constraints.

Author name: S. Gold

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission: Special Variation to Rates - The Northern Beaches Council On behalf of the 2700 members of the Northern Beaches Peoples Voice (NBPV), please find enclosed a submission concerning the application for a Special Variation to Rates (SVR) lodged by The Northern Beaches Council (NBC). The NBPV membership condemns in the strongest possible terms NBCs application and its evident contempt for the community which it supposedly serves. In accordance with IPARTs assessment process, the submission addresses the following technical criteria: Criterion 1 - Financial Need Criterion 2 - Community Awareness Criterion 3 - Reasonableness of Impact on Ratepayers Criterion 4 - IP&R Documents Criterion 5 - Productivity and Cost Containment Strategies/ Mechanisms The submission further provides background to the specious and contrived process by which the application came to be lodged, over the clear objections of the community and in contravention of a Motion (148/24) carried in Council on 25 June 2024. For these reasons and more, the NPBV calls upon IPART to reject the SVR in its entirety. The NBPV adds its full support to calls for public inquiry and into the SVR which we view to be defective, unreasonable, and ethically questionable. The NBPV welcomes and endorses IPARTs potential call for public hearings. In the interests of good government and good governance, the attempted, egregious abuse of the Northern Beaches community by members of its Council and its executive staff must not be allowed to stand. Respectfully submitted, Stuart Gold Founder, Northern Beaches Peoples Voice 24 March 2025

IPART Submission

Submitted by: Northern Beaches People's Voice (NBPV)



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1. Executive Summary

Northern Beaches Council, in seeking a cumulative 39.6% Special Variation in Rates to be implemented over three years, has fundamentally conflated financial *need* with financial *desire* - and has done so to *an unreasonable* degree in terms of the consequent impact on ratepayers.

Relative to the "no increase" baseline scenario (Option 1) endorsed by the majority (51%) of ratepayers, Council, in pursuing Special Variation in Rates Option 3 (SV3), proposes unreasonably to:

- a. Offset a projected, aggregate ten-year operating deficit of \$20.8m, 0.44% of income, via a \$502.7m increase in rate-derived income, creating aggregate operating surpluses of \$481.9m.
- b. Fund a \$273.9 m (28%) increment in asset management capital and operating expense based on the suggestions of an internally developed plan unvetted by industry experts and biased to the replacement rather than maintenance of existing assets at a 225% cost premium.
- c. Create a nebulous and unrestricted Future Works Fund of \$188.4 m for the purposes of:
 - Allocating \$159.4m to unidentified capital projects, \$146m of which is allocated incrementally to asset categories seeking, in parallel, \$195.6m in capital funding via the unvetted asset management plan i.e. the values are additive to \$341.6m.
 - ii. Forming an uncapped and unrestricted *disaster fund* with a potential value of \$28m at the end of the LTFP term <u>net of the budget allocations to unidentified capital projects.</u>
- d. Progress an incremental \$355m in capital spending program by utilising excess rate income to:
 - Backfill fully a forecast reduction in capital and operating grants totalling to circa \$210m over the final seven years of the LTFP, relative to historical levels.
 - ii. Obviate the alternative financing of transgenerational capital assets having useful lives of up to 150 years and, in so doing, achieve an abusively excessive Debt Service Cover Ratio of 35x, relative to an OLG performance benchmark of > 2x.
- e. Fund and execute \$78m (17%) in incremental maintenance and operational service uplifts with no declared addition to the number of establishment Full Time Equivalents (FTEs) over the term of the LTFP, implying substantial excess capacity within Council's current employee base.
- f. Not address its unchecked growth in expenses in the five years since 2019-20:
 - i. Employee Benefits and On-costs: \$36.5m (27%).
 - ii. Materials and Services: \$57.3m (41%), the largest portion of which is in Corporate Support Services (\$17.6m, 31% of total growth in M&S over the five-year period).

We draw attention the dubious process by which Council's *SV3* application entered its IPARTS's 2025/26 assessment cycle, in contravention of (carried) Council Motion 148/24 and in contradiction of the direction to Council by 83% of residents/ratepayers through the community engagement process.

Given the matters set out above, we request that IPART <u>rejects SV3 in its whole</u> and requires of Northern Beaches Council that it authentically undertake and complete the requirements of Motion 148/24 prior to any re-application.

Although we acknowledge the following actions to be outside of IPART's remit, we nonetheless call for:

- Public inquiries and hearings into the SV3 application from its conception to current state.
- Resignation of the Mayor and the other seven of fifteen Councillors who cast their votes in favour of progressing the defective, unreasonable, and unnecessary SV3 application.
- Dismissal of the CEO, the COO, and the CFO on the grounds of maladministration.
- Official review by the Office of Local Government regarding the resourcing, function, and effectiveness
 of the independent Audit, Risk and Improvement Committee.



2. Introduction

Northern Beaches Council has failed to establish with the community a compelling *needs*-based business case capable of garnering support for an SV of the magnitude and permanency it proposes.

The assumptions employed in constructing Council's Long-term Financial Plan (LTFP) and its informing resourcing strategies and are highly questionable - despite their ponderous bulk. The LTFP appears to be reverse engineered to render for administrators desired financial outcomes under the guise of delivering an abstract Community Strategic Plan which, itself, lacks fiscal grounding.

We are especially concerned over Council's evident over-reliance on rate increases to:

- a. Offset a projected, aggregate ten-year operating deficit of \$20.8m, 0.44% of income, via a \$502.7m increase in rate-derived income, creating aggregate operating surpluses of \$481.9m.
- b. Fund a \$273.9 m (28%) increment in asset management capital and operating expense based on the suggestions of an internally developed plan unvetted by industry experts and biased to the replacement rather than maintenance of existing assets at a 225% cost premium.
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 - Employee Benefits and On-costs: \$36.5m (27%).
 - ii. Materials and Services: \$57.3m (41%), the largest portion of which is in Corporate Support Services (\$17.6m, 31% of total growth in M&S over the five-year period).

For these reasons, and others, we view the LTFP and its informing resourcing strategies as defective, unconvincing, and undeserving of community/ratepayer or IPART endorsement.

Marked similarities are perceived between Council's current "Funding Our Future" campaign underlying SV3 and Warringah Council's 2013 "Continue to Improve" campaign seeking a 26.25% cumulative SV over four years. The similarities include reuse of the disingenuous "It's only a cup of coffee" tagline.

In the case of the current SV before IPART, those "cups of coffee" sum to over <u>a half-billion dollars</u> to be unreasonably extracted from Northern Beaches ratepayers over nine years.



We note that the "Continue to Improve" campaign was sponsored by then Warringah Council members, of whom one serves as the current mayor of the amalgamated Northern Beaches Council. IPART saw-through then the lack of materiality in the "Continue to Improve" campaign, deciding "that the Council has not sufficiently demonstrated a need for an increase of this magnitude" (see Microsoft Word - Warringah 2014-15 MASTER.docx). We are confident that IPART will similarly see-through the lack of materiality and genuine need underlying the cynically rehashed "Funding our Future" SV application before it.

Same players, same excuses, same notions, different decade, more informed ratepayers.

Through its actions over 2024 and 2025, Northern Beaches Council has provoked within the community a necessity for increased examination and scrutiny of Council, to which the community has responded. This submission intends to convey an elevated and sustained degree of constructive engagement and criticism to the ultimate benefit of both the community and an *accountable* Council.

Business-as-usual is now past for Northern Beaches Council and its executive staff. The people demand far better – and shall have it. 2



3. First Principles: Role of CSP, IP&R Strategies/ Plans

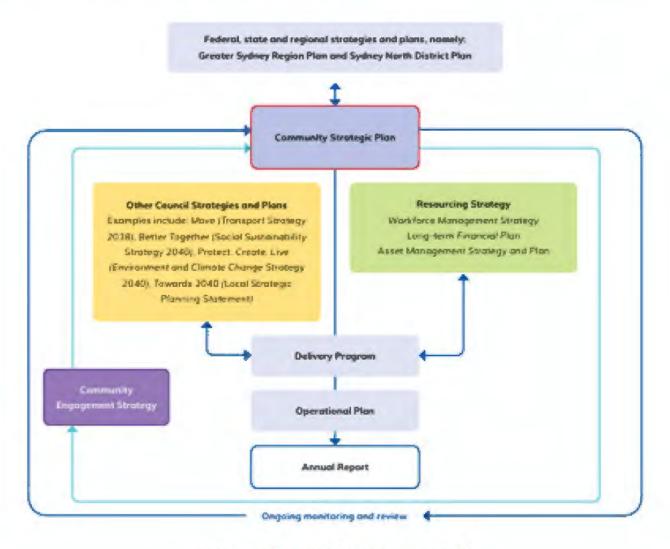
Council's financial desire, as reflected in its SV application, flows ostensibly from a desire to execute on its Community Strategic Plan (CSP) 2040, last refreshed and adopted by Council in 2022, along with its more recently update secondary strategies and plans.

N.B.: Commensurate with the election of a new council in September 2024, the CSP is currently being reviewed and refreshed for adoption at Council's June 2025 meeting.

In parallel to desired realisation of the CSP, Council is tasked to generally achieve key performance indicators (KPIs) measured and reported to the NSW Office of Local Government (OLG).

The CSP

The position of the CSP in the *Integrated Planning and Reporting* (IP&R) framework mandated by the OLG for use by all councils in NSW is as follows:



Integrated Planning & Reporting Framework¹

¹ Extract from Introduction - Northern Beaches Community Strategic Plan 2040



Council has expressed that the CSP "defines our community's vision and sets the direction for all Council activities, including funding, service levels, and projects¹" i.e., is the strategic driver of Council's agenda. Given its critical role, it is of significant concern that the CSP lacks broad recognition and endorsement within the community, as measured by the number of unique, opt-in instances of feedback received from a current resident population of ca. 268,000:

Year CSP Feedback	Unique Instances of	% NB
Collected	Stakeholder Feedback Collected ²	Population
2022	55	0.02%
2024	191	0.07%

Summary of Community Feedback on CSPs Exhibited²

The evidently low levels of community review and engagement are not uniquely a failing of Council. It is incumbent upon the community that it demonstrates enhanced levels of *civic responsibility* in owning and continually shaping the CSP and its resourcing strategies, long-term financial planning, nearer-term Delivery Plans and annual Operational Plans - inclusive of operating budgets.

Council does not own the CSP and its supporting strategies and plans, the people do.

Given the current tumult over the SV3 application, we suggest that heightened and sustained engagement in the IP&R process by the community is a critical objective for all parties. On its part, Council must "walk the talk" of transparency and meaningful engagement of the community beyond existing focus and special interest groups. The performative use of the Have Your Say platform to exhibit suites of IP&R documents comprising hundreds of pages of technical and financial jargon, impenetrable to many residents, is demonstrably insufficient.

We suggest that Council cease *doing business with itself* and start doing business with the people it exists to serve. *Listening* more broadly, beyond internal and special interests, is incumbent upon Council and essential to both Good Government and Good Governance. "Opinion silos" benefit neither.

Affordability concerns do not currently feature in the CSP. We believe they should, under the economic pillar of the quadruple bottom line framework around which the CSP is formed.

Pursuit of the CSP does not confer carte blanche to (mis)adventures in budgeting and expenses. Allowing a "gap" to develop between abstract aspirations and practical economic concerns is problematic and a certain contributor to the strength of community pushback being experienced currently by Council and its executive staff. We suggest that there are lessons to be learnt.

All must recognise that the CSP and its secondary strategies and plans are conceived to be *agile*, capable of adjustment as the community environment changes, much like an airliner or ship must adjust to ever varying environmental conditions.

Navigating arrogantly into a tempest - or a cost-of-living crisis - is rarely a prudent course of action.

As a practical step, we recommend establishment of an *Economic* Strategic Reference Group to inform the CSP and its sub-strategies, mirroring the existing *Environment* SRG, currently Council's sole SRG.

-

² Source: Northern Beaches Council website



Secondary IP&R Strategies and Plans

As with the CSP, the resourcing strategies and plans do not benefit from significant community feedback - or acceptance. They, too, risk detachment from the community's evolving priorities. Between 3 May and 4 June 2024, only 137 individuals and groups provided feedback on the resourcing plans which underlie the financial desires expressed in the LTFP and the SV3 application.

99.95% of the Northern Beaches' 268,000 residents did not input to the plans underlying SV3, indicating a failure by Council to promote genuine community engagement in these important documents.

Following is a breakdown of the issues raised by the 137 community respondents:

Document	Issues raised on each document	Count of issues
Delivery Program 2024-2028 & Operational Plan 2024/25	106	168
Fees and Charges 2024/25	11	56
Long-Term Financial Plan 2024-2034	7	23
Asset Management Plan 2024-2034	6	7

Number of issues raised by community respondents re IP&R documents - 2024

There is no community mandate or endorsement to be inferred from these insignificant numbers.

Rather, the numbers are indicative of a dysfunctional consultation process, as is the recognition that the exhibition period for the plans preceded Council's announcement of its intention to apply for an SV. Whether intentional or not, the optics do not play well in the community's eyes.

It is notable that the highest number of community submissions received, 31, *opposed* the implementation of the full IPART-endorsed 4.9% rate increase for the 2024-25 budget. Responders suggested means of balancing the 2024/25 budget by acting on Council's *expenses* via:

- Restructuring its organisation to focus on excellent delivery of legislated functions.
- Re-scoping / re-phasing the proposed execution of asset-related projects.

Those themes are consistent with the record 6,389 community submissions received by Council via the optin survey concerning the SV, conducted between 18 November 2024 and 12 Jan 2025.

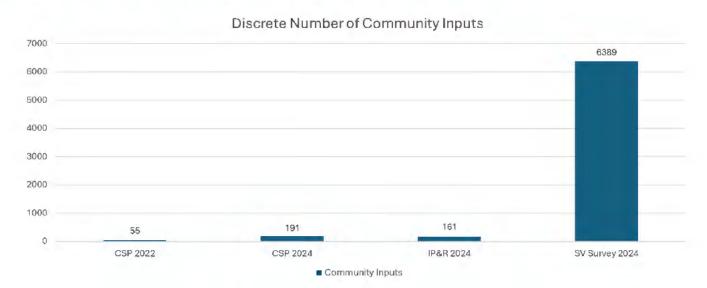
- 51% (a majority) of respondents endorsed the <u>Reduce Services</u> option over <u>any SV</u>.
- 32% of respondents endorsed the <u>Maintain Services</u> option.
- 11% of respondents endorsed the <u>Increased Services</u> option adopted by Council.
- 6% endorsed the <u>Improved</u> Services option.

83% of respondents rejected an expansionist service agenda. Council, however, persisted with the Improved Services SV3 option despite the majority of respondents endorsing Reduced Services.

Some have suggested that the results of the survey do not validly represent the greater community's view, given that the survey was opt-in rather than random. That rationale is problematic in that Council relies on opt-in surveys (via its YourSay platform) as its *primary* means of collecting community feedback and input on its strategies, plans, and initiatives. Council cannot have it both ways.



The chart below depicts the relative numbers of opt-in community submissions received by Council on the CSPs, the 2024-25 Delivery Program inclusive of its component parts including the (draft) Long-term Financial Plan, and the community engagement survey on the SV options:



Numeric comparison of community responses: CSPs, IP&R and SV Survey

Observations:

- Garnering of community feedback on key IP&R documents has not been statistically significant.
- 3,606 visits were made to the 2024-2028 Delivery Programs' Have-Your-Say page between 3 May and 4
 June 2024. The average view time was 1 min 7s.
- Community members appear to have rapidly abandoned engaging with the IP&R documents.
- Delivery Program-related content totalled 601 pages. The documents supporting the Ordinary Council
 Meeting of 25 June 2024, at which the IP&R documents were presented with an operating budget of
 \$524 million controversially approved, totalled 1231 pages.
- Council's apparent pattern of collecting community input prior to quantifying and communicating the financial impact of options it surveys is of fundamental ethical concern.
- The absolute quantum of community feedback regarding the SV options is not ignorable.

Political Opportunism

The motives by which the SV3 application came into IPART's 2025-26 cycle rather than its 2026-27 cycle, if at all, appear Machiavellian and should be understood, remembered, and learnt from by all.

The actions of some councillors and staff have engendered widespread unease in the community regarding the ethics and integrity of the individuals involved and Council's community engagement process. Those concerns have activated many formerly passive residents, as they are no longer trustful of Council and its executive team. Accordingly, the most critical deficit which Council has now to resolve is not financial – but one of severely fractured public trust in Council and councillors.

The Long-term Financial Plan supporting the SV3 application has been modified substantially from the draft plan presented to council at its 25 June 2024 "budget meeting". In our view, the modified LTFP reflects unreasonable financial desires over verifiable financial needs. It is notable that the modifications emerged publicly only after the September 2024 council elections in which five incumbent council members of the more fiscally conservative Liberal Party were unable to stand for re-election due to an administrative fiasco.



Consequent to that fiasco, eight of fifteen members of the current council are new to their duties. Many were thrust abruptly into the budget-related acrimony running behind the scenes, commensurate with Council staff's preparation of an operating plan and budget for the 2024-25 fiscal year. That work began in late 2023 toward a budget approval in June 2024. An initial workshop with councillors took place in January 2024, and a second in March 2024. The workshops were increasingly contentious, as staff divulged an operating deficit projected for the 2024-25 fiscal year, purportedly driven by the effects of COVID-19, inflation in construction, materials and contracting costs, and cost-shifting by the state.

There was little recognition or support by senior staff and a subset of councillors for Council to manage its operating expenses to balance the budget. Rather, that group of councillors and senior staff commenced development in isolation of an "alternative" concept of applying to IPART for a Special Variation to Rates, along the lines of that attempted by predecessor Warringah Council in 2014.

The easy solution of an SV appealed to some. The budget battle lines within council were thus drawn.

The Council CEO, then new to his role, was not an impartial facilitator – but an active proponent of an SV. Persons attending the workshops confirm that senior staff painted a dubiously dire and urgent "worst case" scenario which included the prospect of administration and - with it – damage to the political aspirations of some councillors. Attendees have described the environment as "coercive".

The factional acrimony within Council culminated at the 25 June 2024 "budget meeting", at which multiple IP&R documents were presented by staff for approval by councillors, including:

- An updated LTFP claiming a permanent \$24m annual compression in operating margin due to price
 inflation in capital and operational maintenance categories out-pacing rate income uplifts via IPART
 rate-pegs.
- A novel and unvetted 10-year Asset Management Plan calling for an incremental \$255m (NPV at end Dec 2023) to address "unfunded gaps" in capital and operational expenses calculated across each of Council's infrastructure management areas.

Senior Council staff, supported by a faction of councillors, floated "for discussion" an "alternative" funding option of permanent 10.6% SV incremental to rate peg to be implemented in a single year.

Fiscally conservative councillors rejected the budget "ambush" orchestrated by senior staff and the "tax and spend" faction of councillors.

After hours of confrontation, a motion (148/24) was passed in a 7 – 7 vote (the mayor's vote deciding) to accept the IP&R plans and 2024-25 operating budget contingent upon requirements that Council:

- Address its financial sustainability through the preparation of the next Community Strategic Plan and Resourcing Strategy, with the intent that Council's future operating expenses growth is <u>better aligned</u> <u>with future operating income</u>.
- Receive a report and recommendations on options to improve the 2024/25 operating results as part of the September 2024 quarterly budget review.
- iii. Receive a report and recommendation on options to improve the long-term financial plan 2024-2034, aligned with our community's strategic plan priorities, to reduce the need for a Special Rate Variation and rate increases above inflation.

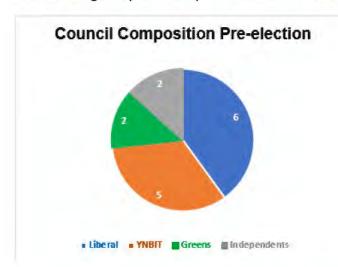


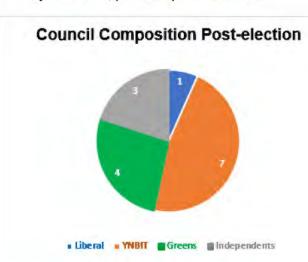
In practice, Council's acceptance of these points meant:

- A comprehensive operating review by councillors of Council's sixty (60) services over the 2024-25 fiscal year including the circa one-third of services not required by legislation.
- ii. Deeper interrogation and review by councillors of the updated, internally produced 10-year Asset Management Plan inclusive of its policies, cost calculations, and expense implications.
- iii. No consideration/support of an SV for the 2025-26 fiscal year from fiscally conservative councillors including the Liberal block, pending implementation of recommendations emerging from the reviews mandated by Motion 148/24 i.e., the earliest fiscal year for which an SV might be proposed, if confirmed to be required for financial sustainability, would be 2026-27.

On 15 August 2024, it was announced that a "catastrophic administrative bungle" by the NSW Liberal Party head office would result in dozens of Liberal Party candidates being unable to stand in the 14 September election – including all five incumbent Liberal members of Northern Beaches Council.

The following comparison depicts the council's composition by affiliation, pre- and post-election:





Pre- and post-election composition of NBC by party affiliation

We suggest that the drastic loss of the five experienced Liberals from Council opened the door to political mischief which ultimately resulted in the current SV3 application before IPART.

It can be hypothesised logically that, had any number of Liberal councillors retained their seats on the new council, as was highly probable given their relative popularities with the electorate in each of NBC's five wards, it is highly improbable that a resulting Council would have:

- Pursued an SV of the magnitudes and durations recommended by Council staff.
- Approved application to IPART for the 39.6% (cumulative) SV3.

Accordingly, we invite IPART to consider the current SV3 application before it as:

- An opportunistically "rushed" product which has not benefitted from deep examination and due diligence by many (8) new councillors.
- The product of an imbalanced and anomalistic council composition relative to long-standing established norms for the Northern Beaches community.
- A proposal rejected strongly by the majority of Northern Beaches residents and businesses.

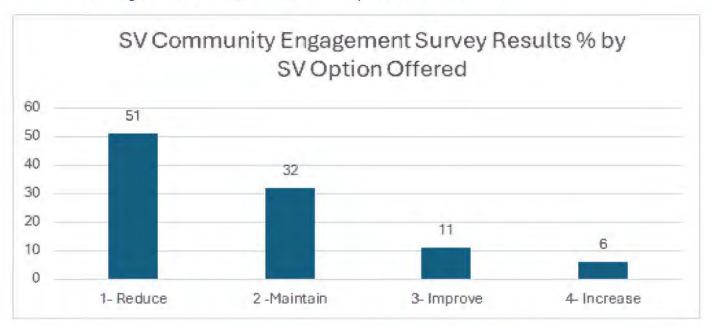


Only five weeks and two ordinary council meetings transpired between the new councillors' inauguration on 8 October and Council staff's recommendation on 12 November to approve community engagement between mid-November and mid-January 2025 on proposed options for a Special Variation to rates. Accordingly, the motivation of an accelerated SV application appears to have been undertaken by a minority faction of holdover councillors and Council staff.

N.B.: It is understood that new councillors were provided with twice-per-week evening orientation sessions over the course of the initial two months of their terms.

The magnitude of the SV options proposed, at 31.1%, 39.6% and 46%, cumulative and inclusive of forecast rate pegs, were increased substantially from the "alternative" revenue option (14% inclusive of rate peg) initially floated "for discussion purposes" at the 25 June 2024 "budget meeting".

Results of the community engagement with respect to the limited SV options offered by Council and staff, were record-setting in terms of numbers and were unequivocal in their direction:



51%, the majority, supported *reducing* council services via Option 1 to obviate any SV application, despite Council not providing any detail regarding the services to be reduced.

32% endorsed Maintaining services via Option 2.

Thus, a combined 83% of respondents declined any expansion of services as their primary selection.

The community's feedback is not mis-interpretable.

Despite the resounding community opposition, SV3, the 39.6% cumulative rate increase over three years, was approved for application to IPART in an 8 – 7 vote of councillors on 28 January 2025.

Thus, broad-based community outrage ensued and continues unabated.

The claim by some sitting councillors that the outrage is orchestrated by the Liberal Party is delusional and indicative of the degree to which those individuals are out-of-touch with their constituents.

The "tax and spend" cabal got it badly wrong - but cannot find the rectitude to admit their mistake.

We close this section with relevant commentary by public servants external to Council:



From the NSW Minster for Local Government, Mr. Ron Hoenig:

The Hon. SCOTT FARLOW: Thank you, Minister, for undertaking that action and asking the Office of Local Government to inspect this, but it does seem to be a fairly hands-off approach, when you've got a council that's seeking an extraordinary rate variation, to have not taken any action until now.

Mr RON HOENIG: The action is contained within the statutory process—that is, they have got to go through an independent process. It's the whole purpose of it. Since 2010—it has been going for 15 years—SRVs go to IPART for determination. They used to be determined, from about 1978 to 2010, by the Minister, who was making political decisions in respect of rate peg. Having me making a political decision about what I perceive to be a fair rate increase is not the way in which you should treat a democratically elected third tier of government. Otherwise, what are they there for? They've got to be given respect. They've got to face the pressure. They've got to face the music. They're facing the music. Just like with other councils throughout the State that have consulted their communities about special rate variation applications, the community has been up in arms raising the same sort of issues. The councils have not proceeded. Some of them have. Some of their communities agree to an increase. Northern beaches agreed to 10.7 per cent. That's rare. They decided they were going to grab a bit more along the way, and they're getting what they deserve, really.

From Cr. Nic Wright of Willoughby Council:

"And this is where the real farce begins. Because when councils do apply for an SRV, they don't just ask for a small, reasonable increase. They can't. The process is too expensive, too uncertain and too much of a political nightmare to risk going back for more in a couple of years. So, they go big. They apply for an increase that covers not just this year's shortfall but, the next five years of infrastructure projects, maintenance backlogs, and anything else they might not get another chance to fund. It's the municipal equivalent of knowing you get one shot at the buffet, so you stack your plate like you're planning to hibernate."

From Cr. Steve Christou of Cumberland City Council (and former Mayor):

"What they've done in raising the rates on people should never be done in a Council's first term. They do this because they are banking on people forgetting. I know this for a fact, you're being let down by your councillors that voted for a rate hike, and the organisation as well.... they have said they have run out of money but have not given the options or taken the measures that were necessary to reduce expenditure. I believe they gave councillors a few options, but not one of those was to reduce staff or executive managers wages."

From Jacqui Scruby, NSW MP for Pittwater, a petition:

Northern Beaches Council proposed rate rise

To the Speaker and Members of the Legislative Assembly,

The undersigned petitioners ask the Legislative Assembly to call on the Government to

- 1. Order an immediate, independent expert inquiry into Northern Beaches Council's proposed 40% rate hike.
- 2. Ensure that the inquiry includes a comprehensive productivity audit of the Council's operations.
- 3. Halt any rate increases until the inquiry's findings are published and publicly discussed.

We believe this action is necessary to ensure transparency, accountability, and fair treatment of Northern Beaches residents, particularly given that the amalgamation of the three councils was expected to deliver significant productivity gains.

Appendix 1 of this document contains a joint statement by the five former incumbent Liberal councillors stating their unanimous opposition to and condemnation of SV3.

Appendix 2 of this document contains a compendium of public statements by elected representatives and candidates at the federal and state level denouncing Council's pursuit of SV3.

Thus, Northern Beaches Council's attempted "cash grab" is recognised and condemned by public servants across major parties and independents. NBC's case for *financial need* is viewed justifiably as a contrived bureaucratic scheme and, hence, *unreasonable* and *unsupportable* grab for cash.



4. Critique: OLG Criterion 1: Financial Need (vs. Financial Desire), KPIs

Criterion 1 requires the Council to clearly articulate and identify the <u>need</u> for, and purpose of, the proposed SV in its IP&R documents. It also requires the council to demonstrate the financial need for the SV by assessing the impact of the SV on its <u>financial performance and position</u>, and to canvass alternatives to the SV to meet the financial need.

Northern Beaches Council, in seeking a cumulative 39.6% increase in rates to be implemented over three years has fundamentally conflated financial *need* with financial *desire* – and, in our view, has done so to an *unreasonable* degree in terms of the consequent impact on ratepayers.

Per the Integrated Planning & Reporting framework, Council's Long-term Financial Plan (LTFP) and annual operating budgets are informed by its resourcing strategies and plans - including its Workforce Management Strategy, Asset Management Strategy, and Asset Management Plan (AMP). The assumptions employed in constructing these strategies and Long-term Financial Plan are, in our view, highly questionable and unconvincing for reasons which we detail in this submission. Further, Council's financial planning assumptions extend far beyond its stated rationale for pursuing an SV:

- 1. Improve (increase) working capital position.
- 2. Improve (reduce) Infrastructure Renewal Backlog.

To achieve these relatively modest objectives, Council proposes a massive \$503m increase in general income derived from rates. We are alarmed over Council's over-reliance on increased rate income to:

- a. Offset a projected, aggregate ten-year operating deficit of \$20.8m, 0.44% of income, via a \$502.7m increase in rate-derived income, creating aggregate operating surpluses of \$481.9m.
- b. Fund a \$273.9 m (28%) increment in asset management capital and operating expense based on the suggestions of an internally developed plan unvetted by industry experts and biased to the replacement rather than maintenance of existing assets at a 225% cost premium.
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 to asset categories seeking, in parallel, \$195.6m in capital funding via the unvetted asset
 management plan i.e. the values are additive to \$341.6m.
 - Forming an uncapped and unrestricted disaster fund with a potential value of \$28m at the end of the LTFP term net of the budget allocations to unidentified capital projects.
- d. Progress an incremental \$355m in capital spending program by utilising excess rate income to:
 - Backfill fully a forecast reduction in capital and operating grants totalling to circa \$210m over the final seven years of the LTFP, relative to historic levels.
 - ii. Obviate the alternative financing of transgenerational capital assets with useful lives of up to 150 years and, in so doing, achieve an abusively excessive Debt Service Cover Ratio of 35x relative to an OLG performance benchmark of > 2x.
- e. Fund and execute \$78m (17%) in incremental maintenance and operational service uplifts with no declared addition to the number of establishment FTEs over the term of the LTFP, implying substantial excess capacity within Council's current employee base.
- f. Not address its unchecked growth in expenses in the five years since 2019-20:
 - Employee Benefits and On-costs: \$36.5m (27%)
 - ii. Materials and Services: \$57.3m (41%), the largest portion of which is in Corporate Support Services (\$17.6m, 31% of total growth in M&S over the five-year period).



Analysis of Financial Case

Throughout our analysis, the "baseline scenario, Option 1" as presented by Council, assumes rate increases only in line with forecast IPART rate-pegs through 2033-34.

"SV3" refers to the "39.6%" cumulative SV scenario proposed currently by Council.

Table 4, below, sets-out the percentages by which Council proposes to increase its general income via rates, and the expected revenue raised over the remaining term of the LTFP relative to the baseline scenario, Option 1.

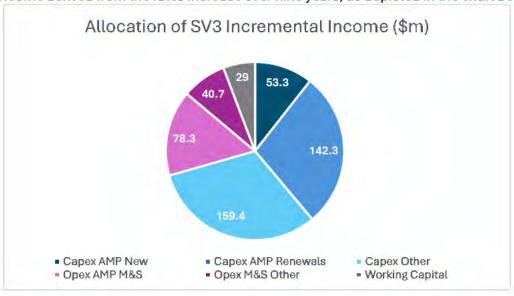
	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Cumm
Annual increase above forecast rate peg (%)	8.3%	8.3%	8.4%							
Forecast IPART rate- peg	3.8%	3.4%	3.1%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	
Cumulative increase above rate peg (%)		17.3%	27.1%							
Cumulative increase total (%)	12.1%	25.2%	39.6%	43.8%	48.1%	52.6%	57.1%	62.0%	67.2%	
Differential in annual income, SV3 v. Option 1 (\$'000s)	16,370	35,302	57, <mark>1</mark> 95	58,955	60,768	62,638	65,565	66,616	68,799	491,208

Source: Northern Beaches Council, Application Part A, WS 2 and WS 6

SV3, if approved and applied in full, will increase Council's direct income from rates by \$491.2m over the nine remaining years of the LTFP period. Further analysis indicates that Council's total incremental income enabled by *SV3*, inclusive of interest and investment revenue and impact on other revenues, will total to \$502.8m over the period:

Category of Income	\$'000s	
Rates and annual charges	491,208	
Interest and investment revenues	11,461	
Other revenues	61	
	502,750	

A funds flow analysis of Council's financial statements supporting SV3 indicates an allocation of total incremental income derived from the rates increase over nine years, as depicted in the chart below:





The table below depicts the percentage increase in funding under SV3 for each principal category over the nine remaining years of the LTFP term, relative to baseline, Option 1:

Category for Incremental Funds Allocation	Proposed SV Option 3 (\$ millions)	Baseline Option 1 (\$ millions)	Δ (\$ millions)	Δ Baseline %
Infrastructure, Property, Plant & Equipment (IPPE)	1,113	758	355	+43%
Materials & Services	1,843	1724	119	+7%
Working Capital including Cash & Cash Equivalents	188	159	29	+18%
Totals			503	

A \$355m (43%) increase in capital expenditures is indicated, spanning both the "unfunded gap" suggested by the unvetted AMP and in <u>undefined</u> allocations in *SV3*'s capital budget statement.

It is noted that the LTFP depicts no differential in Employee Benefits and Oncosts between SV3 and baseline Option 1:

Funding our Future OPTION 3 2025/031170 - January 2025	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$1000	
Employee benefits and on-costs Option 3	134,560	146,153	159,331	171,870	176,191	180.109	183,972	189,714	195,635	201,740	208,037	214,532	221,229	2,383,073
Employee benefits and on-costs Option 1	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,229	2,383,073
Δ	_	_	-	-	_	_	_	_	-	-	-	- 2		

The lack of differential implies that the incremental works proposed under SV3 can be delivered by third-party contractors and the <u>current number</u> of Council establishment FTEs. We question that implication's validity, as it implies substantial latent capacity exists within the establishment FTEs to either absorb the incremental work and/or provide oversight of an expanded contractor work program.

Given the \$474m in incremental activity projected under SV3, this planning assumption is questionable.

The allocation of incremental income provided by SV3 is framed around Council's desire to address an "unfunded gap" of \$255m (stated as NPV at end Dec 2023) estimated in the updated Asset Management Plan 2024 – 2034 (Table 35), and again in the LTFP Section 4.4. The "gap" represents a projected shortfall in funding between asset-related costs estimated within the AMP and the baseline, Option 1 funding scenario across ten years.

Examination of the AMP's contents yields marginally divergent quantification of the "gap".

A breakout of the "gap" inclusive of its ten-year future value (\$303.3m) and nine-year future value (\$273.9m) corresponding to the remaining term of the LTFP under SV3 is presented in the table, below.

N.B.: The future value provided by Council appears to assume an annual inflation rate of 2.53%.

	Category of Gap	AMP Table	AMP Table 26	Δ	AMP Table 26	Δ
	per	35 (NPV)	(10-year)	Vs.	(9-year)	Vs.
	Asset Management Plan		2024-34	Table 35	2025-34	Table 35
CAPEX	Renewals	117m	139.6m	22.6m	127.4m	10.4m
CAPEX	Renewals -Service Uplift	0	16.3m	16.3m	14.8m	14.8m
CAPEX	New Asset	37m	41.2m	4.2m	37.6m	0.6m
CAPEX	New Asset - Service Uplift	0	17.2m	17.2m	15.8m	15.8m
	TOTAL CAPEX	154m	214.3	60.3m	195.6m	41.6m
OPEX	Maintenance Gap	34m	39.7m	5.7m	36.1m	2.1m
OPEX	Uplift in Service Gap	67m	46.3m	-20.7m	42.2m	-24,8m
	TOTAL OPEX	101m	86.0m	-15.0m	78.3m	-27.7m
Total	CAPEX and OPEX Unfunded	255m	300.3m	45.3m	273.9m	13.9m

Source: NBC Asset Management Plan 2024 - 2034



Assuming the nine-year value of the AMP's total "gap" of \$273.9 to be directionally accurate, a differential of \$229.1m exists between it and the \$503m increase in rate-derived income via SV3, thus implying a significant surplus above to the purported desire suggested by the untested AMP.

In the sections which follow we test the drivers of purported "need" for incremental income via rates referenced against the:

- A. Achievement of OLG performance benchmarks across the nine remaining years of the LTFP.
- B. Coverage of the Asset Management Plan's "unfunded gap" over its remaining nine-year term.
- C. Dimensioning of the Future Fund and unidentified capital works above-and-beyond the AMP.

A: Achievement of OLG performance benchmarks - incremental income required

The following table presents a summary of OLG performance benchmarks (KPIs) projected in the LTFP against the baseline, Option 1 scenario and SV3 over the period 2021-22 to 2033-34.

Long-Term	Financial	Plan	OLG	Benchmarks.	2024-2034

	OLG	Result 2021/22			Forecast 2024/25	Year 2 2025/26	Year 3 2026/27		7	Year 6 2029/30		Year 8 2031/32	Year 9 2032/33	
	ВМ	\$ '000				\$'000	\$ '000							
Operating Performa	ance Ratio	0												
Option 1 Option 3	>0% >0%	4.5% 4.5%	4.5% 4.5%	3.7% 3.7%	(1.3%) (1.3%)	(2.5%)	(1.9%) 4.5%	0.3% 8.5%	(1.1%) 8.5%	8.2%	8.5%	(0.2%) 8.2%	(0.6%) 7.5%	(0.3%) 7.8%
Own Source Opera	ting Reve	nue Ratio												
Option 1 Option 3	>60% >60%	82.5% 82.5%	84 6% 84 6%	87.4% 87.4%	86.0% 86.0%	89.9% 90.3%	92.2% 92.8%	93.1% 93.9%	93.6% 94.3%	93.6% 94.3%	93.6% 94.3%	93.4% 94.2%	93.6% 94.4%	93.5% 94.3%
Unrestricted Curren	nt Ratio													
Option 1 Option 3	>1.5x >1.5x	1.90x 1.90x	1 92x 1 92x	2.18x 2.18x	2.16x 2.16x	1.92x 2.00x	1.72x 1.93x	1.82x 2.29x	1.89x 2.55x	1.83x 2.39x	1.95x 2.73x	1.83x 2.70x	1.84x 2.48x	1.92x 2.27x
Rates, Annual Charges, Interest & Extra Charges Outstanding %														
Option 1 Option 3	<5% <5%	3.60% 3.60%	3.60% 3.60%	3.80%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%	3.90% 3.90%
Cash Expense Cove	er Ratio													
Option 1 Option 3	>3 mths >3 mths			6.4 mths 6.4 mths									3.9 mths 4.9 mths	3.9 mths 4.3 mths
Debt Service Cover	Ratio													
Option 1 Option 3	>2x >2x	7.30x 7.30x	7 70x 7 70x	6.90x 6.90x	8.80x 8.80x	6.90x 8.60x	97.00x 14.30x	10.50x 17.90x	10.80x 19.10x	15.70x 27.60x	15.60x 27.70x	16.30x 29.10x	14.50x 26.50x	19.20x 35.00x
Building and Infrast	ructure R	enewals R	atio											
Option 1 Option 3		112.70% 112.70%	130.80% 130.80%	94.60% 94.60%	95.10% 95.10%	101.20% 115.10%	94.00% 127.00%	90.80% 143.50%	91.90% 153.00%	90.80% 180.20%	88.80% 145.90%	89.00% 146.80%	87.20% 199.30%	86.40% 204.40%
Infrastructure Back	dog Ratio													
Option 1 Option 3	<2% <2%	1.53% 1.53%	1.49% 1.49%	1.52% 1.52%	1.58% 1.58%	1.58% 1.58%	1.59% 1.58%	1.61% 1.59%	1.63% 1.59%	1.65% 1.59%	1.67% 1.59%	1.68% 1.59%	1.69% 1.58%	1.70% 1.56%
Asset Maintenance	Ratio													
Option 1 Option 3	>100%		109.70% 109.70%	98.10% 98.10%	92.50% 92.50%	93.50% 96.90%	93.50% 98.10%	93.60% 100.50%	93.60% 100.10%	93.60% 100.10%	93.60% 100.40%	93.60%	93.60% 100.40%	93.60% 100.40%
Cost to bring assets	s to agree	ed service l	evel											
Option 1 Option 3		1.26% 1.26%	1.22% 1.22%	1.17% 1.17%	1.32% 1.32%	1.32% 1.32%	1.34% 1.33%	1.35% 1.31%	1.37% 1.36%	1.39% 1.30%	1.41% 1.38%	1.42% 1.39%	1.43% 1.39%	1.44% 1.39%

Source: NBC LTFP January 2025



Three of ten KPIs are of concern in terms of projected shortfalls under the Option 1 baseline:

- 1. Operating Performance Ratio (OPR).
- 2. Building and Infrastructure Renewal Ratio (BIRR).
- 3. Asset Maintenance Ratio (AMR).

N.B.: Per the Office of Local Government: "Each year, OLG reviews the audited annual financial statements of all NSW councils. If OLG has any concerns about a council's financial position, it will contact the council and ask for an explanation. The annual financial statements also form part of a council's annual report. This is a public document, usually available in November each year. OLG offers support to councils identified as being at risk or experiencing financial difficulties. This support aims to increase the capability and capacity of councils to deliver services and infrastructure that foster satisfied and engaged local communities."

Northern Beaches Council has <u>not been identified as being at risk</u> by the <u>OLG</u>, hence it may be concluded that there is <u>no motivation arising from the OLG concerning Council's current SV application</u>.

Operating Performance Ratio (OPR) under baseline Option 1

The table below contains actual and projected OPRs under baseline Option 1 over the LTFP period:

Operatir	ng Perform	ance Rati	o Gap Anal	ysis: Base	line Scenario	(Option 1)								
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
Δ%	4,5%	4.5%	3.7%	(1.396)	(2.5%)	(1,9%)	0.3%	(1,196)			(0.2%)	(0.6%)	(0.3%)	
∆\$000s	17,678	17,778	14930	(5,279)	(10,256)	(3,527)	1,834	(117)	493	652	(514)	(2,712)	(1,270)	(15,417)

The aggregate value of the OPR variance (Δ) across the nine remaining years of the LTFP is -\$15,417 m, equating to 0.36% of the \$4.287 billion in total income from continuing operations forecast for Option 1.

\$13.8m (75%) of the projected deficit is concentrated in the 2025-26 and 2026-27 operating years.

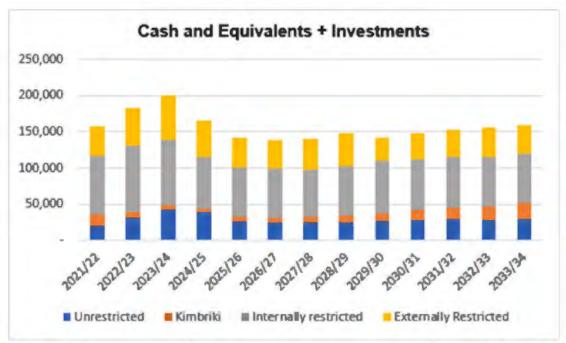
We calculate that the aggregate deficit of -\$15,517 m over the nine years could be fully offset via either a:

- > 0.56% permanent increase in Income from Rates and Other Charges from 2025-26 onward; or,
- 0.36% permanent reduction in Expenses from Continuing Operations from 2025-26 onward.

Council's current financials appear capable of navigating and sustaining a nominal, near-term deficit condition whilst enabling over calendar year 2025 the deeper due diligence sought by prior council members under Motion 148/24 to determine a *possible* basis for an SV in the 2026-27 IPART cycle. Supporting information:

- Between 2018-19 and 2022-23 44, 42% of NSW's 128 councils operated at a deficit condition.
- In 2023/24 Council budgeted an operating surplus of \$0.406m and achieved \$14.930m.
- Council officers are on-record stating that "council does not have a liquidity problem."
- Council has achieved an operating surplus in every year since amalgamation in 2016.
- With respect to its 2024-25 operating budget, Council officers noted "if the \$12.1 million investment in the replacement of Council's core operating systems is excluded, the Operating Performance Ratio would be +1.58%, with an operating surplus of \$7.0 million."
- Council's December 2024 Quarterly Budget Review reported:
 - A cash and investment position of \$225m, an increase of \$14m from end December 2023
 (\$211m) and an increase of \$33m from end December 2022 (\$192m).
 - Borrowings of \$7.7 m, compared to \$10.6 m at end December 2023.
 - An Operating Surplus <u>including capital grants and contributions</u> of \$44.15 m, reflecting an increase of \$11.45 m.
 - a cash and investment position broadly in line with prior years, providing sufficient unrestricted funds to assist near term cash flow requirements:





We conclude that, with respect to OPR KPI, no critical *urgency* exists to motivate an SV of magnitude and duration proposed and evidently *accelerated* for inclusion in the 2025-26 IPART assessment cycle.

The near-term deficits depicted in the LTFP appear driven largely by non-recurring expenditures e.g., Council's replacement of its ERP system (~\$30m) and its portion (~\$15m - \$20m) above original developer contribution for the cost-escalated Warriewood Community Centre (WCC) replacement. Recurring expenses from either project, depressing operating results in future years, should not feature, hence a permanent SV is not needed as an offset.

It is noted that the ERP project appears to have no discernible return-on-investment. The incremental funding required for the WCC appears to be an outcome from a protracted design and approval process, resulting in construction delays in an inflationary market. In addition, rumours abound of over-specification of design, driving cost-per-square meter to levels substantially exceeding commercial fit-for-purpose standards.

We further conclude that the intent of prior-term councillors to employ calendar year 2025 to review and interrogate Council's current schedule of services for cost reduction opportunities, and its updated Asset Management Plan for validity and alternatives, remains a prudent course of action on behalf of ratepayers. Both areas appear neither tested nor validated by expert resources external to Council.

Operating Performance Ratio (OPR) under SV3

The table below depicts the actual and projected OPRs against the SV3 scenario over the LTFP period:

Operati	ng Perforn	iance Rati	o Gap Anai	ysis: Basel	ine Scenario	(Option 3)								
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
Δ%	4.5%	4.5%	3.7%	(1.3%)	- ×	4.5%	8.5%	8,5%	8.2%	8,5%	8,2%	7.5%	7.8%	
∆\$000s	17,678	17,776	14,930	(5,279)	655	21,933	43,782	44,531	44,234	46,925	47,109	44,162	47,023	340,354

SV3 generates an aggregate operating surplus of \$340.4m from 2025-26 after allowing for \$119m in increased Materials and Services expenditures and \$28m in incremental depreciation expenses. The progression of OPRs rapidly exceeds both the OLG benchmark and Council's *internal* target of 4-6%.

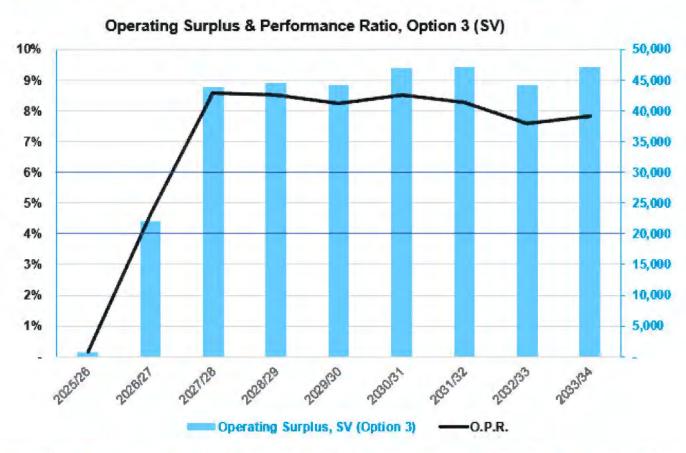
Source: NBC FTFP 2024 - 2034

¹⁰ While the OLG's benchmark for the Operating Performance Ratio is 0%, Northern Beaches Council requires a stronger ratio within a range of 4% to 6% to ensure adequate funds are available to respond to natural disasters, unexpected shocks, failure of infrastructure, unexpected cost shifting from other levels of government, and to set aside funding for future needs including the remediation of the Kimbriki landfill site. The Northern Beaches area is particularly vulnerable to natural hazards including bush fire, flooding, landslip, coastal erosion and storms. Additional funding above this level provides the capacity to invest in improvements to community infrastructure.



The term "requires", as employed above by Council staff, is in active conflict with the community concerning both the magnitude and duration of surpluses generated under SV3. Council's projections of \$159.4m in undefined capital expenditures incremental to \$195.6m in unfunded capital expenditures suggested in the AMP, combined with undefined "funding for future needs," raise profound concerns regarding the pragmatism and reasonableness of council's long term financial planning modus.

This chart depicts both the OPRs projected under SV Option 3 and the value of the surpluses:



Excessive surpluses are evident from 2027-28 even after absorbing \$119m in incremental materials and services expenses associated with SV3.

It is noted from NSW OLG data that Sydney Metro councils typically operate with OPRs averaging < 2%.

The aggregate operating surpluses projected via SV3 total to a massive **\$384m** from 2025-26 after adding-back depreciation over the remaining term of the LTFP. A review of Council's financial statements supporting SV3 indicate that the massive surpluses are to be apportioned between:

- a. <u>\$195.6m</u> to offset fully the "unfunded gap" in <u>capital expenses</u> in Renewals and New Assets identified in the ten-year Asset Management Plan.
- b. \$159.4m in undefined capital expenditures not included in the ten-year Asset Management Plan.
- c. \$29m in an undefined "Future Works Fund", apparently unrestricted.

The \$195.6m "unfunded gap" (a) in capital expenses suggested in the AMP, although unvetted and unvalidated by parties other than Council's asset managers, exhibits, at least, some rational basis.

The latter two categories, totalling to \$188.4m, are purely *notional*. Consequently, their inclusion in the LTFP underlying SV3 as unidentified "wish list" items is of profound and real concern to ratepayers.



There appears nothing "financially needful" in either category.

Each of the latter allocation appears composed purely of current Council's desire for an unrestricted windfall from which fund directly from rate income:

- a wish list of undefined capital projects incremental to the "unfunded gap" identified in the AMP.
- an <u>undefined</u> quantum of "emergency" funds, the use and parameters of which are nebulous.

Were the magnitudes of the financial consequences for ratepayers or these notions not so consequential, they might be viewed as comically farcical. Regrettably, they are not.

We do not view these as examples of reasonable budgeting by Council on behalf of ratepayers.

We call to IPART's attention perhaps the most egregious application of the *unrestricted windfall* into the LTFP's capital budget statement for Buildings-related infrastructure under SV Option 3:

LTFP Capital Budget Statement - Buildings	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
Option 3 - SV	14,171	18,459	55,893	55,794
Option 1 - Baseline	10,699	10,964	11,238	11,519
Capital Expenditure - Change	3,472	7,495	44,655	44,275
			88,9	30

We are unable to envisage any \$90m building project in the LGA that would – or should - be funded solely from Future Work Fund cash reserves.

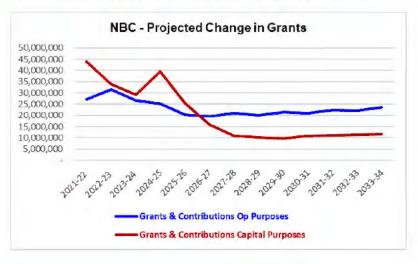
Council's updated AMP calls for no such incremental expenditure in its forecast budget for Buildings.

The \$88.9m allocation appears to be a crude "plug" designed to shield an otherwise escalating and exorbitant value of the unrestricted *Future Works Fund* from visibility on Council's balance sheet.

IPART will appreciate that many in the community view such a "plug" with understandable suspicion.

Further, IPART will appreciate that, for many, questions arise around integrity, transparency and ethics.

Further remarkable features of SV3's surpluses and amplified capital budgets are their achievement despite a drastic reduction in the LTFP of forecast income from grants and contributions:





The decline projected in average annual contributions from grants is summarised in the table below:

		Average Annua		
Grants & Contributions	2021-22 to 24-25	From 2025-26	Δ	
Operating Purposes	27,592,875	21,274,109	(6,318,766)	(23%)
Capital Purposes	36,670,298	12,995,768	(23,674,530)	(65%)
	64,263,173	34,269,876	(29,993,296)	(47%)

The projected ~\$30m annual variance is a material, summing to \$210m over the last seven years of the LTFP term. It is unreasonable to pass-through this performance gap to ratepayers, especially when taken against the materially amplified capital program envisaged by Council under SV3.

The ultra-conservative planning assumptions around grants and contributions is a prime example of our concerns regarding LTFP assumptions overall - and the motivation of Council's financial planners.

A 2022-2023 financial year comparison with other Sydney area Group 3 councils indicates that Northern Beaches Council's performance is substantially below average in garnering income from external sources, principally due to a 52% shortfall in Grant & Contributions Ratio (%):

Your Council's Financial Performance		
	Northern	Group 3
	Beaches	Average
Own Source Revenue (%)	84.6%	76.1%
Grant & Contributions Revenue (%)	15.4%	23.5%
Operating Performance Ratio %)	4.5%	2.9%
Unrestricted Current ratio	1.9	3.7
Outstanding Rates & Charges (%)	3.6%	5.0%
Debt Service Cover Ratio	7.7	30.9
Cash Expense Cover Ratio (Mths)	6.1	14.5
Debt Service Ratio	2.4	2.5

Source: Council report download: https://www.yourcouncil.nsw.gov.au/council-data/northern-beaches/2022/

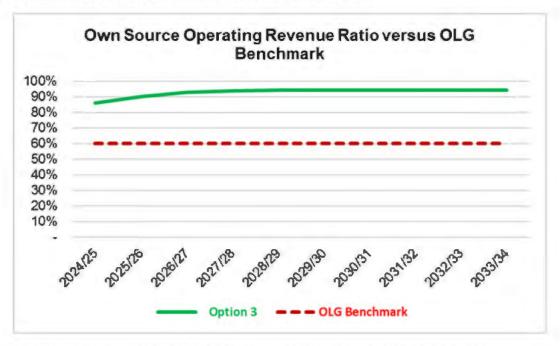
We view it as unreasonable for the LTFP and Asset Management Plan to put forward aggressively elevated levels of capital expenditure absent substantial contributions from grants and contributions.

If future grants cannot be achieved at or near historical levels, we argue that the desired "aspirational" and "visionary" elements of the plans must be tempered. It is *unreasonable* to assume ratepayers are *willing* to make up the differential, particularly as abstract, ill-defined capital projects are concerned.

We view the funding of "expected requests from the community for larger improvements" and the "desire for great improvements" directly from SV3-generaetd rates – absent both capital grants and/or long term financing options (see discussion below) - to be irrational thinking, at best, as it is indirect contradiction with the community's input to Council and staff concerning its *unwillingness* to underwrite an ill-defined and aspirational "Improve Services" agenda.

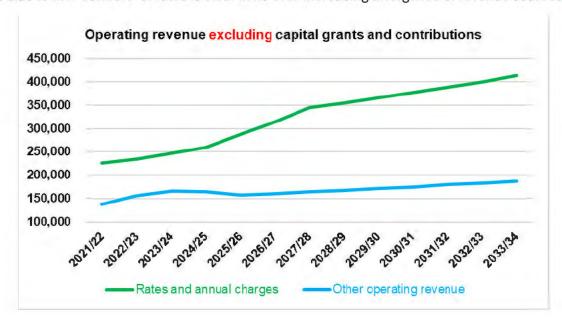


The consequence of Council's underperformance on capture of grants and contributions is an over-reliance on own-source revenue generated principally from rates. Over the 10-year LTFP term, Council's bias to Own Source Operating Income increases under SV3 from 86.0% to 94.3%:



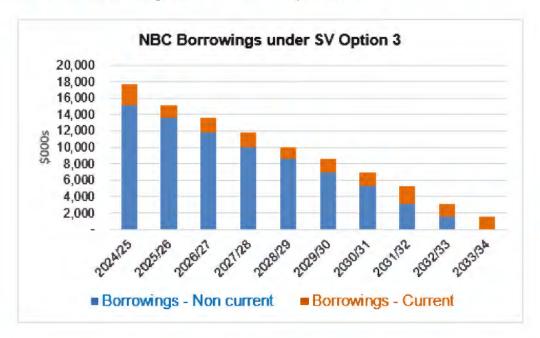
N.B.: The Own Source Revenue KPI of Sydney Metro councils averaged 76% in 2022-23.

Council's bias to the "comfort" of rates is clear in its ever-increasing divergence of revenue sources:





We further bring to IPART's attention Council's drastic reduction of debt under SV3, despite its desires for aggressive investment in finance-eligible and securable capital assets.



Under SV3, Council's <u>Debt Service Ratio explodes from single digits to 35x against the OLG benchmark of 2.0x</u>. The OLG notes that "<u>Councils with low or zero debt may be placing the funding burden on current ratepayers when in fact it would be more appropriately spread across generations."</u>

Debt is a responsible and equitable means to fund large capital projects, aligning payment with usage. Both current and future ratepayers should share the costs of projects from which they will benefit. Rather than overburdening current ratepayers, future large, ill-defined capital works, as potentially envisaged by Council, can be funded through long-term, low interest Treasury loans.

Conclusion: Substantial portions of the excessive operating surpluses generated under SV3 appear to be sought by Council for poorly defined, self-indulgent, and *unreasonable* purposes, which have not been endorsed or screened via an appropriate community consultation process.

Building and Infrastructure Renewal Ratio (BIRR)

BIRR under baseline Option 1

Table depicting actual and projected BIRRs against the Option 1 baseline scenario over the LTFP period:

Building	and Infra	structure	Renewals !	Ratio (Opt	ion 1)									
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
Δ%	12.7%	30.8%	(5,4%)	(4.9%)	1.2%	(6.0%)	(9.2%)	(8.1%)	(9.2%)	(11,2%)	(11.0%)	(12,8%)	(13.6%)	
∆\$000s	n/a	n/a	(2,101)	(1,927)	473	(2,552)	(4,048)	(3,692)	(4,327)	(5,431)	(5,506)	(6,614)	(7,262)	(38,959)

An aggregate variance vs. the OLG benchmark totals \$39.0m over the remaining nine-year LTFP period.

The variance, <u>taken at face value</u>, can be fully offset by a permanent increase to income from rates and annual charges of **1.42**% above forecast rate-peg from 2025-26 onward.



Impact of Council's Asset Renewals Policy

Between 2022-23 and 2023-24 two changes combined to stress the BIRR, as seen above:

- 1. Reassessment of asset conditions with a net increase of assets rated as "Poor" or Very Poor".
- Revaluation of several classes of assets, driving increases in both estimated Gross Replacement Cost (GRC) and depreciation.

The combined impact was a year-on-year \$13.4m increase in the asset renewal burden incapable of offset by a moderate increase in funded renewals of \$0.6m over those years.

These changes "on paper" effectively moved the goal posts for renewals.

Council's policy of renewing/replacing to "1 - Very Good" condition all assets rated as "4 - Poor" or "5 - Very Poor" rather than bring those assets or subsets of those assets to "3 - Satisfactory" condition carries significant and growing cost implications.

The cost differences between renewing to "As New" (replacement at Gross Replacement Value) and "Bring to Satisfactory" (BTS) is, on average, +225%, as reported by Council's asset managers (see chart below). At end 2023, assets assessed to be in "4 - Poor" or "5 - Very Poor" condition carried a Gross Replacement Cost of \$104.7m, whereas the estimated cost to bring those assets to Satisfactory condition (BTS) was \$46.6m.



By the end of the 2022-23 fiscal year, the cost differential between approaches had grown to \$62.2m, consequent to inflation in construction, materials and contracting costs.

Although we comprehend the basis of Council's policy favouring replacement over repair, we suggest the policy may warrant review and possible refresh; particularly concerning assets rated as "4 – Poor." BTS may be a substantially more economical solution for ratepayers and should lessen the perceived need for an SV for purposes of reducing the infrastructure renewals backlog. A review is justified.



BIRR under SV3

This table depicts the projected BIRR variances for SV3 over the nine remaining years of the LTFP.

Building and Infrastructure Renewals Ratio (Option 3)

Danie		and detaile	STATE OF GREE	mere fabe	inche m j									
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
Δ96	12.7%	30,8%	(5.4%)	(4.9%)	15.1%	27.0%	43.5%	53.0%	80.2%	45,9%	46.8%	99,3%	104.4%	
∆\$000s	n/a	n/a	(2,101)	(1,927)	4		-	-	-	- 4	47	,		

SV3 substantially *overachieves* the performance KPI, reaching <u>204%</u> of the benchmark in the final year of the LTFP term. The economic justification for such overachievement is questionable in terms of an unreasonable burden on ratepayers.

Asset Maintenance Ratio - AMR

AMR under baseline Option 1

Table depicting the projected AMR variances under baseline Option 1 over the remaining LTFP term:

Asset Maintenance Ratio (Option 1)

	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
Δ%	0.6%	9.7%	(1.9%)	(7.5%)	(6.5%)	(6.5%)	(6.4%)	(6.4%)	(6.4%)	(6.4%)	(6.4%)	(6.4%)	(6.4%)	
∆\$000s	n/a	n/a	n/a	n/a	(1,686)	(1,744)	(1,766)	(1,814)	(1,862)	(1,912)	(1,963)	(2,018)	(2,075)	(16,840)

An aggregate variance vs. the OLG benchmark totals \$16.8m over the period.

We calculate that the variance can be fully offset by a permanent increase to Income from Continuing Operations via rates of **0.61**%, incremental to the forecast IPART rate pegs from 2025-26 onward.

AMR under SV3

This table depicts the projected AMR variances under SV3 over the nine remaining LTFP years:

Asset Maintenance Ratio (Option 3)

	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	9Yr TOTAL
496	0.6%	9.7%	(1,9%)	(7.5%)	(3.196)	(1.9%)	-		-	- 1				
∆\$000s	n/a	n/a	n/a	n/a	(776)	(486)				-				(1,262)

The variance is, in effect, offset under SV3.

Summary

The identified cost to close the three OLG Performance KPI benchmark variances under baseline Option 1 are summarised below:

OLG KPI	Variance '000s over LTFP Term	% Rate Increase to Offset Incremental to rate-peg
OPR	\$15,417	0.56%
BLRR	\$38,959	1.42%
AMM	\$16,840	0.61%
TOTAL	\$71,216	2.59%

We suggest that the total variance of \$71.2m is a reasoned estimate of financial <u>need</u> over the remaining nine years of the LTFP.

Alternatively, the variance can be offset by a permanent, structural reduction of 1.50% on total expenses from continuing operations through meaningful productivity initiatives.

Employee Benefits and Oncosts (EBO) account for 41.2% of total expenses from continuing operations. A \$7.2m (4.1%) permanent, structural reduction in EBO expense would fully offset the financial need.



It is noted that Council's EBO expenses:

- increased by 7.9% (\$12.5m) between the 2023-24 and 2024-25.
- increased by 9.0% (\$13.2m) between the 2022-23 and 2023-24.
- increased by 8.6% (\$11.6m) between the 2021-22 and 2022-23.

In aggregate, EBO expenses increased by \$37.3m, 28% relative to its 2021-22 baseline.

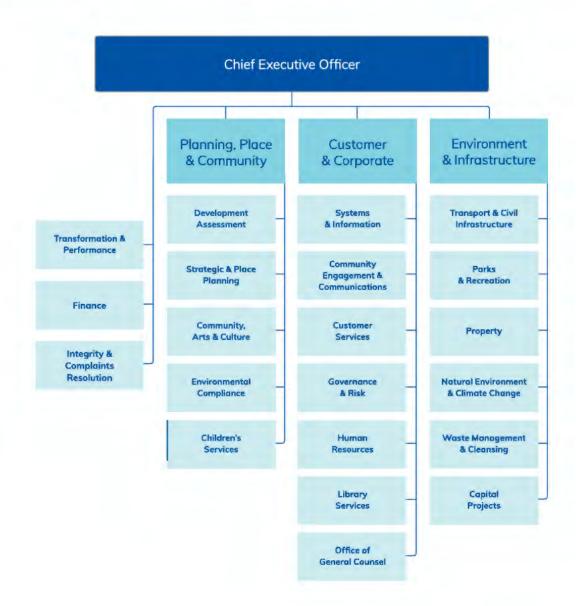
In its Workforce Management Strategy 2022-2026, NBC reported its annual employee turnover as 13%.

The implication is that a reduction in the backfilling of staff roles vacated via natural attrition can achieve the 4.1% structural reduction to offset the total projected variance to OLG KPIs/benchmarks.

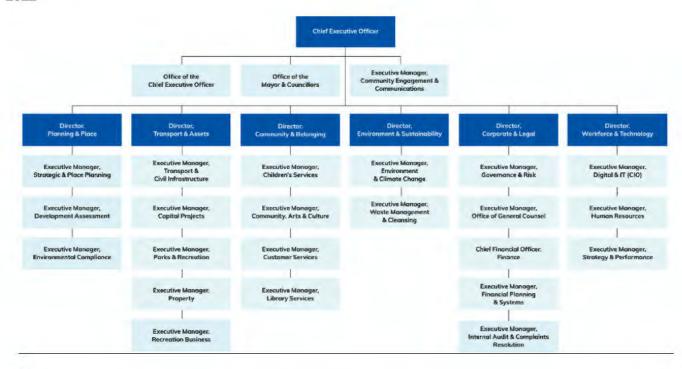
NBC's cost-of-use of third-party consultants – indeterminable within its reported services expense line – is an area ripe for examination and reduction via the review mandated by Motion 148/24.

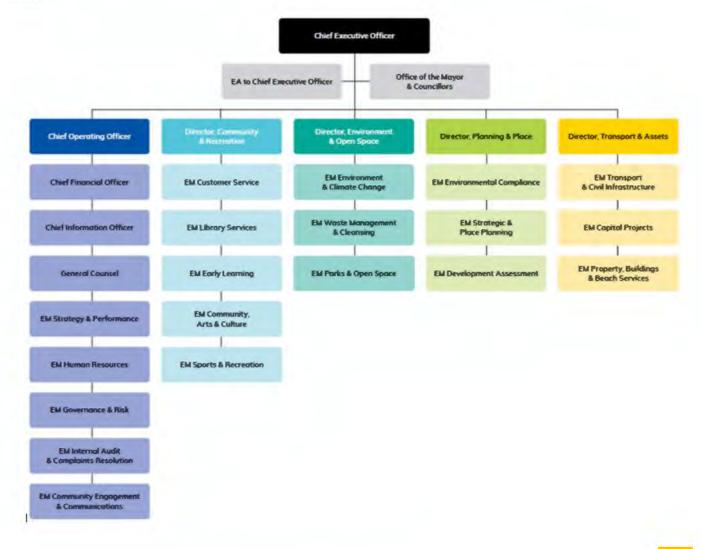
Further, we suggest that a return towards 2018's evidently simpler, cleaner and less top-heavy senior management structure is an obvious area to capture reductions in operating expenses:

2018











Asset Management Plan 2024 - 2034

The AMP is a critical input to the updated LTFP on which the current SV application is based. Reviewers have observed that elements of the AMP and its unvetted inclusion in the LTFP seem designed to justify an SV – with the latter being the primary objective rather than optimal, cost-effective asset care.

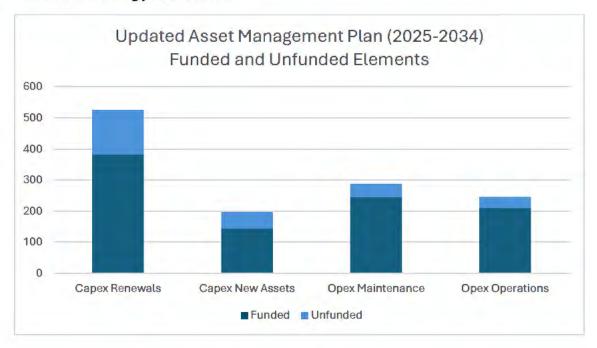
The AMP was initially exhibited between 3 May and 4 June 2024, only weeks ahead of its presentation for acceptance by councillors at the 25 June budget ratification meeting. During its exhibition, the 283-page AMP garnered seven (7) "issues raised", pro or con, from a resident population of 268,000.

To suggest that the AMP "flew under the radar" in terms of its subsequent \$274m impact inbuilt to the updated LTFP on which SV3 is (partially) based is a gross understatement. That financial impact and its drivers, yet unvetted by parties external to the council asset managers who produced the plan, is a primary reason underlying prior council's Motion 148/24 (carried) to undertake greater due diligence:

Receive a report and recommendation on options to improve the long-term financial plan 2024-2034, aligned with our community's strategic plan priorities, to reduce the need for a Special Rate Variation and rate increases above inflation.

Rather, current Council ignored this prudent requirement in accelerating *SV3* into IPARTs 2025-26 assessment cycle. Many in the community view this undertaking as an act of <u>maladministration</u> on the part of current council and executive staff. We fully support calls for public inquiry in this regard.

The chart below depicts the relative increases in expenditures by primary category recommended by the AMP over the nine remaining years of the LTFP:



Category	Funded (\$m)	Unfunded (\$m)	Unfunded % Funded		
Capex Renewals	383.2	142.3	+37%		
Capex New Assets	143.9	53.2	+37%		
Opex Maintenance	245.5	42.2	+17%		
Opex Operations	209.8	36.1	+17%		
Totals	982.4	273.8	+28%		



The incremental spend recommended by the AMP is biased to capital expenditures and to renewals, consistent with Council's expressed desire to close its renewals backlog. The policy-driven assumption underlying the projected expenditure on renewals, as described earlier in this submission, is structurally biased to the comprehensive <u>replacement</u> of assets at estimated Gross Replacement Cost, over repair of those assets to Satisfactory condition, at an estimated cost premium of 225%.

We are not suggesting that repair to Bring-to-Satisfactory (BTS) standard is a viable solution for every asset identified for renewal. What we are suggesting, however, is that the renewal plans absolutely require vetting by councillors and asset management experts external to council staff – within the context of carried Motion 148/24 – prior to any inclusion of the AMP within the LTFP as a basis for an SV.

A further, critical issue to be resolved with the AMP is the vagueness in its project prioritisations. Many projects appear to be motivated by council staff's *interpretations* of community aspirations untethered to financial consequence (cost) and the community's clear and recent feedback to *reduce* services (and projects) rather than drive a "need" for an SV. Only 17% of respondents to the SV's community engagement survey supported either *Improved* or *Increased* services; 83% did not. The aspirational expenditures included in the AMP and the larger capital budget require adjustment, accordingly.

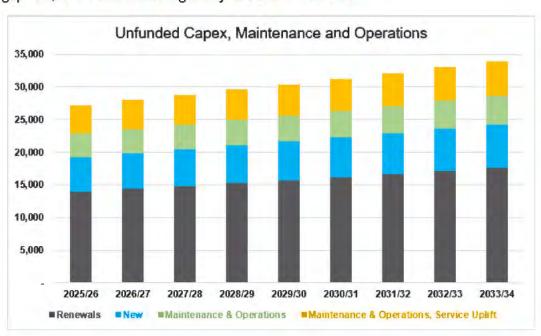
That critical work, mandated under carried Motion 148/24, is yet undone by council staff and councillors. Consequently, the AMP is without valid basis for inclusion in the LTFP and SV application.

In view of the \$274m magnitude of the "unfunded gap" identified in the AMP over nine years, we believe its unvetted inclusion in the LTFP supporting SV3 to be *unreasonable* in terms of consequent impact on ratepayers. On that basis alone, notwithstanding other salient matters brought to the tribunal's attention via this submission, we petition IPART to reject SV3 as ill-based, unsound, and unnecessary.

<u>Appendix 3</u> of this submission contains a summary of expert observations concerning the updated AMP, which council staff state is the product of an improving but immature organisational capability.

Further, the "unfunded gap", even if accepted hypothetically in its entirety, does not justify the 39.6% cumulative increase sought by Council via SV3.

The chart below depicts the progression of incremental spend sought to offset the AMP's unvetted "unfunded gap" of \$274m over remaining nine years of the LTFP term:

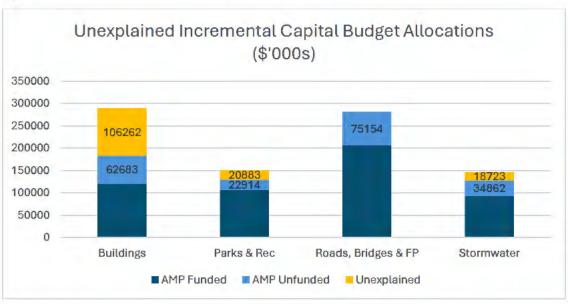




We calculate that an 11.05% increase in rates over and above forecast IPART rate pegs is sufficient to offset the hypothetical and unvetted "unfunded gap", hence SV3 unsound, excessive, and unnecessary.

Future Fund and Undefined Capital Budget Allocations

Chart depicting unexplained capital budget allocations flowing from SV3 over the remaining nine-year term of the LTFP:



These unexplained allocations total to \$146m and are separate and incremental to the \$196m in capex suggested as an "unfunded gap" in the AMP, also depicted in the chart.

The AMP does not request these allocations; hence they are unexplained.

Table summarising the % impact of the incremental SV3 funds on the funded baseline under Option 1:

Category	Funded	AMP Gap	Unexplained	Gap + Unexplained as % Funded
Buildings	120,877	62683	106262	140%
Parks & Rec	106,989	22914	20883	41%
Roads, Bridges & FP	206,224	75154	-	36%
Stormwater	92,971	34862	18723	58%
TOTAL	527,061	195,613	145,868	65%

Per the LTFP financial statements supporting SV3, the allocations are balance sheet transfers from the *Future Fund*, which would otherwise grow to a visible value of \$161m by the end of the LTFP term.

If Council's denial of the community engagement survey result is the opening *injury* to ratepayers, the combination of the Future Fund and the unexplained allocations are the additional *insult*.

We again draw IPART's attention to the magnitude of the \$106.3m in unrestricted cash shifted to the LTFP's capital budget statement for SV3 under the Buildings category. \$89m of that \$106.3m is allocated for <u>unidentified purposes</u> over the final two years of the LTFP term.

With current information, the allocation appears to us to be a crude "plug" designed to shield an otherwise escalating and exorbitant value of the unrestricted future works fund from visibility on Council's balance sheet.

From our detailed analysis of the LFTP and its informing strategies and plans, there is no evident financial need attributable to these allocations or to SV3 overall; the dimensions of each appear to be unreasonable, unnecessary and abusive of ratepayers in a cost-of-living crisis.



Alternatives to Rate Rise

- 1. Vetting of planning assumptions around notional Future Works Fund and undefined allocations to capital budget statement **\$160m reduction.**
- Vetting of updated Asset Management Plan: The novel AMP, the first of its kind to be produced by council asset managers, calls for \$274m in incremental funding over the nine remaining years of the LTFP. A 20% reduction in that projected incremental spend consequent to professional peer review and collaboration with acknowledged best practice practitioners e.g. NSW Infrastructure, NSW Department of Education and Transport for NSW, would reduce burden on ratepayers by \$54.8m reduction.
- 3. Grants & Contributions: We have addressed the LTFP's planning assumptions forecasting a **\$210m** reduction from normal levels of grants and contributions.
- 4. Maintenance of Current Debt Levels \$15m reduction.
- 5. Financing of Transgenerational Assets: We have addressed the LTFP's total disregard of financing options to fund construction of transgenerational capital assets.
- 6. Property Rationalisation: As explained by council \$10m reduction.

· Property Rationalisation Plan

Council will continue to focus on the optimisation of the community's property portfolio including the appropriate divestment of poorly utilised land parcels. It is estimated that \$10 million could be realised over the next 1-5 years through the sale of Council property and land holdings. Property rationalisation will be based on a review noting:

- Council's property portfolio is highly valued by the community with only a small percentage of parcels currently seen as not providing community value.
- Council is restricted in its capacity to dispose of land, with the vast majority of Council's property portfolio categorised as community land and therefore is not able to be sold.
- The optimisation of Council's property portfolio also looks at re-purposing for a community use in the analysis of "highest and best" use.
- Taking all of the above into account, there remains opportunity to deliver a financial outcome from consolidating uses and divesting or developing some parcels.

It is important to acknowledged that proceeds from the sale of property is one off, is often complex and contentious, has long lead times and subject to significant considerations to proceed to sale (re-zoning, assessment of community need, consultation process etc.). Realised funds, while unable to resolve Council's immediate financial concerns, would support rate income into the future with re-investment into the renewal and delivery of new community facilities and assets.

7. Reduction (permanent) in EBO expenses: Since amalgamation, Council claims that its aggregate establishment Full Time Equivalent headcount has reduced by 28 positions (2%) on a baseline of 1315.



Table 2 - Establishment FTE Approved Positions (Northern Beaches Council 2016 – 2025)

Full time assistant assistant (CFC) by assistant			Increase /	Decrease
Full-time equivalent positions (FTE) - by service	2016	2024/25	#	%
Environment and Sustainability Services	83	84	1	2%
Waste and Cleansing Services	88	82	-5	-6%
Strategic Land Use Planning	32	34	3	8%
Development Assessment	60	48	-12	-21%
Environmental Compliance	103	100	-3	-3%
Parks and Recreation Services	141	146	5	4%
Children's Services	118	123	5	4%
Community, Arts and Culture Service	49	58	9	20%
Library Services	79	80	0	0%
Transport, Traffic and Active Travel	126	127	1	1%
Economic Development, Events and Engagement Services	40	52	12	31%
Property and Facilities Services	98	95	-3	-3%
Governance & Risk Services	40	23	-17	-42%
Customer Service	41	40	-1	-2%
Corporate Support Services	218	194	-24	-11%
Total	1,315	1,287	-28	-2%

Notes: Excludes temporary core operating system replacement project team (15 FTE).

Figures have been rounded to the nearest whole number.

Northern Beaches Council FTE Data 2016 to 2025, excludes Kimbriki, Council's Core

Operating Replacement Project and budgeted vacant and seasonal positions.

It was noted previously in this submission that Council's EBO expenses:

- increased by 7.9% (\$12.5m) between 2023-24 and 2024-25.
- increased by 9.0% (\$13.2m) between 2022-23 and 2023-24.
- increased by 8.6% (\$11.6m) between 2021-22 and 2022-23.

In aggregate, EBO expenses increased by \$37.3m, 28% relative to its 2021-22 baseline.

In the private sector, the minimum FTE reductions consequent to a merger of like entities ranges 5% - 15% overall, and up to 30% in non-customer-facing overhead functions e.g., Corporate Support Services, Governance & Assurance (Risk) Services, Economic Development, Events, and Engagement Services.

Despite what Council elects to depict in the table above, its Operating Plans show that it has consistently added FTEs and costs to most of its cost centres from 2019-20 to present. It is noted that from 2016-17 through 2018-19, a prohibition on forced staff reductions was in effect post-amalgamation. It is also noted that Council experienced 15% per annum voluntary turnover of staff during this period, subsequently reducing to 13% per annum. Staff turnover for the 2023-24 fiscal year has been reported as 11%.

The salient point being that Council had consistent opportunity via natural attrition to reduce its FTE count and related EBO expenses. NBC elected to move in the opposite direction, adding staff and costs.

In its Workforce Management Strategy, published 2022, Council stated its then FTE count to be **1,196**, hence and an addition of 91 FTE is implied between 2022 and 2024-25.



Council's 2024-28 Delivery Plan indicates contradictory levels of FTEs, commencing with a difference of 50 FTEs reported for the 2021/22 fiscal year compared with its Workforce Strategy:

Income Statement

	Result 2021/22 \$'000	Result 2022/23 \$'000	Forecast 2023/24 \$'000	Budget 2024/25 \$*000
Income from continuing operations				
Rates and annual charges	225,941	234,424	246,515	259,113
User charges and fees	79,722	91.876	98,462	101,855
Other revenues	22,343	20,086	19,678	20 684
Grants and contributions provided for operating purposes	27,165	31.496	25,377	22,502
Grants and contributions provided for capital purposes	43,952	33,917	27,073	32,343
Interest and investment revenue	1.238	7085	10 594	8.411
Other Income	6,736	6,392	6,472	6,785
Net gain from the disposal of assets	960	167	401.	392
Total income from continuing operations	408,057	425,443	434,572	452,085
Expenses from continuing operations				
Employee benefits and an-costs	134,560	146 153	158,920	170,968
Materials and services	142.766	157,273	168.864	177,914
Borrowing costs	2,624	2,738	2.596	2,436
Depreciation, amortisation and impairment for non-financial assets	45 508	46.821	49.380	52,149
Other expenses	20,969	20,765	22.774	21,398
Net loss from the disposal of assets				
Total expenses from continuing operations	346,427	373,750	402,534	424,866
Operating result - Surplus / (Deficit)	61,630	51,693	32,038	27,219
Operating result before grants and contributions provided for capital purposes	17,678	17,776	4,965	(5,125)
Full time equivalent positions (excl. Kimbriki)	1,246.5 FTE	1,265.0 FTE	1,283.0 FTE	1,301.6 FTE

Consequently, we have negligible confidence in Council's reported FTE data.

The table below contains alternative FTE data extracted from Council's annual Delivery Program documents over the five years from 2019-20 to 2024-25:

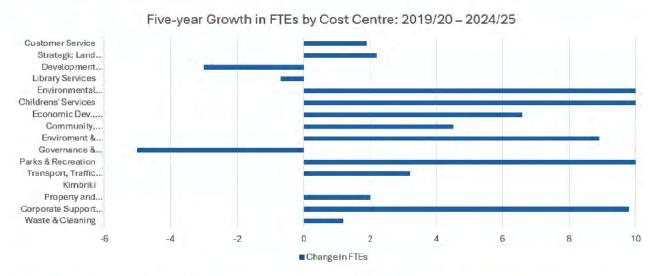


				F.T.E. s sou	rced from Ea	rlier & Curren	t Delivery Pro	grams			
		2019-20_A	2020-21_A	2021-22_0	2021-22_R	2022-23_B	2022-23_R	2023-24_A	2024-25_B	Char	nge
CSS	Corporate Support Services	199.3	189.9	190.1	190.1	192.1	192.1	194,4	209.1	9.8	4.9%
CS1	Children's Services	112.3	113.3	113.8	113.8	123.2	123.2	123.3	123.2	10.9	9.7%
P&R	Parks and Recreation	136.1	146.2	146.0	146.0	144.8	144.8	144.7	146.1	10.0	7.3%
P&F	Property & Facilities	92.7	91.7	91.2	91.2	90.5	90.5	96.3	94.7	2.0	2.2%
TT&AT	Transport Traffic & Active Travel	123.5	128.0	126.9	127.9	127.4	128.4	125.4	126.7	3.2	2.6%
EC	Environmental Compliance	88.7	88.3	91.9	91.9	91.8	91.8	99.4	99.6	10.9	12.3%
E&S	Environment and Sustainability	75.5	73.2	73.0	74.0	80.7	82.7	85.1	84.4	8.9	11.8%
W&C	Waste and Cleaning	81.0	78.9	81.1	81.1	78.6	78.6	79.6	82.2	1.2	1.5%
LS	Library Services	81.4	80.3	79.2	80.2	80.8	80.8	79.6	80.7	(0.7)	(0.9%)
CA&C	Community Arts and Culture	53.6	56.5	55.6	55.6	55.6	55.6	57.8	58.2	4.6	8.6%
EDEE	Economic Development, Events & Engagement	45.7	45.6	45.9	45.9	43.5	46.4	51.6	52.3	6.6	14.4%
DA	Development Assessment	50.6	47.6	47.6	47.6	47.3	47.3	47.6	47.6	(3.0)	(5.9%)
SLUP	Strategic Land Use Planning	32.2	34.7	33.7	33.7	33.3	33.3	33.9	34.4	2.2	6.8%
CS2	Customer Service	38.1	37.6	39.9	39.9	43.8	40.9	41.1	40.0	1.9	5.0%
GAA	Governance and Assurance Services	28.3	28.9	28.6	28.6	28.6	28.6	23.2	23.3	(5.0)	(17.7%)
		1,239.0	1,240.7	1,244.5	1,247.5	1,262.0	1,265.0	1,283.0	1,302.5	63.5	5.1%

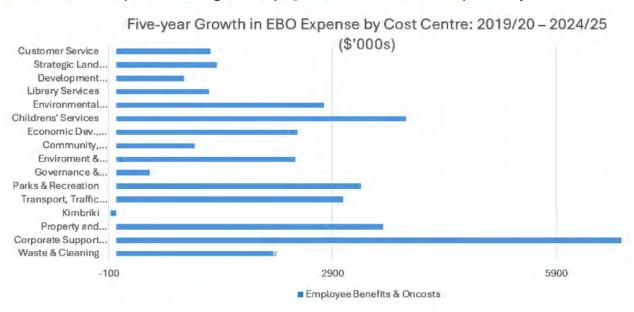
Note re Suffixes within the Date Headings

CSS 209.1 includes +14.6 working on Core Operating Replacement Project

Council appears to have **added 63.5 establishment FTEs over the period**. The chart below depicts the net FTE changes by cost centre:



The chart below depicts the changes in Employee Benefit and On-cost expenses by cost centre:



[&]quot;A" indicates Actual

[&]quot;B" indicates Budget

[&]quot;O" indicates Original

[&]quot;R" indicates Revised



The evident growth in FTEs and EBO expense, overall, is disconcerting. The synergies and efficiencies promised by amalgamation appear to have been lost to diseconomies of scale, inept cost management practices, or both.

The \$6.8m growth in annual EBO expense in Corporate Support Services (CSS) – even if considered net of the temporary 14.6 FTEs engaged currently on the Enterprise Resource Planning (ERP) system implementation – begs audit and reconciliation, as CSS was to be an epicentre of amalgamation synergies. Instead, it appears to be the epicentre of bureaucratic bloat.

Please refer to Section 8 of this submission for further discussion regarding the evident lack of productivity benefits flowing from Council's ongoing ~\$30m pseudo-investment in an "upgraded" SaaS-based ERP system from which ratepayers have every right to expect information-enabled efficiencies and operating cost reductions across Council's business, rather than the cost increases projected *before-and-after*.

Further, we see no evidence of Council's <u>commitment</u> to utilise technology/AI to reduce its cost-of-delivery in transactional business processes e.g., Finance & Accounting AP/AR and Customer Service. At present, ~250 FTEs are deployed by Council across its Corporate Support Service and Customer Service functions, totalling to \$35.9m in annual EBO expenses, over one-fifth of its total people-related operating expenses.

The table below draws on data extracted from Council's 2024-25 Delivery Program in depicting EBO expenses, Materials & Services expenses and their composite expense across cost centres:

	2024-	25 Delivery Prop	gram			
		Employee Benefits &		Avge per	Materials and	TOTAL EBO +
		Oncosts	FTEs	FTE	services	M&S
CSS	Corporate Support Services	31,265	209.1	\$150k pa	26,928	58,193
CS1	Children's Services*	15,128	123.2	\$123k pa	2,221	17,349
P&R	Parks and Recreation*	15,003	146.1	\$103k pa	15,539	30,542
P&F	Property & Facilities	14,486	94.7	\$153k pa	24,897	39,383
TT&AT	Transport Traffic & Active Travel	14,408	126.7	\$114k pa	19,597	34,005
EC	Environmental Compliance	11,742	99.6	\$118k pa	1,655	13,397
E&S	Environment and Sustainability	10,051	84.4	\$119k pa	8,450	18,501
W&C	Waste and Cleaning	9,954	82.2	\$121k pa	56,288	66,242
LS	Library Services	8,395	80.7	\$104k pa	1,603	9,998
CA&C	Community Arts and Culture*	7,754	58.2	\$133k pa	3,783	11,537
EDEE	Economic Development, Events & Engagement	7,343	52.3	\$140k pa	3,633	10,976
DA	Development Assessment	6,113	47.6	\$128k pa	724	6,837
SLUP	Strategic Land Use Planning	5,436	34.4	\$158k pa	656	6,092
CS2	Customer Service	4,630	40.0	\$116k pa	219	4,849
GAA	Governance and Assurance Services	3,905	23.3	\$168k pa	9,334	13,239
		165,613	1,302.5	\$127k pa	175,527	341,140
KRRC	Kimbriki Resource Recovery Centre	5,355			20,104	25,459
		170,968			195,631	366,599

N.B. Corporate Support Services includes 14.6 FTEs for the Core Operating Replacement Project.

We believe that a comprehensive Zero-based Budgeting (ZBB) review of each cost centre is warranted.

For the reasons referenced above and others raised in this submission, we believe it is prudent for IPART to wholly reject SV3 as fundamentally unsound and unnecessary. Council has much to do to put its house-in-order to address its operating expenses and efficiencies prior to proposing any reasonable SV application.

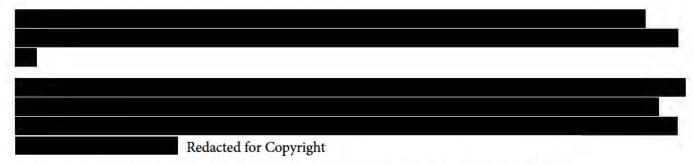
^{*} Note: Indicates cost centre with significant number of casual and seasonal staff, hence average cost per FTE depicted may be overstated.



5. Critique: OLG Criterion 2 – Community Awareness/ 360-degree Community Feedback

"Performatory" and "disingenuous" best describe Council's community engagement process.

In an August 2024 article published in the Tawny Frogmouth digital magazine, former NBC mayor and then current councillor, Michael Regan MP publicly advised:



It now appears that all was not so - or has been reassessed to justify an unwarranted SVR.

Community Satisfaction Survey

Also in August, Council commissioned Micromex Research to conduct a random telephone survey of 600 Northern Beaches residents to identify community priorities, overall level of satisfaction with Council performance, residents' satisfaction with the services and facilities, their experience of contact with Council as well as their support for *paying more* to improve the level of services, facilities and infrastructure.

Micromex's analysis of the survey results stated that "over 60% of residents surveyed indicated that they are at least somewhat supportive of paying more for such improvements demonstrating that a level of capacity and willingness exists in the community to fund improvements moving forward."

The conclusion's critical fault is that "more" was never quantified.

Table providing an extract of Question 6 from the Micromex telephone survey script:

Q6. Thinking of the level of services, (actilities, and infrastructure in your local area. On a scale of 1 to 5, where 1 is not all supportive and 5 is very supportive, how supportive would you be to poy more to support improved:

Value	Answers	Notes
5	Very supportive	
4		
3	5omewhat supportive	
2		
1	Not at all supportive	

Position	Answers	Notes
1	Maintenance services e.g. mowing, cleaning of rockpools and public spaces	
2	User services e.g. community centres	
3	Facilities e.g. playgrounds, public tailets and sports fields and facilities	
4	Infrastructure e.g. roads, footpaths, wharves and jettles	
5	Environment e.g. increased ranger patrols, restoration of bushland and waterways, and management of pollution and nuisance flooding	



The lack of quantification in the 2024 survey employed in Council's *Funding our Future* SV campaign is in distinct relief to telephone survey questions employed in 2013 by the former Warringah Council in support of its "Continue to Improve" SV campaign. The 2013 random survey questions clearly described for those surveyed the scope and costs associated with rate increases options:



Option 1- Decline In Services

Decline in services. Rates would increase only by the State Government rate cap of approximately 3% per annum or 12.55% over four years. Current service levels can be maintained until 2017/18. Service levels will then be reduced to make savings of \$1.3 million each year. For the average residential rate payer this would mean an increase of \$143 by 2017/18.

Under this option savings could include:

- Reduced opening hours or possible closure of facilities including pools, libraries, etc.
- · Reduced maintenance of sporting facilities, parks and gardens
- · Reduced maintenance of roads, footpaths, cycleways and drains
- Reduced environmental programs (e.g. weed removal and native vegetation programs)
- Longer processing times for customer requests, applications and permits
- Fewer community events
- Less funds for community sponsorship and economic development
- Large increases in user fees and charges





Option 2 - Maintain Services

The second option is maintain services. To maintain current service levels, rates would need to rise above the State Government rate cap to 9.4% in 2017/18. This would be a total increase of 19.66% over the four years. For the average residential rate payer this would mean an increase of \$224 by 2017/18, of which \$143 would be the rate cap increase and the remaining \$81 would be to maintain services.

- Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed.
- Maintenance of sporting facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance
- Construction of roads, footpaths, cycleways and drains would be maintained,
- Environmental programs would be retained (e.g. weed removal and native vegetation programs)
- Processing times far customer requests, applications and permits would remain the same
- Community events would be maintained, but not expanded
- Funding of community sponsorship and Economic Development would be maintained





Option 3 - Improve Services

The final option is <u>Improve services</u>. To improve service levels, rates would rise by 6% each year for four years. A total increase of 26.25%. For the average residential rate payer this would mean an increase of \$299 by 2017/18. Of this, \$143 would be the rate cap increase and the remaining \$156 would be a Special Rate Variation.

In addition to maintaining all current service levels this option would enable Council to provide the community with the following enhancements:

\$2m on the local environment with more:

- · Restoration of bushland
- Increased cleaning around bushland, waterways and lagoons

\$11m on local Neighbourhoods with:

- · Increased cleaning of centres
- · Improved maintenance of roads
- 9km of new footpaths and better maintenance of existing footpaths
- Upgrading 16 playgrounds and a new outdoor youth facility
- Increased support for local business
- Improving the appearance of parks, reserves and public gardens

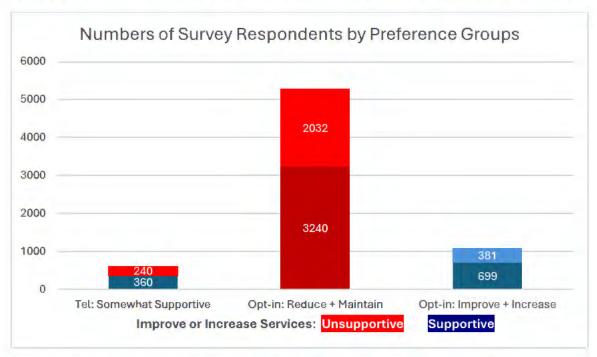
\$14m for local recreational facilities including:

- · Renovation of the Warringah Aquatic Centre
- New synthetic sportsfields
- Upgrade of a surf club building
- · Dredging Narrabeen Lagoon for recreational use
- · A new horse riding trail at Terrey Hills

\$2m for creating the Glen Street Cultural Hub, installing public art and new cultural events

In 2024, the successor Northern Beaches Council was far less candid with those surveyed, presumably for purposes of not divulging its SV plans, ahead of the 14 September council elections.

Rather, NBC and its consultants would later attempt to "spin" that the circa 360 random telephone survey participants who "are at least somewhat supportive of paying more for such improvements", albeit wholly unquantified, were somehow more representative of the community than the 6,600 people who responded to opt-in survey via Council's *Have-Your-Say* platform once the Council's SV options were divulged.



The People were decisively clear with Council by a 4:1 ratio: "No" to an Increase or Improve agenda.



In view of the direction from the community, the ethics involved in continuing the pursuit of an outcome desired by few other than eight of fifteen council members and council executive staff is, in our view, a matter which demands further inquiry. We are also stuck by the distraction and diversion of ratepayer-funded resources to certain councillors' and Council staff's defence of its il-conceived SV3 campaign.

Further points concerning the defective Community Consultation Program:

- The consultation did not provide adequate opportunity for the consideration and discussion of options other than those prescribed by Council.
- The survey was not of "open" design, as would have enabled residents and ratepayers to input commentary and express alternatives to the prescribed Council options and narrative.
- Despite over half of respondents selecting Option 1, "Reduce Services," additional respondents will
 have been reticent to select that option for fear of cuts to essential services e.g., roads and waste
 management. Council did not specify the services to be reduced, seemingly by design.
- No options were provided by which Council would be required to improve its efficiency of service delivery or eliminate services which are superfluous, unnecessary, or unsustainable.
- No option was provided to undertake a rigorous review of Council's organisation toward reducing senior management positions or alternatives to render a leaner overhead structure.
- Consultation ran between 18 November 2024 and 12 January 2025; a period recognised broadly as the "holiday season"; the worst time of year in which to conduct a consultation program.

The letter from CEO Scott Phillips to ratepayers dated 20/11/24 was misleading and unnecessarily alarmist in that:

- Rationale was not provided in support of the claimed insufficiency and unsustainability of the operating budget. Facts to the contrary:
 - 2024 income was \$441.7m, an increase of \$16.3m over 2023.
 - 2023-242 saw an operating surplus of \$44.1m inclusive of capital grants/contributions.
- Implications were made that Council was under financial stress, which is not the case:
 - Each year since 2021-22, the actual operating result exceeded budget:
 - 2021-22 Budget \$56.3m; Actual \$61.6m, a positive variance of \$5.3m
 - 2022/23 Budget \$38.6m; Actual \$51.7m, a positive variance of \$13.1m
 - 2023/24 Budget \$32.7m; Actual \$44.1m, a positive variance of \$11.5m
 - Over the last three years, Council exceeded its budgeted operating result by \$29.9m.
- The current trajectory of income was insufficient to achieve the community's priorities. The letter
 failed to specify those priorities, the process by which the priorities were determined and validated, or
 which priorities could be at risk.
- If a Special Variation was not implemented, reductions to services would result, however, no specifics were provided as to which services would be reduced.
 - The letter failed to discuss undertakings by which Council could become more efficient and provide an alternative to rate increases by removing waste and improving its fiscal management and operational efficiency.
 - Although four options were proposed, Council's preferred option was neither identified nor
 justified. Importantly, the letter did not provide a fifth option instructing Council to reduce or
 eliminate programs beyond its legislated remit.
 - The letter's "learn more and have your say" link via QR code was unfamiliar to many and not inclusive. The Northern Beaches community features many elderly residents who do not have access to a computer or working knowledge of QR codes.



The letter concluded said "We know our community wants us to do more - from mowing the grass to building new playgrounds, repairing our roads and fixing our storm water system to protect our environment, " each an example of core Council business. If Council is incapable of delivering core business with a current annual operating budget of \$464m, it should be placed into administration by reasons of gross dysfunction.

The "Have Your Say" electronic submission form was biased and misleading:

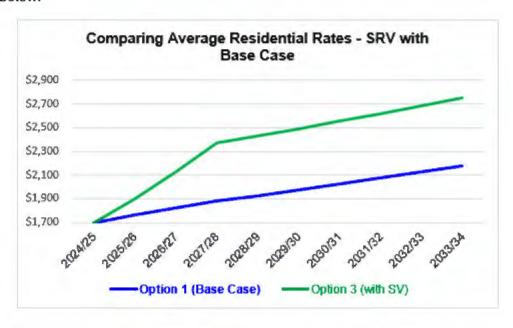
- Option 1 "Increased maintenance backlog and cuts to services". As above, details were not provided
 as to which services would be cut. If Council cannot explain which services were to be cut, then the
 narrative can only be described as scaremongering.
- Option 1 does not consider means by which Council can manage its budget to contain expenditures in alignment with the forecast IPART "rate pegs". Option 1 should have included specific routes to reduce expenditure on activities beyond Council's legislated remit, as well as an examination of expenditure on Employee Benefits and Oncosts, particularly with respect to the number of senior staff positions, elimination of 'company" vehicle schemes, etc.
- Options 2-4 ignored alternate funding sources via public/private partnerships, sponsorships, philanthropy, federal and state grants programs or asset rationalisation strategies.

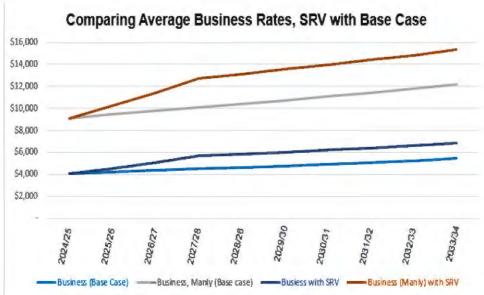
In summary, the consultation process was fundamentally flawed, disingenuous and structurally designed to deliver an outcome biased to a rate increase via SV. Despite its inbuilt and obvious deception and manipulation, Council's "consultation" program established that the majority of community respondents want nothing to do with a rate increase above the forecast IPART rate peg.



5. Critique: OLG Criterion 3 - Reasonableness of Impact on Ratepayers

Although Council may prefer to limit to three years the visibility of the impact of SV3 on rates, extending the view to the full term of the LTFP is informative and should have been provided to the community, as depicted in the charts below:





The table below summarises the dollar impact of SV3 over the term of the LTFP:

Rate Type	2024-25	2033-34	Δ	Δ%	CAGR %
Residential	\$1,698	\$2,853	\$1,155	68%	5.9%
Business (Non-Manly)	\$4,066	\$6,832	\$2,766	68%	5.9%
Business (Manly)	\$9,126	\$15,335	\$6,209	68%	5.9%

With a CAGR of 5.9% over the term, ratepayers can project that Council's income via rates will increase substantially faster than their personal incomes, begging the question, "who serves who?"

The dollar impact to Manly business rate payers (highlighted) appears particularly unconscionable.



Capacity to Pay: Morrison Low

Morrison Low is a long-standing consultant to Northern Beaches Council and its predecessor Warringah Council. A pillar of ML's business is advising NSW councils on means to "get SVs across the line", hence it offers councils a formulaic, playbook approach to "ticking the boxes" assessed by IPART.

One assessment criterion regards capacity to pay, as distinct from willingness to pay. Accordingly, it would appear to not be in ML's commercial interest to find against capacity to pay, hence it may be motivated to be selective with the data it presents to affirm ratepayers' capacity to pay.

This possible selectivity is illustrated by comparing the data tables below, each drawn from the National Institute of Economic and Industry Research (NIEIR). The first, presented as Table 13 in its ML's Capacity to Pay Report, selects a period seemingly favourable to its purposes, 2017/18 to 2022/23:

Table 13 Five-year comparison of cost of living in Northern Beaches Council LGA⁵

min and an	202	22/23	201	17/18	Change		
Household expenditure (totals)	\$ per household	% of expenditure	\$ per household	% of expenditure	\$ per household	% of expenditure	%
Food	\$15,532	9%	\$16,021	9%	-\$488	0%	-3%
Alcoholic beverages & tobacco	\$6,639	4%	\$8,423	5%	-\$1,784	-1%	-21%
Clothing & footwear	\$6,900	4%	\$6,060	3%	\$840	1%	14%
Furnishings & equipment	\$7,801	4.4%	\$7,887	4.3%	-\$85	0%	-1%
Health	\$10,283	6%	\$9,404	5%	\$879	1%	9%
Transport	\$17,036	10%	\$22,833	12%	-\$5,798	-3%	-25%
Communications	\$3,155	2%	\$2,898	2%	\$256	0%	9%
Recreation & culture	\$17,273	10%	\$17,864	10%	-\$590	0%	-3%
Education	\$6,282	4%	\$6,366	3%	-\$84	0%	-1%
Hotels, cafes & restaurants	\$13,463	8%	\$14,315	8%	-\$851	0%	-6%
Miscellaneous goods & services	\$21,861	12%	\$24,791	13%	-\$2,930	-1%	-12%
Housing	\$47,015	27%	\$43,526	24%	\$3,489	3%	8%
Utilities	\$4,486	3%	\$4,999	3%	-\$514	0%	-10%
Total expenditure	\$177,728	100%	\$185,388	100%	-\$7,660	0%	-4%
Net savings	\$45,855	21%	\$36,836	17%	\$9,019	4%	24%
Total disposable income	\$223,583	0%	\$222,224	0%	\$1,359	0%	1%
Non-discretionary*	\$104,407	59%	\$105,741	57%	-\$1,334	2%	-1%
Discretionary	\$73,319	41%	\$79,646	43%	-\$6,327	-2%	-8%

^{*}Non-discretionary spending includes the following categories: food, clothing and footwear, health, transport, communications, housing and utilities.



A recast of the same data over a different period, 2020/21 to 2022/23 more clearly depicts the current state of Northern Beaches households during *cost-of-living crisis*, indicating substantial reductions in Net Savings and Total Disposable Income over the measurement period:

Northern Beaches Council area Household expenditure (totals)			2022/23			2020/21				Change
				New % of South expenditar Wales ≎	New South Wales\$ \$	\$ per thousehold	% of expenditare	New South Wales \$	New South Wales\$ \$	2020/21 - 2022/23
Food		\$15,532	8.7%	\$11,751	9.4%	\$15,649	9.2%	\$11,615	9.6%	-117
Alcoholic Beverages & Tobacco	1	\$6,639	3.7%	\$5,023	4.0%	\$7,385	4.3%	\$5,482	4.5%	-746
Clothing & Footwear		\$6,900	3.9%	\$5,220	4.2%	\$6,406	3.8%	\$4,760	4.0%	+494
Furnishings & equipment		\$7,801	4.4%	\$5,902	4.7%	\$8,215	4.8%	\$6,099	5.1%	-413
Health	-	\$10,283	5.8%	\$7,980	6.4%	\$10,234	6.0%	\$7,789	6.5%	+49
Transport		\$17,036	9.6%	\$12,206	9.7%	\$14,091	8.3%	\$10,118	8.4%	+2,945
Communications		\$3,155	1.8%	\$2,387	1.9%	\$3,061	1.8%	\$2,270	1.9%	+94
Recreation & Culture		\$17,273	9.7%	\$13,069	10.4%	\$17,199	10.1%	\$12,774	10.6%	+74
Education		\$6,282	3.5%	\$4,560	3.6%	\$6,357	3.7%	\$4,504	3.7%	-75
Hotels, Cafes & Restaurants		\$13,463	7.6%	\$10,012	8.0%	\$10,288	6.0%	\$7,728	6.4%	+3,175
Miscellaneous Goods & Services		\$21,861	12.3%	\$16,638	13.3%	\$22,035	12.9%	\$16,406	13.6%	-174
Housing		\$47,015	26.5%	\$27,305	21.8%	\$45,073	26.4%	\$27,407	22.7%	+1,942
Utilities		\$4,486	2.5%	\$3,393	2.7%	\$4,768	2.8%	\$3,533	2.9%	-282
Total Expenditure	ĺ	\$177,728	100.0%	\$125,446	100.0%	\$170,761	100.0%	\$120,486	100.0%	+6,968
Net Savings		\$45,855	20.5%	\$25,572	16.9%	\$60,821	26.3%	\$32,929	21.5%	-14,966
Total Disposable Income		\$223,583	0%	\$151,018	0%	\$231,581	0%	\$153,415	0%	-7,999

Source: National Institute of Economic and Industry Research (NIEIR) ©2024. ©2023. Compiled and presented in economy id by lid (informed decisions). Data are based on a 2020/21 price base for all years. NIEIR-ID data are inflation adjusted each year to allow direct comparison, and annual data releases adjust previous years' figures to a new base year. Learn more

Please refer to specific data notes for more information



The ML report's Table 23 incorrectly equates Northern Beaches ratepayers' collective fiscal responsibility with *willingness* to pay:

Willingness to pay

Table 23 Actual outstanding rates and charges for OLG Group 3 metropolitan councils

Rates and annual charges outstanding (%)	2022/23	2021/22	2020/21
Bayside	7.2%	7.4%	8.3%
Blacktown	5.0%	4.8%	5.1%
Canada Bay	4.1%	3.9%	4.4%
anterbury-Bankstown	6.4%	6.2%	6.3%
Cumberland	6 0%	5.6%	6.4%
airfield	4.2%	4.5%	4.0%
Georges River	4.4%	4.3%	4.5%
nner West	8 6%	7.9%	8.5%
u ring gai	4.5%	4.3%	3.6%
iverpool	7.5%	6.8%	6.2%
lorth Sydney	2.8%	2.9%	2.8%
Northern Beaches	3.6%	3.6%	3.9%
Pasramatta	7 2%	9 7%	8.6%
landwick	2.9%	4.5%	3.8%
lyde	3.3%	5.0%	4.6%
utherland	4.7%	4.4%	4.7%
Vaverley	4.4%	4.8%	4.2%
Villoughby	2 5%	2.6%	2.2%

Table 23 shows outstanding rates and charges ratios over the past three reporting years for Group 3 metropolitan councils. Northern Beaches' percentage for 2023/24 is 3.8%, a slight increase from 3.6% in 2022/23 but below the 2020/21 ratio of 3.9%. The NSW benchmark for metropolitan councils is 5%, and Northern Beaches has consistently been be ow this percentage for the past four financial years and has remained at the lower end of the rankings, for the last four years, when compared to similar councils – this is therefore a partial indicator of capacity and willingness to pay.

Council's own data portrays a different picture:

Number of overdue rates notices on 30 June (last instalment is due 31 May)

		Units	19/20	20/21	21/22	22/23	23/24
Total number of rate notices issued		No.	101,972	103,019	103,689	103,783	103,883
Total number of rate notices overdue on 30 June		No.	12,416	12,355	12,617	12,845	13,938
% of rate notices overdue on 30 June		%	12.2%	12.0%	12.2%	12.4%	13.4%

Source: Northern Beaches Council Memo to Councillors, February 2025

Of note is the <u>8.5% increase in overdue rates notices</u> between 2022-23 and 2023-24. We suggest that this measure further indicates increasing levels of financial stress in the community.



Lifeline Northern Beaches 23-24 Annual Report states that demands on its financial counselling service was up 33% on the prior year, with a 64% growth in new clients seeking financial counselling. Lifeline states that "the financial landscape in FY 23/24 has been especially tough for many Australians. Suicide Prevention Australia's quarterly surveys show that "Cost of Living and Personal Debt" are leading to record levels of suicidal distress".

ML is what it is, a consultant selling a packaged service to council administrators. Its ML's business. ML received special mention in a Bathurst ratepayers' video on the group's defeat of a 70% SV attempt by Bathurst Council: <u>Bathurst Council Special Rates Variation Defeated.</u>

Council and Council staff bear a higher moral obligation to residents and ratepayers than does ML.

Again, certain NBC councillors and staff appear complicit in the deficit of integrity surrounding SV3.



6. Critique: OLG Criterion 4 - IP&R Documents

We have stated elsewhere in this submission our substantial concerns with the spurious content and assumptions included in several of Council's copious IP&R documents, particularly the LTFP and its informing Asset Management Plan, as well as the sweeping generalisations and convenient selectivity of data included in the Capacity to Pay Report ex Morrison Low.

We have also stated our concerns around the Council's perceived modus of overwhelming members of the community – and councillors – with digital reams of techno-jargon seemingly designed to thwart authentic community engagement. Further to this, Council's apparent practice of closing community exhibition of key IP&R documents prior to announcing intentions, such as applying for a 39.6% SV based to a substantial degree on a novel, immature, and perceptibly fault-ridden Asset Management Plan. That plan received seven comments from a resident population of 268,000 during its exhibition.

Further, the draft LTFP exhibited with the AMP did not consider or convey its financial impact – or any intention to apply subsequently for a 39.6% cumulative SV.

Did Council post IP&R documents to its website? Yes.

Did Council meet the spirit of ethical and transparent community engagement? No.

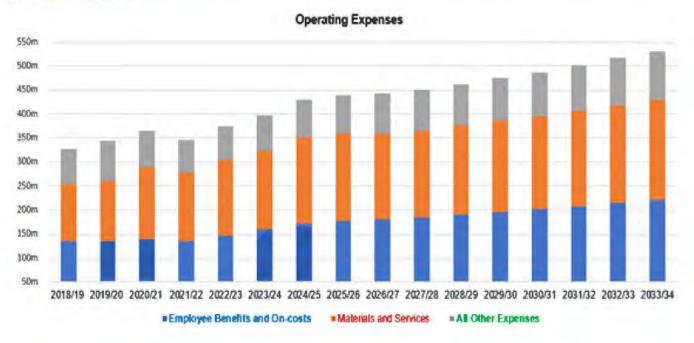
Could Council have simplified the content and detail of the IP&R documents so that many more people could assimilate the information and provide feedback? Yes.

Did Council do so? No.



Critique: OLG Criterion 5: Productivity and Cost Containment Strategies/ Mechanisms

The chart below depicts the progression of Council's actual and forecast total operating expenses between 2018-19 and 2033-34.

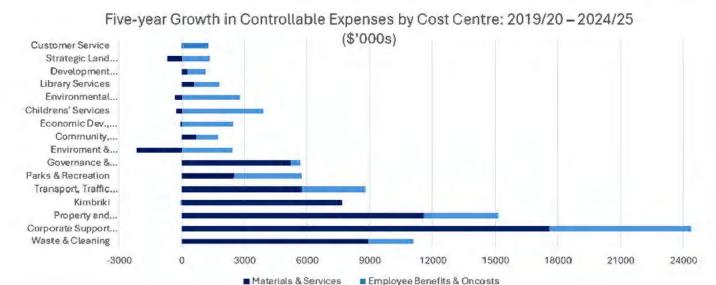


In terms of its actuals, Council has experienced substantial growth in operating expenses:

Expense Category	2018-19	2024-25	Δ	Δ%	CAGR %
EBO	\$134.4	\$171.9	\$37.5	27.9%	4.2%
Materials and Services	\$119.0	\$180.3	\$61.3	51.5%	7.2%
All Other	\$74.4	\$77.6	\$3.2	4.3%	0.7%
TOTAL	\$327.8	\$429.8	\$102.0	31.1%	4.6%

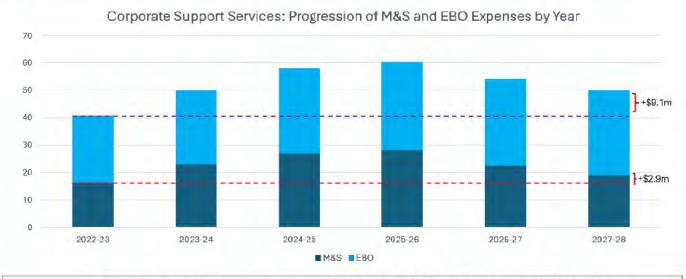
Council's spending in EBO and M&S over the period have each substantially exceeded the corresponding CPI inflation index of 3.42%. The net impacts of its reported productivity initiatives are *undetectable* against the uninterrupted growth of its expenses. The chart below depicts the growth of composite expenses between 2019-20 and 2024-25:





Disconcertingly, the greatest growth in composite expenses has been in Corporate Support Services (CSS), which was to be the area in which the greatest cost synergies were to be achieved via amalgamation.

A deeper dive into CSS's actual and projected expenses indicates no discernible benefit to ratepayers from the ongoing ~\$30m expenditure to replace Council's legacy on-premises ERP system with an upgraded SaaS/Cloud version i.e., no discernible ROI. Before-and-after expenses increase rather than decrease.



Before and After Annual Operating Expenses: M&S: +\$2.9m, EBO: + \$6.2m, Composite: + \$9.1m. Similarly, reductions in operating expense flowing from the ERP upgrade are not observable in Council's other cost centres.

Further, as depicted by the chart at the opening of this section, no step-change in Council's total operating expenses is discernible from the ~\$30m pseudo-investment in the SaaS ERP system.

Council very evidently does not *contain* costs. Its claimed "savings" do not flow to its operating result or lessen demand for ratepayer subsidies; the money merely shifts within and between cost centres and has never been returned to ratepayers in the form of the reduced rates promised by amalgamation.

Council does not maintain a readily accessible record of project cost "blow-outs," as admitted by its Director, Transport and Assets at the Ordinary Council Meeting held of 18 February 2025. It's incapacity to manage and contain costs within budget, particularly for major projects, is alarming and concerning.



The benefit to ratepayers nearest to a reduction in rates was Council's limitation of rate increases to 6.68% over 2016 – 2020, relative to an allowable IPART rate peg increase of 8.3%, a one-time reduction in domestic waste charges of \$2.94m, and the establishment of a Merger Savings Fund of \$1.9m.

Council's "reinvestment" of amalgamation benefits into its cost centres to fund "new and upgraded services" now forms an escalating drag on its operating result and its purported "need" for SV3.

Council provides some 60 services to the community, a third of which are reportedly incremental to its legislated remit. An undetermined degree of overlap exists with state and federal programs including matters concerning health, transport, environment and social services.

Pending Council's execution of the service budget reviews mandated under (carried) Motion 148/24, preferably employing a robust zero-based-budgeting (ZBB) methodology, the community can have <u>no confidence in any aspect of Council's productivity apparatus</u>, its *Ignite* program, or the service reviews council staff conduct with the independent Audit, Risk and Improvement Committee (ARIC), a purely *advisory* body lacking the remit to directly and actively pursue the interests of ratepayers.

Our review of ARIC's meeting minutes indicates a lack of *push-back* on Services concerning delivery costs. The review also established that at no time has ARIC alerted Council to any budgetary anomaly or requirement for concern over budgetary spending.

Council shows no evidence of utilising the full complement of cultural changes and operating systems required to genuinely drive continuous improvement-based transformation in a truly high-performance enterprise.

At present, Northern Beaches Council appears to be a *dilettante* regarding *continuous improvement*. It has acquired and showcased the front-of-house *window dressing* - but lacks the back-of-house rigour to drive execution and outcomes. It appears that Councillors generally lack the requisite discernment to ask probing questions around Council expenditure and to require the CEO to adjust spending to ensure Council administers its budget prudently.

Council is evidently content to seek the *unreasonable SV3* rather than make the hard decisions required to contain its spiralling costs. It is a lazy organisation.

In summary, Council has failed to provide confidence to the community that it:

- genuinely consults with its stakeholders the Northern Beaches Community in an effective and transparent manner regarding operating cost reduction and containment.
- effectively executes on its framework to initiate, manage, and track productivity improvement and cost containment initiatives, as measured by impact on its total operating expenses.
- sets requirements for its senior managers to reduce controllable operating expenses.
- has exhaustively canvassed alternatives to eliminate or substantially reduce the SV



Appendix 1: Statement by Former Northern Beaches Councillors

OFFICIAL

Dear IPART

RE: Northern Beaches council Special Variation application and review of Special Variations & Minimum Rates 2025-26

We, the undersigned, each served as Councillors of the Northern Beaches Council over the 2021 – 2024 term.

We were unable to stand for re-election in on 14 September 2024, as we each intended, due

to

a well-publicised administrative error by persons in the NSW Division of Liberal Party head office. Prior to the September 2024 election, each of us was heavily involved in the workshops

with

Councillors and council staff in the lead-up to the 25 June 2024 Ordinary Council Meeting at which an Operating Plan and budget for the 2024-25 financial year was presented for

approval

by council staff. The operating budget indicated a deficit of \$5.1m for the 2024-25 financial year. Also presented by council staff: Mariagement Plan (2024 – 2034) in which council's asset managers indicated a "unfunded gap" of \$255m (NPV) in recommended expenditures between 2024-25 and 2033-34.

 A draft Long-term Financial Plan which projected a further deficit in the 2025-26 financial year and a level of negative variances to achievement of Office of Local Government key performance indicators.

We did not agree with plans and budgets presented. At briefings and meetings with Councillors, senior council staff including the CEO, asserted that there was insufficient time to rework the plans and budgets, and that, without an approved operating budget, Northern Beaches Council was at risk of being:

- · unable to pay its creditors; and/or
- potentially placed into administration.

We rejected the "worst case" rationale argued by senior council staff. After hours of acrimonious debate, a compromise was reached by which a motion (148/24) was carried enabling approval of the 2024-24 operating budget. The carried motion required that Council:

- Address its financial sustainability through the preparation of the next Community
 Strategic Plan and Resourcing Strategy, with the intent that Council's future operating
 expenses growth is better aligned with future operating income,
 - Receive a report and recommendations on options to improve the 2024/25 operating results as part of the September 2024 quarterly budget review
 - c. Receive a report and recommendation on options to improve the long-term financial plan 2024-2034, aligned with our community's strategic plan priorities, to reduce the need for a Special Rate Variation and rate increases above inflation.

In practical terms, the carried motion required:

o A comprehensive operating review by councillors of Council's sixty (60) services over the 2024-25 fiscal year including the circa one-third of services not required by legislation.

OFFICIAL



OFFICIAL

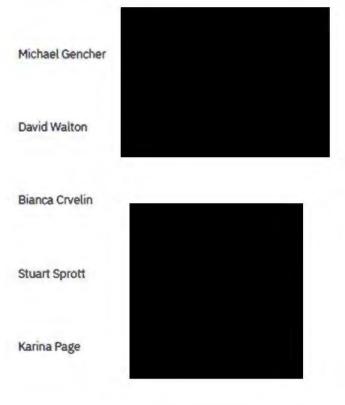
- Deeper interrogation and review by councillors of the updated, internally produced 10year Asset Management Plan inclusive of its, policies, cost calculations, and expense implications.
- O No consideration/support of an application for a Special Variation of Rates for the 2025-26 fiscal year, pending satisfactory completion of the actions above. The earliest IPART review cycle for which an SV could be considered would be 2026-27.

Consequent to the loss of our representation on council after the September 2024 election, the current Councillors and council staff have chosen not to execute on the requirements of the above motion, as intended.

The outcome of these poor decisions is the debacle playing out in the community and before IPART, in which an unsound, unreasonable, and premature application for a Special Variation to Rates has been progressed over significant community objections.

We condemn the eight current councillors who have voted to proceed a request for IPART for a SV. along with senior council staff responsible for the SV application currently before IPART. We warrant to IPART that no such application would have received support from any of us former Councillors. We are willing to provide evidence and appear before any IPART hearing or enquiry into this SV request by the Northern Beaches Council.

Respectfully submitted,





Appendix 2: Compendium of Input from Elected Officials and Candidates

Jacqui Scruby, NSW MP for Pittwater:

"Here on the Northern Beaches, we want public money used effectively and we want a demonstration of austerity measures. We don't want waste, such as shoddy workmanship in the Avalon Shared Space. Additionally, people are frustrated about spending on 'solutions in search of a problem', such as new traffic calming measures or shared space plans.

"Although projects like these are often funded by the NSW State Government through grants and not by council rates, people would prefer money is spent on local priorities such as maintaining our pools, roads and reserves, or building footpaths. It's my job to push to allow councils to use that money where it's needed most.

"Ratepayers are already feeling under pressure, and I will be working hard at state level to advocate for practical solutions for this community,"

Petition to Legislative Assembly (sponsored by J. Scruby MP):

Northern Beaches Council proposed rate rise

To the Speaker and Members of the Legislative Assembly,

The undersigned petitioners ask the Legislative Assembly to call on the Government to:

- 1. Order an immediate, independent expert inquiry into Northern Beaches Council's proposed 40% rate hike.
- 2. Ensure that the inquiry includes a comprehensive productivity audit of the Council's operations.
- 3. Halt any rate increases until the inquiry's findings are published and publicly discussed.

We believe this action is necessary to ensure transparency, accountability, and fair treatment of Northern Beaches residents, particularly given that the amalgamation of the three councils was expected to deliver significant productivity gains.

Dr. Sophie Scamps, Federal MP for Mackellar:

"I oppose the Northern Beaches Council's proposed 40 percent rate increase. I've heard from many Mackellar residents who are deeply upset about it. Families are already struggling with high energy bills,

"My view is that we're in a cost-of-living crisis; people are doing it absolutely tough, and it is not the right time to be increasing rates at all, so I've opposed that."

"This is not the right time for a rate rise, and I have come out quite strongly saying that I oppose the rate rise."



James Griffin MP, Member for Manly and Matt Cross MP, Member for Davidson:

James Griffin MP Member for Manly



Matt Cross MP Member for Davidson

STATEMENT

Community outrage: Proposed 40% Northern Beaches rate rise

The proposal by the Teal affiliated independents and Greens to increase Northern Beaches Council rates by 40% percent is out of touch with the community.

There is community outrage with this proposal that will negatively impact local households and small businesses. It will place even greater cost of living pressures on our community.

A 40% increase – that will be put to a council vote on 28 January 2025 – will mean an increase each year of \$673 for an average household and \$1,611 for an average business.

Despite spending nearly a quarter of a million dollars of ratepayer funds on a consultation – that a majority of over 6,000 submissions were against a 40% rate rise – it has been completely ignored.

To defy feedback from their own consultation confirms it was clearly a sham.

The proposed 40% rate rise confirms the Teals and Greens, that hold a majority on Northern Beaches Couricil, have lost control of the budget.

Unlike households and businesses, the Teals and Greens do not believe council needs to live within its means and find credible savings.

The Teals and Greens proposed if they did not get their way, they would consider cutting vital community support, such as a grant to NSW Surf Life Saving. It is a disgrace to threaten the community with cuts, rather than absorbing savings themselves.

If the proposed 40% rate rise is agreed, households and businesses will ultimately be paying for the Teals and Greens mismanagement.

These Teals and Greens councillors should be listening to the community who has made their views and concerns very clear.

END

James Brown, Candidate, Federal MP for Mackellar (addressing Council on 28 January and speaking as a private citizen and ratepayer):



"I'm a resident and ratepayer of Great Mackerel Beach. I speak against the motion tonight, and I want to associate myself with a number of the comments that have been made about the lack of transparency, and concerns around the foregone nature of the consultation process that took place over the summer.

"I think those are very real concerns. I also want to speak on behalf of the 200 people here who were kept out in the rain tonight waiting for the doors of a public building to open so that they could come in and be heard.

"I want to particularly talk about the impact this decision will have on small business in our community, we know that small business has been doing it tough since COVID, and many of our neighbours and friends increased their home loans when interest rates were low.

"They put that money into their small businesses, and they're now being crushed by interest rates. We know that small business is a major employer in the Northern Beaches and critical to our economy,"

"I spoke to a café owner at Dee Why Strand, whose energy costs went from \$6,000 to \$8,000 in the last quarter, who was paying increased childcare fees this year. They don't begrudge paying childcare fees that Council has raised but do begrudge this rate rise. It will put serious pressure on their ability to employ staff.

"This business owner was near the point of tears, telling me that they are just hanging on by their fingernails to their business and to their home. The risk in putting our rates up by 40 percent is that you are putting them up at precisely the wrong time.

"This is a decision that Council could defer by 12 months, but by putting them up now, when interest rates remain high, when our economy is struggling and we are in a cost-of-living crisis, you risk crippling small business in our community.

"I know that you have difficult decisions to make, but I hope that you make this decision knowing precisely the impact it may have on small businesses who are employing our friends, our neighbours, who are keeping our community going.

"Madam Mayor, you and your team were elected on a promise as Independents of listening closely to community concerns and representing them. This is a matter of trust."

Jose Menano-Pires, Northern Beaches Councillor (former):

Regarding the 2025-25 Operating Plan and budget adopted on 25 June 2024:

"This is a budget that did not listen. We had five briefings and a weekend workshop. The feelings of Councillors who attended the workshop was we wanted to see savings. Obviously, staff did not listen, and what we have does not reflect the intention of the majority of Councillors.

"The 2024-25 budget spends what we haven't got. In 2025/26 it will hit our residents with a Special Rate Variation of up to 25 percent. I take the point we are here to deliver the Strategic Plan we approved, but I don't recall going out and saying this plan would cost an extra \$500 million.



Appendix 3: Observations re Northern Beaches Council Asset Management Plan (2024-2034)

Section 1.3 - Council's approach of bringing Poor and Very Poor assets back to Satisfactory standard is appropriate and accepted as a good practice.

Council assumes that assets in Poor or Very Poor condition must be renewed or disposed-of – alternative maintenance works are somewhat ignored, although possibly viable in many instances, particularly if the objective is to genuinely bring to Satisfactory standard – rather than "gold plate" the assets.

Infrastructure backlog: The objective should not be to eliminate backlog; most organisations operate with maintenance backlog. Council has not demonstrated, and should do, that service delivery is the priority. Assets, whether being renewed or maintained, should be acted on only after assessing their role in service delivery requirements. If an asset is not contributing to service delivery, then it can be left in the backlog category in most cases or removed.

Section 1.4 – It is unclear as to the reasons why Council appears not to have consulted with the two state bodies that lead on asset management and maintenance in NSW, Dept of Education NSW and Transport for NSW. Also, Infrastructure NSW leads on behalf of NSW Government best practice standards and approach to asset management.

Benchmarking merely against other councils does not demonstrate a desire to learn from best practice. The claim that the 3.02% backlog of other councils is" just slightly higher" than 1.65% of NBC is not credible and seemingly an attempt to confuse or over-represent the need in the Northern Beaches.

Most state government agencies will have an infrastructure backlog significantly above 1.65%, and that is accepted as normal operating environment.

Section 1.5 – Council renews assets to condition 1 – this highlights the problem, renewing to Very Good condition 1 will obviously cost significantly more than maintaining to Satisfactory condition 3 and is contradictory to council's previously stated aim.

Section 1.5 – because Council does not have comprehensive asset data, it appears to respond to community views and requests for new infrastructure and renewals. Council should assess these views and requests in terms of how they support service delivery- not simply what a particular stakeholder group may like (unfunded wish list category).

2020/21 – levels of service review – aged documentation and should be revisited to align with budget provision.

282 critical assets – Cannot fail – Council appears to have adopted the Golden Asset argument seemingly to increase the importance of their assets. Critical assets have a formal definition, usually linked to essential assets to support life, energy, health etc. Arguably, Council's critical assets should have been maintained previously to ensure they are minimally at Satisfactory level.

Surf club rebuilding: \$5-\$15m is a lazy argument. Buildings will have a design life of circa 60 years and will frequently have a much longer useful asset life. To suggest rebuilding rather than maintaining is the optimum solution is not supported by any evidence or business case. Expanding community desires for these facilities should be managed, if it is driving replacement. The core purpose of the clubs is clear. Most in Pittwater appear appropriate, fit-for-purpose - and do not show signs of rebuilding requirements.



- 1.10 Council acknowledges that it lacks asset condition data. Council seems to consider international asset management standards but should look to installing a comprehensive asset condition information technology solution that can forecast deterioration in assets, costs to maintain based on intervention timings, etc. NSW Dept of Education lead in this area. Funding for asset renewal when the condition is unknown will tend to assume the worst case and highest funding requirement. As before, State agencies have a wealth of expertise in this area from which Council could learn.
- 1.12 Council is building capability and capacity over the next few years implying that it is not sufficiently skilled or resourced at present to deliver an increased volume of renewal or maintenance works. Council should be seeking to align with NSW government best practice and implement ISO 55001 standard and assess maturity under ISO 55000, it will then be able to assess asset maintenance/renewal requirements with far greater confidence and certainty.

There is an argument if Council has \$3.45bn of assets, a maintenance expenditure of circa 1% by value per annum is appropriate as a benchmark – thus \$34.5m annual expenditure, with a higher percentage on stormwater, roads and the like and less on open space/recreation.

Managing Asset Management through four distinct teams in not best practice. An organisation structure that has a single Delivery group, and a single Asset Management group typically leads to greater efficiency, better prioritisation and more effective management. Council's structure supports individual groups competing for funds and arguing their need is greater – making it unnecessarily difficult for senior management to determine the true resourcing priorities.

- 4.3 communities will typically have wish lists for improvements. Council needs to assess these against formal standards for renewal or maintenance to determine the actual need. 2020/21: Council reviewed services it provides to the community; these should be reviewed again and a plan produced that links those services to budgets for delivery and maintenance. The aspirations of council are likely driving higher renewal and maintenance budgets.
- 5.1 Council makes no mention of the significant financial and other benefits it will receive from the state government for Frenchs Forest (that was the deal under the previous government). Housing diversity need is an area for which council should be seeking government/developer contributions.
- 5.2.1 lots of maybes and possibles many of these are nice to haves rather than requirements.
- 5.2.2 and 5.3 all should be reviewed against available budget and prioritised. Some of the funding gaps advise substantial monetary sums which need to be reviewed and validated.
- 11.3.1 \$11.70 m for female-friendly facilities program. The total cost, scope and prioritisation for this program is not readily evident.
- 11.3.2 \$15m for Avalon Place plan same questions, as above.

Clear waters program- \$13.7m - scope, business case, cost plan, BCR?

- 11.4.4 -synthetic field conversions \$3.1m this will lead to a saving in maintenance costs as will LED floodlights if so, where is the actual saving captured?
- 12.1 Council is very immature in Asset Management need to engage with NSW Government on best practice. Achieving "Target" maturity independently is extremely aspirational.

Risk management assessment – using "Possible" for likelihood is simplistic and leads to higher risk ratings. A better approach if to adopt *Low*, *Likely*, *Highly Likely* as categories.



Council references residents' demands for better public amenities and multi-purpose community space.

Council has a role in managing community expectations and prioritising such investments, whereas the AMP appears to imply council accepts requests as being "required" and therefore must be funded. No doubt the lack of asset management data drives this council approach.

Unfunded programs over 10 years - \$11.7m for "uplift in service gap" – analysis is not evident for the case in which the service gap is not uplifted.

Greater funding to renewals rather than maintenance – perhaps indicates an operating bias away from genuine asset management to maintain assets at Satisfactory levels. Replacement, at a substantial cost premium, appears to be council's favoured approach.

Wharves renewal program - \$14.6m funding gap - no evidence that council has considered whether the service need has been properly analysed to determine that all wharves are, in fact, required to support service delivery? Why cost this work at all as council has stated it lacks knowledge on asset condition - so how is cost derived when the required condition and service need inputs are unavailable?

Not clear on ratio of planned to reactive maintenance – what is Council's target for this – 60/40 or other?

The cost of discrete asset renewals will be higher as there has been significant escalation in construction costs and materials – but how much is council driving the cost even higher through its range of standards and policies combined with decisions favouring renewals (replacement) clearly being preferred over maintenance – planned or reactive. Council appears to have disconnected from cost effectiveness of maintenance in the near to medium terms in favour of whole life-cycle cost management which tends to favour new and high-cost-to-acquire premium assets overfit for purpose,

Council may consider leasing car parks to private operators - with maintenance outsourced.

Summary

In the updated AMP, Council fails to establish:

- evidence supporting programmatic decisions for renewal over maintenance,
- organisational maturity and capabilities to deliver increased volume of works,
- assessment tools/software to optimise maintenance expenditure and to undertake periodic maintenance at the optimal intervals.

Council's approach appears more reactionary than planned, and is too significantly informed by community feedback i.e., he, she, or they who shouts loudest.

Far too many groups/individuals are involved in asset management - which greatly disrupts a coherent and efficient approach.

There is substantial work to be done by council managers before ratepayers can have confidence in its internally developed Asset Management Plan – and its projected costs. In its present form, its cost planning accuracy is unreliable.

Council can accelerate this work and compress its learning cycle via active collaboration with the recognised public sector leaders, primarily at state level.

Useful resources for council to proactively improve its Asset Management capability and skillset:

https://www.amcouncil.com.au/asset-management-maturity-model/ About | Asset Management Assurance | Infrastructure NSW



N.B: Transport for NSW set-up an overarching Asset Management policy in 2013/14 and formed a collaboration with the Asset Management Council to drive best practice - all prompted by the reported backlog on road maintenance in NSW by the then Roads and Maritime. The collaboration brought about a very different and more modern approach - that cost taxpayers substantially less.

Asset Management Plan 2024 - 2034 - Observations

The AMP appears to reasonably estimate the funds needed for asset maintenance but is excessive in the funds it seeks for renewals. Council acknowledges that it does not, in many instances, possess the requisite asset data and, therefore, has employed a rather simplistic approach to determine likely cost.

The elements of the "unfunded gap" are generally driven by Service delivery plans – which do not appear to have been reviewed and adjusted to fit available budgets.

Too great a reliance on community feedback is evident to inform renewal works.

Council recognises its immaturity in asset management practice but has not consulted with public sector leaders in the field: NSW Dept of Education for Buildings and Open Space, Transport for NSW for roads.

A recommended approach for Council is develop its capability to over next 2-3 years, consulting with the public sector leaders, funding a comprehensive asset management tools system to forecast accurately and determine frequency of maintenance of assets. NSW Dept of Education did similarly with an outcome that their budgets are now set to within 1% of actual spend.

Council's approach appears to ideologically aim for 0% backlog – which is not realistic when asset management needs are to be balanced against cost, available budget, and service needs.

Renewals do focus on specific assets, but programmatic triage appears to be lacking, leading to assumptions that renewal is required rather than lower cost maintenance alternatives.

Asset Lives recognised by Council

Plant and equipment	Years	Stormwater assets	Years
Office equipment	10	Pits	120 to 150
Office furniture	2 to 10	Pipes	80 to 150
Computer equipment	4 to 10		
Vehicles	10 to 20	Other infrastructure assets	
Other plant and equipment	3 to 20	Bulk earthworks	NA
		Swimming pools	100
		Recreation assets	7 to 150
Transportation assets			
Road surface	20 to 120	Other Asset	
Road pavements	60 to 100	Other Asset (Art Works)	NA
Road structures	10 to 120	Library Books	10
Bridge	10 to 100		
Other structure (Car Park)	25 to 100	Buildings	
Kerb and Gutter	60 to 120	Buildings	25 to 100
Footpaths	40 to 100		

Author name: A. Castle

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART, I write to formally oppose the Northern Beaches Councils application for a rate rise. There are significant concerns regarding the councils financial management, past inefficiencies, and the inappropriate allocation of resources. A rate increase is unjustified given the following key issues: Councils Poor Financial Management and Wasteful Spending - The Northern Beaches Council has consistently demonstrated an inability to manage public funds effectively. Ratepayers have observed numerous instances of wasteful spending, unnecessary projects, and poorly prioritised investments. The Council has failed to ensure responsible and transparent financial management, and there is no justification for burdening residents with increased rates when their existing budget is already mismanaged. Failure in Managing Home Day Care Payment System: A recent example of the Councils financial mismanagement is the botched implementation of a new software system for home day care payments. This failure resulted in users being overcharged by approximately \$1,500, and the Council has no effective mechanism in place to refund affected residents. If the Council cannot competently administer a relatively straightforward system for processing payments, it raises serious concerns about its ability to handle additional funds from increased rates. This incident underscores their lack of financial oversight and operational competence. Spending on Wasteful Initiatives Rather than focusing on essential services and core infrastructure, the Council has chosen to allocate funds towards projects that do not directly benefit the majority of ratepayers. These unnecessary expenditures demonstrate a lack of fiscal responsibility and further reinforce the argument against any rate increase. Ratepayers should not be expected to fund inefficient spending when more prudent financial decisions could be made. Lack of Transparency and Public Consultation - The Council did not take this proposed rate rise to the recent council elections, depriving residents of the opportunity to have a say in this critical decision. This lack of democratic accountability is concerning, as ratepayers should have been given a chance to express their views before such a significant financial burden was proposed. Additionally, the Council disregarded its own survey of residents, which indicated opposition to the rate rise. Ignoring community feedback further demonstrates the Councils failure to act in the best interests of its constituents. Failure to Address Core Infrastructure Needs Despite seeking increased revenue, the Council continues to neglect critical infrastructure such as road maintenance, public amenities, and waste management. Ratepayers have reported deteriorating roads, uncollected rubbish, and delays in basic services. Rather than prioritizing necessary improvements, the Council appears to focus on less essential projects while failing to deliver on fundamental community expectations. Lack of Cost-Saving Measures Before imposing higher rates, the Council should first demonstrate its efforts to implement cost-saving measures. There is little evidence to suggest that the Council has explored efficiency improvements, eliminated redundancies, or sought alternative revenue sources. Simply increasing rates without first addressing financial inefficiencies is an unacceptable approach to fiscal management. Given these concerns, it would be irresponsible to approve a rate increase that rewards financial mismanagement. Before any additional funds are granted, the Northern Beaches Council must demonstrate that they are capable of effectively managing their current budget, ensuring transparency, and prioritising spending on essential services. I urge IPART to reject the Councils rate rise request and instead require them to improve financial efficiency and accountability before seeking further contributions from ratepayers. Thank you for considering this submission. I look forward to your careful review of these concerns. Sincerely,

Author name: A. Chivas

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the NBC proposed rate rise. The council has not shown any openness to make cuts to unnecessary spending, review of staffing and assessment of where best to utilise funds to benefit most ratepayers. Considering the high salary of the CEO he should be leading the way to make the finances work. If he was running a company this is what he would have to do as they could not just ask customers for more money. During the feedback process council members we unwilling to answer questions and purposefully steered the narrative to suit the rate rise. The whole process was in my opinion a setup to make ratepayers feel like they have a say. There are many ratepayers and businesses who cannot afford this rise and it will cause a lot of financial stress. Thank you for your consideration of this submission.

Author name: A. Diemont

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

I am against a rate rise and in favour of a rigorous re-organisation. This council makes rules but does not enforce them (poisoned trees, dogs on leash). As ratepayer it feels like a caroussel of people without proper leadership.

Author name: A. Duncan

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not agree with the special rate increase. Council should use rates to provide basic services and maintenance. For special projects such as buildings and swimming pools, Council should find alternative ways of raising the necessary funds. Since the amalgamation, our local issues are not given enough attention.

Author name: A. Gordon

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object to the 40% rate rise. It is an overreach and not needed. The community voted for Option 1, a 10% increase, but was disregarded, hence a great deal of money was completely wasted on the consulting process. The result appears to have been a "done deal" from the beginning. After listening to over 4 hours of the latest council meeting, I was appaled at how out of touch with their constituents many councellors are. Half should be sacked and replaced. This council consistently wastes reserves on projects that don't pass the pub test. EG the Avalon shared space road closures and subsequent traffic chaos. This ridiculously designed folly cost \$millions and has done nothing for the community except to provide a few tables for a couple of coffee shops. Meanwhile, traffic is chaotic and significantly worse than before. Independent professionals have gone to great lengths to examine and provide detailed reports on this council's financial situation. I urge you to read them. The council has enough reserves! This rate rise is totally unnecessary, there are sufficient funds to carry on business without a rise. I stongly object to my rate money being wasted, particularly on a consultation process that was completely ignored. Please... listen to the community, we are Mad as Hell!

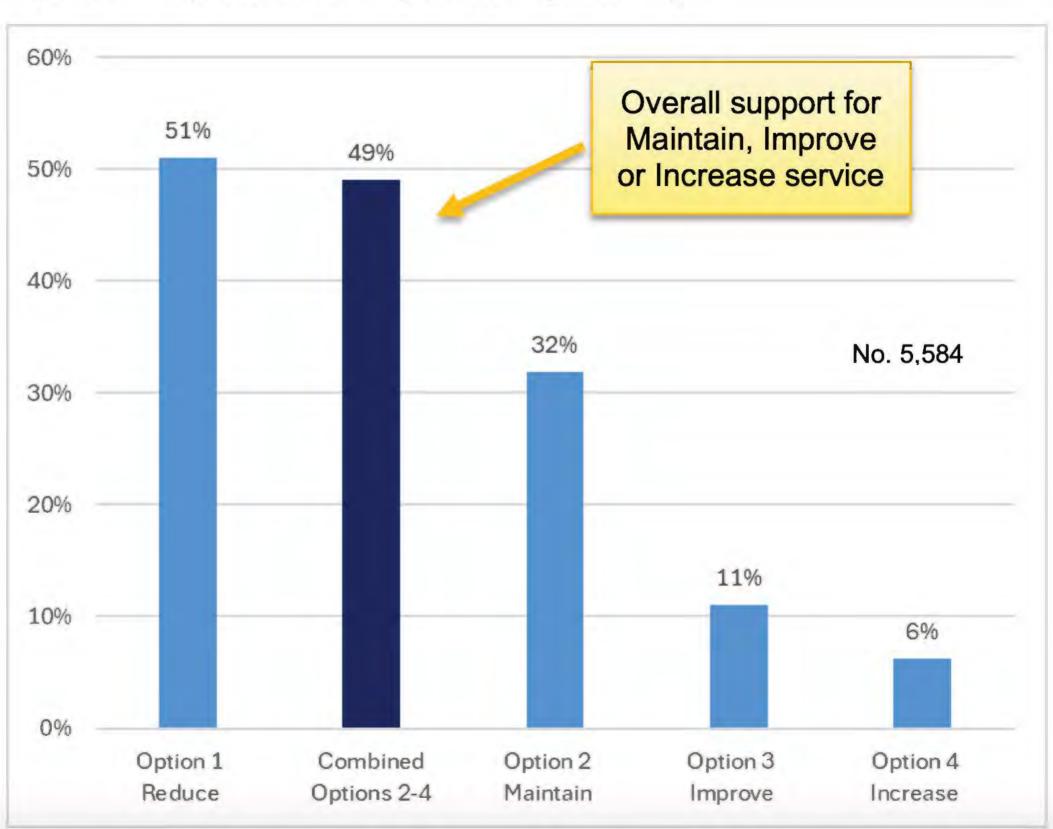
Author name: A. Haskell

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART, I am a resident of 32 years in Northern Beaches. I am a market researcher, ex CEO and Board Director with operational and governance experience. I have never seen such blatant misuse of data in my life. FACT: the majority of residents do NOT want a rate rise - 51%, and the chart I attach from the survey results outlines this. The sample is representative. FACT. The council and CEO are deliberately driving forward a high spend high cost agenda without looking within, nor at themselves and their own performance. You only need to see the salaries of the most manager to know the council has become a place that is clearly unwilling to do the hard work and drive efficiency. I do not criticise the staff but their 'leaders'. We (taxpayers) are not a gravy train. The performance of this council shows itself to be financially illiterate, incapable of making strategic changes and yet, is happy to use the sweat, blood and tears of residents and enforc social engineering. There are today on council, 6 of these same councillors who were willing to spend in 2023 \$20,000 on PRIDE events that indoctrinated children in our Manly Library by paying a professional Drag Queen to read to children! I was told to be quiet when they were unable to answer my questions regarding the fact the community never approved this. (Cr Rory Amon (resigned May 2023) Cr Candy Bingham - current councillor Cr Bianca Crvelin Cr Vincent De Luca - current councillor Cr Michael Gencher Cr Kristyn Glanville - current councillor Cr Sarah Grattan - current councillor Cr Sue Heins (Mayor from May 2023) - current councillor Cr Miranda Korzy - current councillor Cr Karina Page (from June 2023) Cr Ruth Robins Cr Stuart Sprott Cr Jose Menano-Pires Cr Michael Regan (Mayor to May 2023) Cr Georgia Ryburn Cr David Walton. My submission here is simple - it is in the graph below. The majority - yes 51% do NOT want any increase and thus demand they look at their own performance and costs. Unpack the true costs and other closeted work that we do not see by rejecting this blatant customer steal. The governing body and CEO may think they are beyond scrutiny, but if they cannot perform with transparency, then they should be sacked. If they are incapable of listening and keep trying to spin it, then we will have no option but to not pay our rates. There is no transparency at this council by the way, with only 3 mins per resident able to speak at eeach meeting - they shut down every discussion and objection, and limit the questions. They mock and talk over people with smirks on their faces. The community is outraged. I have never been so disgusted. Whichever way they try and spin it - the democratic majority voted NO RATE INCREASE. Thank you for allowing me to express my utter disgust at the wilful misleading spin but you can see from previous outrageous and unapproved expenditure, there is no desire to be representative of us. I beg you - listen to the constituents who can respond to your submission we care about all residents. All organisations should be looking to be more productive and cost-effective and yet, this organisation's leadership takes the sloppy way forward by slugging us and ignoring facts.

Figure 5 - 1st preference in opt-in survey - survey



Author name: A. Johnson

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hi, as a couple on a limited pension we object strongly to the Northern Beaches Council (NBC) bid to lift council rates by close to 40%. Our main objections are: 1. The NBC has not demonstrated the need for the additional income, bearing in mind the NBC has been in budget surplus since amalgamation and has \$200M invested. Rather than more money, it needs to better manage the money it receives and reduce expenditure on unnecessary items with a view to improving fiscal performance. 2. The NBC has not provided evidence that the community was aware of the need for and the extent of the proposed rate rise. It has not canvassed all alternative options to a rate hike, like reducing non-core services and reducing the number of senior management positions. It also has not looked at ways to make itself more efficient and cost effective. 3. The NBC has not done enough to improve its productivity and has not been able to contain costs and applied appropriate measures to prevent cost blow outs. For example the NBC does not have a register of projects that have had cost blow-outs nor have they employed strategies to ensure future cost blow outs do not occur. 4. The NBC did not considered pensioners capacity to absorb a huge rates increase. While we are classed as asset rich, we are also cash poor, and while we do own our home, we just dont have the capacity to absorb additional living costs, which for us would be close to an extra \$2000 a year. Many thanks for your time.

Submission to IPART: Opposition to Northern Beaches Council Special Rate Variation (SRV) Application

Introduction Ratepayers of the Northern Beaches Council area, strongly oppose the proposed 40% council rate increase as submitted to IPART for approval. This proposed Special Rate Variation (SRV) is excessive, unjustified, and financially burdensome on our community.

We urge IPART:

- 1. To hold an immediate series of 3 easily accessed Public Meetings in the local government area specifically Dee Why Council Chambers, former Pittwater Council chambers and former Manly Council chambers, to see and hear firsthand from the ratepayers and residents of Northern Beaches Council area and,
- 2. To reject this SRV application for the following key reasons:
- 1. Council Must Prioritise Cost Control and Core Services The fundamental role of local government is to provide essential services, such as roads, footpaths, waste collection, and the maintenance of public spaces. Ratepayers do not expect, nor wish for, council to expand its scope of activities at an unsustainable financial cost.
 - Council should focus on delivering core services efficiently rather than increasing financial burdens on residents.
 - A budget should be developed that prioritises essential services while postponing non-essential projects until financial conditions improve.
 - Ratepayers are expected to live within their means, and so should Council. A rate increase should not be used as a means to avoid responsible financial management.
 - The current allowable rate peg should be sufficient to fund core services without compromising quality.
- **2. Significant Opportunities Exist to Reduce Costs** Rather than increasing rates, Council must take immediate action to improve financial discipline and seek alternative revenue streams. Specific measures include:
 - Staff and Executive Cost Reduction:
 - Reduce excessive salaries and benefits for the CEO, Directors, and Executive Managers.
 - Freeze staff salary increases until the Council's financial position improves.
 - Conduct a comprehensive organisational review to streamline staffing levels and reduce bureaucracy.
 - Budget and Expenditure Review:
 - Review discretionary spending and eliminate non-core services (e.g., marketing, consultants, arts, and cultural events that are not widely utilised by the community).
 - Identify and eliminate inefficient or redundant projects that do not provide tangible community benefits.
 - Improve financial controls to prevent mismanagement from occurring again.
 - Asset and Revenue Optimization:

- Leverage council-owned assets to generate income through commercial leasing or redevelopment (e.g., surf clubs, pools, underutilised buildings).
- Increase fees for visitors and non-residents to offset the cost of high-visitation areas like Manly Corso.
- Demand higher contributions from developers through voluntary planning agreements.
- **3.** The Proposed Rate Increase is Unreasonable and Unaffordable The proposed 40% increase is well above inflation and disproportionately affects households already struggling with cost-of-living pressures.
 - Ratepayers should not be expected to absorb cost increases that outpace inflation and wage growth.
 - Council's harmonisation process has already led to significant rate increases for many residents—additional increases are unjustified.
 - Pensioners, retirees, and low-income families will be disproportionately affected, potentially forcing some to relocate due to unaffordable rates.
 - If rates must increase, they should be limited to inflation (CPI) with no reductions in core services.
 - Increased rates could further exacerbate inflation and economic hardship within the community.
- **4.** Community Consultation and Transparency Have Been Inadequate Council's approach to consultation and communication on this issue has been deeply flawed, with significant concerns including:
 - The online survey was biased, with forced ranking options that pre-determined support for a rate increase.
 - Key details on potential service reductions under Option 1 (no rate increase) were not provided, preventing informed decision-making.
 - The consultation process was conducted during the holiday season, limiting meaningful engagement.
 - Residents feel this process was a predetermined exercise designed to justify an increase rather than explore genuine cost-cutting alternatives.
- **5.** Amalgamation Promised Savings, Yet Costs Have Increased The 2016 amalgamation of former councils was justified on the basis of long-term financial efficiencies. However, these promised savings have not materialised, raising concerns over Council's financial management.
 - Residents were assured that rates would decrease post-amalgamation, yet they have only increased.
 - Services were of higher quality and more efficiently delivered under the former councils.
 - Council must conduct an independent audit to assess whether the claimed efficiencies have been realised.
 - Further savings from amalgamation must be identified and implemented before any rate increase is considered.
- **6. Proposed Actions Instead of a Rate Increase** Rather than burdening ratepayers, Council must implement the following measures before seeking additional revenue:
 - 1. **Defer the SRV Application** indefinitely until at least 2026, allowing time for financial restructuring and cost-cutting measures to take effect.
 - 2. Freeze Hiring and Executive Salaries to immediately reduce operational costs.

- 3. **Implement a \$10M Reduction in Employment Costs** over two years, particularly in management and administrative positions.
- 4. **Review Council's Property Portfolio** with the goal of raising at least \$40M over two years through divestment or alternative use of underutilised assets.
- 5. **Eliminate Unnecessary Events** except for essential civic functions, with a mandatory cost-benefit analysis required before funding any future events.
- 6. **Defer Major Capital Works** such as the Manly Surf Life Saving Club redevelopment until external funding is secured.
- 7. **Seek Independent Financial Review** from external experts to validate Council's financial assumptions and investment priorities.
- 8. **Re-evaluate Contracts and Procurement Policies** to secure better value from contractors and reduce reliance on external consultants.
- 9. **Push Back on Cost-Shifting by State and Federal Governments** to ensure adequate funding is secured before taking on additional responsibilities.
- 10. **Implement a User-Pays System for Select Services**, ensuring that those who benefit most contribute appropriately (e.g., visitor fees, business levies, and developer contributions).

Conclusion The proposed 40% rate increase is excessive, unjustified, and a direct result of financial mismanagement rather than necessity. There are clear, viable alternatives to improve Council's financial position without placing undue hardship on ratepayers.

We urge IPART to reject this Special Rate Variation and require Northern Beaches Council to implement cost-cutting and efficiency measures before seeking additional revenue from the community.

We appreciate IPART's careful consideration of this matter and trust that the best interests of residents and ratepayers will be prioritised.

Sincerely

Author name: A. Miles

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I have been a 30 year rate payer in what was Warringah Council and more recently Northern Beaches Council. The promised lower expenses as a result of the amalgamation never materialised. The condition of the roads has never been worse. In 2021 and 2024 I destroyed 2 tyres as a result of their condition. I do not have children so have no use for the childrens play areas but agree they should exist. A cursory look at the salaries paid to Council Managers shows something is very wrong. I cannot see the need for over 100 managers (think it is 111) in a council. A salary bill of over \$25 million for these people is disgusting. People employed by council to manage a budget should indeed have the skills to do so. Coming after residents in the proposed 39% increase way is a disgrace. They appear to believe they have the right to be rewarded for their gross mismanagement and lack of financial acumen. They own assets and raise enough in rates. They should be made to work within their means or the council should be dissolved and put into administration. A full audit of where the money is spent should be conducted immediately. No organisation should be rewarded with increased funds as a direct result of its mismanagement.

Author name: A. MORELAND

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I make this submission as an objection against the Northern Beaches Council making this application for a rates increase against

the majority of the community's recorded preferences.

Author name: A. NOBILIA

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the 40% increase to our rates. The council has not promised any significant changes and have decided to increase rates against the voters opinion. Northern beaches council, while claiming to champion environmental causes, does not provide FOGO services or soft plastic recycling services as many other councils do. For these services, Id brook a small increase, but 40% is unreasonable and untenable.

Author name: A. Rigg

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A little concerned there has been a mismanagement of funds, then crying poor. For example, the council installed the middle lane blocks/bollard on the beach front without consultation. Realised it was a poor decision that had little thought and took them out. Resulted in wasted money. Another example is the "3d" pedestrian crossing. No evidence to support that they are of higher efficacy but yet, wasted significant money. I am concerned that there has not been proper oversight in projects and mismanagement, resulting in wastage. These are only two examples of many. The decision to increase rates needs to come with a commitment to ensure there is efficiency and efficacy to decisions.

Author name: A. Scaliae

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The northern beaches councils incompetence is astounding and their wish to raise rates of only highlights their wish to hide this incompetence. Project after project is over budget and over time. Two projects come to mind 1. Parking outside manly pools. This was attempted 3 times and still resulted in failure 2. St Matthews farm. Council submitted plans to residents that were approved by residents and then council went ahead with works that were completely different to what residents approved. Let's face facts northern beaches council is a bloated buearacy that is a law ubto themselves. This rate rise gives them a blank cheque to continue their extreme incompetence. Please deny this rise and force some accountability.

Author name: A. Sharp

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

During the public exhibition phase Northern Beaches Council provided a webinar and other information on the Council website to explain the reasons for the Special Rate Variation. The reasons included external costs, such as the transfer of costs from State Government to local councils. The Council put forward 4 Options and their decision (Option 3) was a compromise between a deterioration in services and an even higher increase in rates to fund infrastructure projects. The proposed IPART application for a 39.6% increase in rates over 3 years includes inflation costs and is not substantially higher than an annual increase of 10.7% for the next 3 years. Unfortunately, some ratepayers believe that our rates will increase by nearly 40% in the short term and are therefore justifiably alarmed. Taking a broader viewpoint, if Council does not have sufficient funds to maintain or improve services, infrastructure and the environment, the longer term costs to the community could be much higher.

Author name: B. Campbell

Date of submission: Monday, 24 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

To whom it may concern. The proposed rate increase by Northern Beaches Council is an obscene cash grab that has come at a point of extremely high cost of living and inflation. The newly proposed rates will cripple low income earners and small businesses who are the life blood of the community. Ever since amalgamation of council, we have seen an increase in bloat and costs, not a decrease as was promised. The following should be considered prior to approval of any proposed rate increase. 1. Public have not been made aware of any independent audit of council processes to determine cost efficiencies. We are taking the claim of financial viability based solely on NBC's claims, 2. Wage bills and commitments are extremely high. The top 3 tiers of NBC management represent a huge part of funding requirements. No salary reductions have been offered by NBC Managements. The top 4 positions at the council demand \$2.8m with CEO salary on \$544k. No organisation should be paying \$544k for a CEO who can not operate a business within it's allowable budgets and financial constraints. 3. Proper management. The council have not been able to correctly manage their finances to date. Increasing the budget will not fix this. You don't assist a person in credit card debt by giving them a bigger credit limit. 4. Computer upgrade. Council is requesting approximately \$20m to upgrade computer systems. Why now, why not a slow roll out over 5 years. Why has it been left to get in such a bad condition it needs to be replaced in full. 5. Electoral choice. This decision was deliberately left until after the local election. This request is a large enough decision that an election should be called to allow the general public to vote on the decision. At recent meetings, any requests or discussions with council were shut down and ignored. 6. Vote. The decision to make this substantial a change was only granted 8-7. This does not represent a mandate of the people or the council. We request a general vote on the matter. There are many other points, but in short, Northern Beaches Council have shown a complete lack of skill and quality in managing any of their budgets, a total disregard for their electorate and have completely ignored any requests to reign in expenditure, wages or engage in an independent audit to verify their claims. As such, any request above IPART limits should be rejected until a better case is put forth justifying increases.

Author name: B. Davies

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This Council is spending an enormous amount on executive staff wages and their vehicles. There are so many of them you would also have to include offices, equipment, secretary's phones etc etc etc. In the final bill. Instead of treating us as a neverending cash cow they could cut their spending to fit their income like everyone else. I made my submission to council and along with over 50% of the respondents said the minimum increase should apply. Telling them that IPART knows what a reasonable increase is and they should stick with that. My wife and I are old age pensioners, and our pension is indexed to inflation We can't magic up another \$1,000

Northern Beaches Council Submission

As a general observation, the Council failed to take advantage of the economies of scale that were available upon the merger of Manly, Warringah and Pittwater councils. The most obvious failure in that regard was that staffing levels and remuneration has not come down and in fact both metrics have increased.

I have petitioned Council and councillors several times over the last few years and the following is a recitation of the issues presented to them.

Manly Art Gallery and Museum

As for the art collection! Well, all that can be said for it, is that it is uninspiring and the number of people who visit the art gallery bear testament to that fact. A volunteer once stated that they were lucky to get 100 visitors per week. So, at a cost of more than half a million dollars per annum with 2 directors, approximately 5,000 people will visit the gallery each year and be underwhelmed by the display.

When you consider that within a short ferry ride of Manly there are two of the best art galleries in Australia, it begs the question as to why we persist in maintaining a second-rate gallery which has such low patronage. 'True Local' identified one hundred and sixty-nine art galleries on the northern beaches which are predominantly privately owned and appear to generally be operating at a profit.

It is therefore for the councillors to consider whether operating an art gallery is part of the functions of a 21st century local government body. The world has moved on and what was previously a well-regarded part of local government has now been taken over by private enterprise and in a lot more efficient and profitable manner.

Street Sweepers

Every month a street sweeper drives down both sides of Sheridan Place sweeping up a bit of dust and a few leaves that lie in the gutter. There are no trees in our street and only a handful in the neighbouring properties.

The street sweeper does the entire Fairlight hill **driving down the middle of the road** and occasionally ducking into the gutter between the numerous parked cars. It is well known that there are many cars parked on the street throughout the Manly ward, because residents are subject to a parking permit scheme. No longer able to access the gutter, except in occasional circumstances, a street sweeper does little more than add to global warming. Maybe more gross pollutant traps are needed and be a better option than the street sweeper.

Hop Skip Jump Bus

In May 2023 again presented a motion to discontinue the service and in doing so pointed out that current public transport already covers over 80% of the geographic area serviced by this service and that the remaining 20% was within an approximately 400-meter radius of a public transport bus stop. He also advised

that cost effective and efficient alternatives existed of which Easylink is a well known local example.

In June 2022 the three Manly ward councillors called for a review, yet an overwhelming majority of councillors voted to continue the service without having access to any data as was proposed by and the Manly ward councillors.

The 2023 capital expenditure budget for the replacement of buses was approved by council and 2 new buses are due for delivery in the coming weeks even though the Council resolved in December 2023 to reduce the service to just one route.

Following the decision Council advised that "The tough decision has been made in light of decreasing passenger numbers, with usage almost halving from 318,037 in 2018/19 to 174,316 in 2023/24, increasing costs of operations and given Council is not allowed to charge a fare under TfNSW's rules, the inability to make this service financially sustainable for Council and our community.

The service review also considered other public transport options available to our community, which negate the need for the Council operated bus service with 99% of residents in the Manly Ward being within a 400m radial distance of a Transport for NSW bus service."

Yet Council has decided to ignore the overwhelming evidence against maintaining any type of bus service.

Council Buildings

After the merger it was suggested to a councillor that an audit of council buildings should be undertaken to identify all of the merged council's real estate holdings and which of those properties were surplus to council needs and could be sold, were in need of repair, or could be better utilised.

Surf clubs have been the sacred cow of council and given how lightly they are used is it not time to question why they need to be so big? Could they be designed with an emphasis on their functionality, ability to be shared spaces and commercial viability.

Manly Town Hall

The town hall is largely under-utilised and I have observed that large areas are not being used.

Council authorised the expenditure of \$100,000 for a feasibility study for a proposal to convert the town hall into a performance space and exhibition centre. The reasons against such a proposal were obvious:

- We have several live performance theatres on the beaches and school auditoriums nearby;
- The cost of converting an 80 year old building.

Ultimately the report confirmed that it was not a viable proposition.

Just before the merger of the councils, Manly Council entered into a contract to sell the Whistler St carpark. The contract was never completed and the developer sued council for \$78M.

Why not move the library to the town hall and offer the carpark and neighbouring library for sale? Or do a feasibility study on the potential to convert the town hall into offices and receive an enormous amount of rent from the leases. You would have real estate agents jumping at the opportunity to develop such proposals.

Economic Development, Events and Engagement

With a budget of \$11.2M and staff numbering 51.6(FTE) in 2023, this department is screaming out for a comprehensive review. The budget is to increase this year by \$793,000 or 7.6% and staffing is to rise by 11.2%. Can we be sure that expenses attributable to these events have been properly allocated? For example, was the returfing of the North Steyne beachfront after last year's Australian Open Surf Title allocated to the cost of running that event?

The obvious question here, given the number of events (over 350) that Council either promotes directly or in conjunction with a third party, is what this has to do with running a council? Yes, immediately after covid it was a good idea to support local businesses, but we are now well beyond the shutdown period under covid. The next question is how many people attend these events and can the expenditure be justified? I saw an advertisement on a bus shelter in North Manly for an event in Avalon. How many people will go to the picnic and will any come from North Manly?

So why does Council continue to maintain a department devoted to staging events? For instance, why does Council run (pun intended) the Fun Run? There are already two well established fun runs operated over many years by Rotary, so why does Council get involved with a third and since when is this a function of local government? Why does Council sponsor a Night at the Barracks which takes place at North Head at night, thereby generating zero benefit for Manly shopkeepers or the community at large.

How many events does Council run, promote or sponsor? Over 350 according to their website. Have the local shopkeepers adjacent to these events being surveyed to see if they gain any economic benefit from holding these events? A major retailer in Freshwater told me some years ago that the event that was held at the time and involved blocking of Lawrence St in the shopping centre, caused him to record his worst sales for a weekend.

The provision of economic development services is questioned on the basis of similar services being delivered by the other levels of government, by chambers of commerce and by industry associations. There can be little doubt that there is a duplication of services given the number of entities providing such services throughout the LGA and online. This may possibly be borne out by the low number of people who sought business support advice annually, >300. It would be informative to find out the number of people who attended each of the council's webinars and functions that were staged to support the business community. Given that there are 32,361 local businesses you would want an activation of at least 300 or 1% for each

event. At some of these events you would be lucky to see 0.1% of the business community in attendance. I know because I have been to some of them.

The Performance Measures appear to have an inherent bias. Take the satisfaction with Council's community and business events which is projected to rate at 80%. This measure is absolutely meaningless, if the number of people attending these functions are negligible and then compared to the total number of residents or total number of businesses on the Northern Beaches.

Traffic Committee Expenditure

Over the last few years there has been a number of supposed traffic safety improvements made in Manly:

- Coloured road markings at the corner of Sydney Rd and Whistler St Manly;
- Piano style crossing at the corner of South Steyne and Wentworth St Manly;
- Bright orange 30 kph painted on the road at several locations along North and South Steyne Manly; and
- Raised concrete road dividers at several locations along North and South Steyne Manly.

What need was identified for these installations? Were there reports of traffic incidents occurring in these locations and if so, what were they and how many? Has there been a report done that proves the effectiveness, or otherwise, of these installations?

It appears not, because when the speed limit was set at 30kph on North and South Steyne, all that the Main Roads Department could advise was that it originated at the request of the then Manly Council, over five years earlier and was based upon a similar speed limit introduced in Liverpool. That speed limit in Liverpool was recently removed. Main Roads also could not, or would not, give traffic accident statistics to support the need for these installations. If you drive along North and South Steyne you are lucky if you can go at 30kph, but we now have over a dozen reminders painted on the road.

Some closer oversight is needed of this committee which initially was dubbed "The No Stopping Committee" because at that time it seemed that their solution to every problem was to erect a "No Stopping" sign. Now it seems to be to paint bright colours on the road. Maybe just a case of keeping themselves busy.

Ranger Activities

During winter two rangers were said to have been employed after hours on a Friday night to patrol 'The Office' in Manly. Given the reduced patronage of The Office in winter, was it really necessary and why is it necessary for Council to have rangers patrol the area at all, summer or winter? Aren't these allegations of unruly crowd behaviour the responsibility of police? Even if in attendance, rangers would have very limited powers to do anything about bad behaviour.

Let's not forget that a few years ago a ranger had his jaw broken by some illegal campers, so imagine the risk to rangers of taking action when alcohol is involved.

Council does have a responsibility to provide a safe work environment and putting rangers at 'The Office' when there are allegations of drunken behaviour, could be a breach of that responsibility.

On another note, do rangers ever check to see if personal trainers using Council parks and gardens are registered with Council? What about coffee carts that are parked in Council carparks, are they charged a fee? There used to be one that was able to park inside the fence at Millers Reserve during the winter football season. There is one at the Voyager Tennis Academy and another at Lagoon Reserve Queenscliff. May be such enterprises could be encouraged and promoted by Council and another revenue stream created.

Wi-Fi

I assume that there is still free wi-fi provided in public areas? Since when has the provision of free wi-fi been a function of local government? Given that many people have wi-fi access through their mobile service provider, how much demand is there for such a service? Certainly, have it in libraries, but not in public spaces.

Flagpoles

Recently the flagpoles at the end of The Corso on the beachfront were replaced. My observation of the previous poles were that they were in good condition and would have several years of life left in them. How do you justify such expenditure when it is clearly not on an 'as needs' basis?

I have also read recently that Council changes the flags all over the LGA every 6 weeks. That is 6 or 7 times per year and would include the cost of designing the flags, printing them, installing them, removing them and finally storing them, maybe never to be used again.

Audit

As activities identified in this report go on from one year to the next, is it not appropriate and timely for an audit to be conducted to identify:

- Those functions of Council which are outside the ambit of local government;
- the process by which the functions of Council are undertaken to ensure that they are completed in the most efficient manner;
- that all staff have current and applicable job descriptions;
- that there are no duplications or overlapping of job roles;
- that responsibilities are allocated to the most appropriate department; and
- that cost allocations are accurate and correctly allocated;

Conclusion

The Council's consideration of a Special Variation Rate is based upon a flawed premise. Council staff believe that there will need to be a reduction in services if a huge rate increase is not approved. But what is a service? Is it collecting the rubbish and maintaining the roads, or is it providing entertainment such as World Food

Markets, Open Air Cinemas and Open Mic Nights? My research failed to establish that providing entertainment was a function of local government or a service to the community.

Savings are there to be realised and income is there to be generated. You should therefore not approve any increase in the council's rates until such time as they have undertaken an independent audit as outlined in my report.

Remember the old and oft quoted saying "If you look after the pennies, the pounds will look after themselves".

Author name: B. Fitzgerald

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are long term Manly residents (self funded retirees) & would like to object to the unreasonable proposed increase in our rates by 40%. This is far too high & seems out of proportion to the CPI etc. We would be almost happy to accept a 10% increase but 40% is outrageous

Author name: B. Gordon

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

My name is Bruce Gordon, I am a resident of North Curl Curl and I wish to make a submission AGAINST Northern Beaches Council's [NBC] proposed rate increase. The proposal raises matters both of FORM and SUBSTANCE and I will deal with these in turn. Insofar as concerns FORM, NBC COULD not have comported themselves in a more dishonest, unprincipled and disingenuous manner: (A) they commission a survey to elicit the views of ratepayers (B) the feedback from ratepayers was very clear, to whit: - the #1 respondent choice was for the services currently offered to be curtailed/reduced, so as to realise a lesser level of increase in rates - the #2 choice was for services to maintained "as is", again with a view to realising a lesser level increase in rates (C) instead of following the guidance which they themselves had sought, NBC ignored the findings completely, chose the approach which on which they had clearly decided before-the-fact and now seek to impose a 40% increase on ratepayers NBC's rank, unprincipled dishonesty is truly breathtaking and CANNOT BE ALLOWED TO STAND; if this is the standard to which local governments are allowed to hold themselves, what is the point of any mechanism of oversight? indeed, what is the point of local government elections, if the parties concerned can so flagrantly flout the wishes of their electorate? Turning to the issue of SUBSTANCE, NBC's incompetence in relation to the use of ratepayers' funds is a matter of public record. By way of a single example, look no further than the farce which, over many months, characterised the road markings on and around Bennett Street in Curl Curl. To describe this as "two-steps-forward-and-one-step-back" is vastly to overstate the level of professionalism and planning which NBC brought to a project which- fairly typically- was aimed at addressing a "problem" which did not exist in the first place. As a result, we are back where we started, MINUS the hundreds of thousands of dollars which NBC frittered away....because they can. No evidence exists that the parties concerned will not continue to play fast and loose with ratepayers' funds. Quite the reverse; one need only look at the high-handed arrogance with which Councilors dismissed the findings of their own survey to

conclude that the waste, and the dishonesty in their dealings with the public, will continue. NBC's conduct in this matter has been a complete outrage, and the rate variation they champion should be quashed by iPart/the NSW government. In "Council for Civil Services v Minister for the Civil Service", the Court of Appeal characterised administrative ultra vires as comprising grounds of unreasonableness which are "so outrageous in its defiance of logic or accepted moral standards that no sensible person who had applied his mind to the question to be decided could have arrived at it". The above describes to a "T" NBC's cynical, dishonest, unprincipled disregarding the feedback they had very deliberately elicited from their long-suffering ratepayers. I hope- and I expect- iPart/the NSW government to hold themselves to a higher moral standard.

Author name: B. Harris

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Nth Beaches council is trading insolvent if I as director or owner of a business and was trading I would be liable for a jail sentence we have the worst roads and drainage system including Sydney water responsible for and we are paying extortionate salaries for middle management who are not accountable to anyone this council needs to be disbanded and appoint a receiver

Author name: B. Lakin

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Thank you for the opportunity to comment I am a long term ratepayer of Pittwater and then Northern Beaches Council. This rate variation is the latest example of the failure to provide the efficiencies promised by the Council amalgamation. The variation is evidence of incompetence of Council management and poor community representation by the Councillors. There was no evidence of any action taken to reduce costs and/or dispose of non-essential assets before publication of this proposal The Councillors voted approve this submission in defiance of the wishes of their ratepayers. The Northern Beaches community has demonstrated its rejection of this proposal by word and deed. IPART is requested to reject this special variation and instruct Council and its staff to fulfil its responsibilities to provide good governance. Alternative IPART should advise the NSW Government to install an Administrator

Author name: C. Blatchfords

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

Please no increase to rates as we are struggling to stay on top of our bills & have decreased our spending & taken on more work to cover our costs, why cant council tighten its belt & cut costs too.

Author name: C. Christensen

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A few years ago with no consultation with the rate payers our waste bins were removed and decreased in size, now most people have had to purchase 2 red bins and 2 yellow bins, we are already paying extra for something that we were not consulted about and is our basis right, other councils have large bins and no extra fees. This new grab for money is at a time when most people can barely afford their mortgage has again been done completely against local opinion and again with no thought as to the impact trying to come up with extra dollars. Again it looks like we are going to have to pay for a few people's badly made decisions that affect everyone

Author name: C. Fulton

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

There needs to be greater transparency and availability to review what the increased rates will be used for, transport, repairs, capital works etc. additionally an independent review of how the proposed % increase compares to other councils is needed, average house prices vs rates compared to other councils.

Author name: C. Green

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I totally oppose the suggested increase in council rates on the northern beaches . 39% Is outrageous and beyond a reasonable amount .

Author name: C. Jones

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The residents/ratepayers have been ignored by the Council. 51% of respondents to the Councils survey voted for a CPI increase over three years. The Council has decided on a 39.6% increase over three years. The Council is Ignoring the rate payers. Many residents are retirees and can ill afford such a huge increase. Young families, and indeed all residents, are experiencing a cost of living crisis. The Council pays exorbitant wages to the CEO and other staff. Purchases vehicles for staff, \$3,000,000.00!! We ask that consideration is given to us the residents and ratepayers, who have had to tighten our belts due to continued cost of living increases. Put it simply, we cannot afford to support a Council that wastes ratepayers payments. We cannot afford the suggested rates increase. Please listen to us, the Council refuses to.

Author name: C. Kelly

Date of submission: Tuesday, 11 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I wish to oppose this application. I am a rate payer of the northern beaches and strongly opposed the increase in fees. It is unwarranted and does not help my local community

Author name: C. M

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

For council to apply for this Special variation in rate increase is done with total lack of respect and consideration of its constituents. As the majority of residents responded to a survey regarding this rate increase with a reduction in services rather than this astronomical rate increase and council chose to ignore and go with the highest possible rate rise. The Northern beaches area is made up people of a varying degree of socio economic backgrounds who will struggle to pay any increase in rates let alone this level. Pensioners, single parents, one income families etc Society assumes because we live here we are all wealthy and can afford it, we choose to live here and work hard to be able to afford it with not much money left over so this huge variant rate rise will shatter people in our community and it seems council has very little regard for us.

Author name: C. Purkis

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

After retiring in June 2024 I have to go back to work in2025 just to make ends meet in the current economic environment, and if successful the ludicrous rate hike that council is seeking will force my wife and I out of our Belrose family home. While I understand that inflation can impact service delivery we just can't afford the enormous overhead that this council is trying to force on us. They need to take a close look at their own cost structures, implement programs and development initiatives that ratepayers actually agree with and care about, and spend our hard-earned money wisely. A quick look at their own Web site gives an idea of how untransparent they are. I tried to present an opinion on this platform today and gave up after 30 minutes. It's just too hard, and one wonders if this is specifically by design. Shame on this pitiful bunch for spending so much ratepayer money on things that simply don't benefit us ratepayers.

Author name: C. Rose

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Recently an email was sent to Ratepayers advising Councils decision to increase rates by 39.6%. We were offered a Have Your Say . I was, as were MANY others disappointed AND frustrated when our SAYS were blocked from 'POSTING ever though well .ahead of the cut off time. Very obviously Councils generosity was swamped with fierce opposition. It appears Northern Beaches Council has been taken over by Independents who happily pay top executives MORE than the Prime Minister! No wonder theyre low on funds! Have they forgotten their pledge to manage Roads, Footpaths, Waste Collection, Recreation and Parks NOT give Rate Money to fad agencies like The Voice etc PLEASE IPART. sack our entire council and select an independent administrator (it HAS been done before), until a full enquire has taken place. Yours, Most Sincerely.

Author name: C. Saunders

Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not feel NBC demonstrated the need for additional income to us, the ratepayers. They did not provide evidence that the community was aware of the need for and the extent of the proposed rate rise. I do not believe the council has looked at ways to make itself more efficient and cost effective. I do not believe the consultation process was thorough enough and the timing of this was over the Christmas and holiday period where a lot of families are away or preparing for Christmas. I do not believe NBC took proper account of the community concerns through this consultation process. As an owner of an investment property, which also has a granny flat, and our residence, we pay rates for 2 properties. If we sell our investment property, which is an option, this will impact on available rental properties on the Northern Beaches. No documentation supporting the rate rise was presented to the community during the consultation process. Nor has the council outlined productivity improvements and cost containment strategies. I strongly oppose this 39.6 % rate hike as I do not believe NBC has demonstrated strategies to become more efficient or cost effective. The first and only option we were presented with was increasing the rates which was very poorly presented to the community. The consultation process was lacking and NBC need to better manage the money it receives. I have not been convinced that additional income for NBC is required.

Author name: C. Way

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Notwithstanding the excessive management salaries being paid to this council which should be the subject of a separate internal investigation by IPart or others with management consultancy metrics experience, the fundamental issue with this special variation is that it is simply not needed. The council has over \$5bn in assets with at least \$2bn being liquid and better managed in private companies. The \$98mill of debt which has recently been repaid was the consequence of bad investments by prior council members and in particular the CEO in charge during the great financial crisis. Although the investments made then should have been investigated (eg: Lehman Bros junk bonds who subsequently went bankrupt) and someone held accountable other losses claimed on insurance, they were not. So when any company or council makes a bad investment it should be repaid with asset sales not equity raises from the public as this council is attempting. Selling \$100mill of assets will not be difficult and will avoid any rate payer hikes ipart should reject the special variation and hold the council to task on selling some of its asset base if it really needs the cash. The numbers resented however show that council could still provide the base services with only a basic rate hike. As a resident of Scotland Island, I see no provision of even the basic services to justify any rates, eg: no sewage, basic non potable water, roads with limited maintenance (although there has been some work done recently), and limited waste collection approximately 2/3 less than mainland homes - but that is for another discussion. Meanwhile I recommend council sell some assets to get out of the hole they find themselves in and reduce management and executive costs materially.

Author name: D. Abbott

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

I am a ratepayer of the Northern Beaches Council (NBC). I formally oppose the Northern Beaches Councils application for a Special Rate Variation (SRV) that would result in a huge 39.6% rate increase over three years. I request IPART to reject this proposal in full, and I support my view with the attached document.

Date: 17th March 2025

Dear IPART Review,

I am a ratepayer of the Northern Beaches Council (NBC). I formally oppose the Northern Beaches Council's application for a Special Rate Variation (SRV) that would result in a huge 39.6% rate increase over three years.

I request IPART to reject this proposal in full, and I support my view with the following notes:

1. Did NBC demonstrate the need for the additional income? NO.

In August 2024, former Mayor Regan stated (source https://thetawnyfrogmouth.com.au/michael-regan-mp-working-with-never-against/):

"Northern Beaches Council is in a very strong financial position, better than any other council in New South Wales. We know exactly where we sit with the status of our assets, the cost and timeline to replace and maintain them. We have a full long term financial plan, one that can sustain shocks like the regular natural disasters we experience."

While NBC claims a \$23.6 million budget deficit and cites rising costs (e.g., \$15 million in storm damage over three years and \$9 million in cost-shifting from the State Government), it has not provided evidence that a 39.6% rate increase is the only viable solution. NBC has not sufficiently explored alternative revenue sources (eg: asset sales or grant funding).

NBC has very high employee costs and has shown little inclination to reduce those. In NBC Annual Report 2023/24, employee costs are 37.7% of income. By comparison with other industry, employee costs are Manufacturing 18%; Construction 20%, Hospitality: 30% and Retail: 10-20% (Ref: https://fundsquire.com.au/how-much-does-payroll-cost-companies-percentage-by-industry/). In view of council work-scope, a sensible percentage might be somewhere between Construction and Hospitality – say around 25%, much less than the 37.7% figure in the annual report.

2. Did NBC establish that the impact on affected ratepayers is reasonable? NO.

The NBC's "Capacity to Pay Report" asserts that Northern Beaches residents can afford this increase due to the area's high socio-economic ranking. This assessment equates value of property (domestic homes) to capacity to pay. It completely fails to recognise that many residents have most of their capital tied up in their homes and people would require good cash liquidity to pay increased rates. It also fails to take into account that (at that time), Australia was experiencing the longest Per Capita Recession since WWII.

<u>3. Did NBC explain and quantify the council's productivity improvements and cost containment strategies? NO.</u>

NBC Councillors voted against a line-by-line review of finances and projects. This basic and fundamental review has not be done.

I would expect council to assess in detail all of its forward activities. These should be categorised into essential services, desirable services and wish list services. Essential services must be provided but desirable and wish list services and pet projects must be cancelled and not funded to suit the available budget. Council has not undertaken this work - a poor reflection on their competence and their consideration for ratepayers.

4. Community Consultation & Engagement

4.1 Outcome of Northern Beaches Council survey

Northern Beaches Council received 5,538 online, 46 hard copy and 805 e-mail replies to their 2024/25 survey. A total of 51 percent of respondents preferred Option 1 - a reduced services outcome with consequent lower rates. I (and another 6 people who I know personally) responded by email that there should be NO increase – not even the rate peg - but there responses were ignored. At the council meeting held on 28th January 2025, Northern Beaches Councillors voted 8 to 7 in favour of Option 3 - a cumulative 39.6% increase to rates for residents of this LGA, over 3 years.

This vote for Option 3 passed council despite the clear ratepayer preference for Option 1, from 51% of respondents. Option 3 was preferred by only 11% of respondents.

4.2 Obligations of Councillors

Councillors have an obligation to represent the views of the community. A total of 8 of these 15 councillors chose to forget this important responsibility. They ignored the majority view of the community expressed in the council survey. Unbelievably, they decided in favour of an option that was supported by only 11% of respondents.

5. Recommendation

My recommendation is for NBC to deliver essential and legislated services, and ratepayer-approved non-core services only. This should be funded through council efficiencies from the current budget.

It is also clear that Council and Councillors have lost control of their finances. It is also clear that they do not have the ability to recover the situation. I believe, therefore, that NSW Government must appoint an Administrator to oversee and manage the activities of this council.

Yours faithfully,		

Author name: D. Balkin

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Two principles guide this submission. 1. All councils including the Northern Beaches Council should not engage in activities that are not directly related to clearing of rubbish, repairing and maintaining roads and sidewalks, and approving development applications. 2. Councils should do everything to live within their means and only seek above CPI increases when they have justified to the owners why abnormal increases are essential It is my understanding, based on what is on the Northern Beaches Council's website, that they are currently engaged and spend resources - time and money - on a far broader range of activities than roads, rubbish and development approvals. Council's costs related to these activities need to be properly costed with the full allocation of overhead. In addition the costs of the remaining core Council activities need to be specified. The costs of undertaking each activity can be then benchmarked against other Councils in and around Sydney. Rubbish on a per property basis; roads on a per km basis; building on a per permit application basis This analysis has not been presented to the Northern Beaches Council residents as justification for the outrageous 40% rate increase that was approved by a single vote. Furthermore this voting outcome was significantly influenced by the mismanagement of Liberal applications for the last Council election which resulted in an extra large cohort of non-Liberal Councillors who stand for the Council's remit extending beyond roads, rubbish and building permits. These are the reasons why IPART should undertake their own analysis of the Northern Beaches management and costs before approving the 40% rate hike that was recently approved

Author name: D. Close

Date of submission: Sunday, 9 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Thank you for the opportunity to provide feedback. The Northern Beaches council has failed in its responsibility to efficiently merge the three previous councils of Manly, Pittwater and Warringah. Had the hard work been done a few years back then there would be plenty of resources available for the council to meet today's challenges. Telling the community about nominal savings stemming from waste disposal tenders, does not constitute the hard work required to effectively merge and rationalise three complex structures into a modern council. The council has undertaken a number of rates increases which are well above CPI over the previous few years, most notably the rate "harmonization" exercise to raise residential rates in the previous Manly council area up to the average of the council area. Rate payers in the old Manly area have accepted this increase, but we have not seen an equivalent exercise to benchmark council costs to the most efficient metric, instead we keep seeing examples of superfluous council expenditure and creeping increases in council headcount and associated costs. The community feedback exercise undertaken by the council over the xmas / summer break was disingenuous, providing four scenarios for the public to comment on, and not opening up the debate to consider how the council could actually lower its operating budget. Furthermore, the council elected to support a scenario which did not reflect the view of the majority of council residents who had taken the trouble to participate in the survey. Why bother with a survey if the council had already made its mind up! Northern Beaches rates (according to the NSW yourcouncil website) are already at the very high end of Sydney averages, this despite the opportunities afforded to the current council to realise significant financial efficiencies from rationalising the three legacy council structures which now make up Northern Beaches Council. Councillors and council managers have taken the lazy option to run with the inefficient legacy council costs structure, and are turning to rate payers to fund this inefficiency. It is important that the process here places the onus back on the council to make the tough decisions needed to bring relative efficiency to the council's operating plan and associated expenses. Turning time and time again to rate payers to fund expenditure which is growing well in excess of CPI places a massive burden on everyone, at a time when cost of living pressures are already extreme. It is hard to manage an organisation like the Northern Beaches council, but the opportunity to deliver real change and efficiency presented itself following the merger of the Manly, Warringah and Pittwater councils. Other organisation, both public and private, rise to the challenge, taking tough but necessary decisions in order to deliver better outcomes to their stakeholders. Northern Beaches council need to consider this, and work hard to explore ways they can deliver the efficiency dividend to rate payers that we expected when the merger took place. Thank you again for the opportunity to participate in this process.

Author name: D. Demol

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Opposition of Northern Beaches Councils Proposed Rate Increase Dear Panel, I am writing as a long term resident of the Northern Beaches Local Government Area to oppose the Northern Beaches Councils application for a Special Rate Variation that proposes a 39.6% rate increase over three years. I urge IPART to reject this proposal based on the following points: 1. Inadequate and Misrepresentation of Community Consultation The Northern Beaches Councils community consultation process did not adequately reflect the preferences of ratepayers. According to the Councils own data from the consultation period (November 2024 to January 2025), 51% of the 6,339 respondents supported either no increase beyond the rate peg or a reduction in services (Option 1), while only 11% supported Option 3, the 39.6% increase now proposed. Despite this clear majority opposition, the Council voted 8-7 on 28 January 2025 to proceed with Option 3. This decision disregards the communitys expressed desires, undermining the requirement for meaningful consultation under IPARTs guidelines. I believe the consultation process was flawed and potentially biased, as critics, including Councillor Vincent De Luca, have suggested the survey design steered respondents toward a predetermined outcome rather than genuinely seeking input. Additionally, in an interview with the Telegraph by James Willis. Cr Beaugeard recognised publicly: we have done a really poor job of the community consultation . 2. Insufficient Evidence of Financial Necessity While the Council claims a \$23.6 million budget deficit and cites rising costs (e.g., \$15 million in storm damage over three years and \$9 million in cost-shifting from the State Government), it has not provided transparent, detailed evidence that a 39.6% rate increase is the only viable solution. the Council has not sufficiently explored alternative revenue sources, such as asset sales for example the unused land like the Manly Council Chambers), moving of maintenance facilities to the Cromer depot, which has more than enough capacity, increased user fees, or grant funding. I believe the Council has failed to justify why such an extreme increase is necessary over more moderate options. 3. Unreasonable Impact on Ratepayers Capacity to Pay The Councils Capacity to Pay Report asserts that Northern Beaches residents can afford this increase due to the areas high socio-economic ranking (top 5% in Australia per SEIFA/IRSAD). That ranking is based upon the top 1% of the countries earners living in this area, however the majority of residents are long term residents who have lived in the area well before the property prices skyrocketed as they have. This generalization also overlooks vulnerable groups such as pensioners, low-income households, renters (who face flow-on rent increases), and small businesses already struggling with inflation and reduced consumer spending, again a lot of whom IPART considers affordability and fairness, and I argue that this proposal disproportionately burdens these groups without offering sufficient hardship relief measures beyond existing policies. 4. Lack of Transparency on Service Delivery and Spending The Council has not provided a clear, specific breakdown of how the additional \$57 million per year in revenue will be allocated. There is no detailed plan linking the 39.6% increase to measurable improvements. Additionally, the Council has not adequately addressed concerns about operational inefficiencies, such as the \$170 million annual staff budget (including \$25 million for 111 executives) or \$3.3 million in executive vehicle costs. IPART requires councils to demonstrate productivity savings and efficient use of resources, yet the Councils application relies heavily on ratepayer funding rather than internal reform. I believe ratepayers deserve greater accountability before such a significant increase is approved. Sincerely

Author name: D. Dhawan

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The proposed rates increase is excessive and not justified. An entire audit of all expenses including council salaries should be done and cuts need to be made. Everyone is going through a cost of living crisis.

Author name: D. Dromgold

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

25 February 2025

The Chief Executive Officer Mr. Andrew Nicholls Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240 Dear Sir, Re: Objection to Northern Beaches Council's Proposed Special Rate Variation I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents This approach undermines the principles of democratic representation and community engagement. Conclusion In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Author name: D. Dunn

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

It seems ludicrous that the council are seeking to increase rates by such a large amount. I have been notified that my land value has increased by almost 100% which will double my rates at the current level without the increase. The council needs to look at internal cost cutting. They appear to take on more costs without reducing costs, there is waste throughout all levels. Entertainment, staffing, library are just some of the areas they need to review. The best example of waste is the expense they underwent to survey the community about rate rises and they completely disregarded the outcome what a waste of money that we are now being forced to fund.

Author name: D. Harris

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

18/3/25 The Independent Pricing and Regulatory Tribunal (IPART) Sir/Madam, Re: Submission on Northern Beaches Council Special Rate Variation (SRV) I am writing to formally submit my strong opposition to the application by Northern Beaches Council (NBC) for a Special Rate Variation (SRV). Below are my key concerns regarding the proposal: 1. Lack of Demonstrated Need for Additional Income NBC has not provided sufficient evidence to demonstrate a genuine need for additional income. Since amalgamation, NBC has been in budget surplus and currently holds \$200 million in investments, o I do not believe NBC requires more funds, nor have they sufficiently explored opportunities to better manage the money they currently receive. o Furthermore, NBC has not fully examined all avenues to reduce expenditure, particularly on non-essential items, to improve fiscal performance. 2. Inadequate Community Consultation and Awareness o Ratepayers have not been provided with adequate evidence on the necessity or impact of the proposed rate increase, o NBC did not consider all alternatives to a rate hike, such as reducing non-core services or cutting senior management positions, o NBC has failed to explore cost-effective strategies for improving efficiency, preferring instead to resort to raising rates. o NBC also did not conduct a thorough consultation process, failing to inform all community members of the proposed rate hike at an appropriate time. The consultation process also did not adequately consider or address community concerns. 3. Unreasonable Financial Impact on Ratepayers o NBC has not taken into account the financial circumstances of individual ratepayers. For many, the additional \$673 per year for a household, or \$1,611 per year for a business, is unmanageable in the context of the current cost of living crisis. I live in an RU4 zone (Duffys Forest) where the rates and proposed rate increase are substantially higher than in other Northern Beaches localities (and without any commensurate increase in services.) o Although I am asset-rich, I am cash-poor, I have owned my home for 37 years and had planned to retire at the end of this year. However, this rate hike will force me to delay my retirement, as I do not have the capacity to pay rates of \$9,700 per annum. 4. Lack of Justification and Transparency o NBC has not provided adequate justification for the rate increase, nor have it demonstrated the need for such a significant hike through relevant planning documents, o NBC has not held community events to adequately explain the rationale behind the SRV, leaving many residents uninformed about the need for this increase. 5. Failure to Address Productivity Improvements and Cost Containment o NBC has provided no information on any efforts made to improve productivity or contain costs. o From personal experience with the redevelopment of the Duffys Forest Fireshed, it is clear that NBC lacks effective strategies to prevent cost blowouts in its projects. o Additionally, NBC does not appear to have a register of past projects that have incurred cost blowouts, nor have they implemented strategies to prevent similar issues in the future. In conclusion, I strongly oppose the proposed SRV by Northern Beaches Council. The Council has failed to justify the need for this rate increase, and it has not adequately considered all other available options to improve fiscal management. The proposed rate increase places an unreasonable burden on ratepayers, especially during the current economic climate. Furthermore, the community has not been sufficiently consulted or informed about this decision. Thank you for considering my submission. Yours sincerely,

Author name: D. Loomes

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

It appears that Northern Beaches Council has vastly overspent its budget and are in financial distress. Council may require assistance from their rate payers to get out of this problem with a one off rate rise BUT this rate rise must not continue into the future. Once outgoings have been stabilised and the Council have a satisfactory budget in place rates must be reduced back to the previous level that they claim to have been sufficient for the years prior to this claim for such a massive rise. A one off temporary increase must be all that is necessary.

Author name: D. Rundle

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am shocked at the excessive increases requested. When did public servants expectations of Wage levels Commensurate with the private sector Develop into greed we are seeing now particularly with the wage of the CEO, you should be ashamed of yourselves.fill the potholes.

Author name: D. Strange

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I consider IPART should reject this application for a SRV for the following reasons. 1. Widespread Concern In The Community The primary issues raised include the following The issue was put out for public discussion during the holiday period. Interestingly the Council has largely blamed IPART for this. (See below) The quantum of the increase. The absence of meaningful and ongoing cost containment strategies and policies especially in relation to non core services and staff remuneration. Timing. Given many in the Community are currently struggling financially. 2. Failure of Council to Adequately Communicate in a Timely Manner The Need For This Rate Increase. The increasingly compromised financial position of the Council has been known within Council for some years however the seriousness of the issue has not been adequately conveyed to the Public. IPART should be aware that during council deliberations of the last Council Budget prior to the 24 elections a number of Councillors voiced alarm publicly and in Council of their opposition to the future implications of the Budget in terms of its Unsustainability. The decision to place the draft budget on exhibition was only passed in Council on the casting vote of the Mayor. This was the appropriate time if not previously to commence a conversation with the Public as to how this issue should be addressed and possible solutions. In stead the Council chose to ignore the issue and of course it then subsequently attempted to lay blame for the rushed and inappropriately timed consultation period on IPARTs timetabling requirements. 3. IPART is in receipt no doubt of a voluminous amount of information prepared by Council staff to justify this SRV. However I consider it important for IPART to look behind this to the actual deliberations of the Councillors, the decision makers, at the actual Council meeting. There they will find comments as follows. It's the Wrong Time for this. There has been an increase in wage and salary outlays above the award rate over the last year We need to do the correct thing by the Community. Before even considering such a large increase we must thoroughly and comprehensively exam a range of cost saving initiatives before imposing such a significant impost on the Rate Payers. 4. It is also imperative that IPART study the comments made at the Council meeting that authorised the SRV request. In particular those made by the Mover of the successful motion in the right of reply speech. This is because the comments illustrate unequivocally how Council has failed to discharge its obligations required by IPART in order to successfully pursue a request for a SRV. During the Council meeting a number of Councillors spoke of the need to investigate further cost saving initiatives before preemptively lumping Ratepayers with a large rate increase. In the right of reply speech the following comments were made which of course many members of the public are now aware and of course no doubt a significant number of Councillors agree. To paraphrase, we are not approving anything tonight. it is simply a request to IPART. We will make the final decision later. in the time available to us prior to IPART making its decision we as an elected body can investigate a comprehensive range of expenditure reductions including those mentioned tonight, all good business leave their options open so that once IPART make their decision we can then decide whether to avail ourselves of the full amount requested or something less based on the expenditure savings we have managed to incorporate into the next budgetary process. 5. To Conclude. Councils consultation with its Ratepayers has been inadequate and poorly timed when ample opportunity presented itself to initiate a conversation much earlier. Council has therefore failed to satisfy this important prerequisite to sustain a successful request for a SRV. Council has not come close to fully explore possible expenditure reductions prior to submitting this SRV request. Indeed a perusal of Council Meetings reveals it is currently debating these very matters. Therefore Council has also failed in this regard as above. Even more concerning is that Council is considering possible reductions in Services without considered and timely opportunity for the Ratepayers to be consulted. The only reasonable conclusion that can be drawn from the manner this SRV has been requested is that Council is simply engaging in an ambit claim contrary to its obligations. From the many comments made by Councillors it is very clear that savings can be achieved therefore the documentation provided to IPART is incomplete. The SRV should therefore be rejected for the reasons noted herein.

Author name: D. Strong

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Subject: Objection to Northern Beaches Councils Special Rate Variation & Cost Shifting by the NSW Government To the Independent Pricing and Regulatory Tribunal (IPART), I formally object to Northern Beaches Councils (NBC) Special Variation (SV) to increase rates by 39.6% over three years. This increase is excessive, unjustified, and unfairly burdens residents already facing rising costs. Key Concerns: 1. NBC Has Ignored Community Consultation NBCs consultation found 83% of residents supported staying within the 10.7% rate peg, yet the council is pursuing the highest increase (39.6%), disregarding ratepayer sentiment. 2. Council Must Operate Within Its Means Instead of managing costs, NBC is shifting its financial problems onto ratepayers. Households and businesses must budget responsibly the council should do the same. 3. Unfair Financial Impact on Manly Residents Since the 2016 merger of Manly, Pittwater, and Warringah Councils, Manly residents have faced: * Higher rates than Warringah, with no downward adjustment post-merger. * Introduction of separate waste charges, previously included in rates. * Loss of Manly Councils financial reserves, now subsidising other areas. * The merger was meant to deliver savings, yet it has only resulted in higher costs for Manly residents. This SV will worsen the existing unfair treatment. 4. State Government Cost Shifting A Stealth Tax on Residents Beyond NBCs decisions, cost-shifting from the NSW Government has apparently inflated council expenses, including: * Emergency Services Levy (ESL): NBCs contribution jumped from \$6.4M to \$9.3M in one year, adding \$90 per household annually. reference: https://www.northernbeaches.nsw.gov.au/council/news/media-releases/council-has-its-say-rfs-and-emergency-servicesfunding * Beach Water Quality Testing: Previously state-funded, now dumped on NBC. reference: https://manlyobserver.com.au/rate-rise-bid-under-review * General Cost Shifting: NBC has absorbed \$39M in transferred costs, equating to \$379 per ratepayer per year. reference: https://www.northernbeaches.nsw.gov.au/council/news/mediareleases/ratepayers-lose-out-nsw-government-cost-shifting Rather than increasing (or managing) state taxes transparently, the NSW Government is offloading costs onto councils, forcing rate hikes (stealth taxation). 5. IPART Must Push Back Against Cost Shifting IPART should not only reject this SV but also advocate for changes preventing further state-to-council cost transfers. Allowing this increase sets a dangerous precedent where councils become a stealth tax mechanism for the state government, with residents paying the price. Conclusion For these reasons, I urge IPART to reject NBCs SV application and take a firm stance against compounding the unfair financial impact on Manly residents and the cost-shifting (stealth taxation) that burdens families and businesses in our area. Thank you for your time and consideration.

From:

Subject: NORTHERN BEACHES COUNCIL PROPOSED RATE INCREASE

Date: 18 March 2025 at 4:11 PM

To: Cc:

As residents of the northern Beaches we were appalled at the actions of our elected Councillors in ignoring the wishes of residents in

proposing an increase of nearly 40%.

The proposed increase is not justified and the information provided when "seeking feedback" was inadequate and presented in a

confusing format.

We can understand that a 3% increase is not adequate but are appalled at the complete disregard of the community response and the ramming through of this excessive proposal.

We request that IPART reject the request by Council and require a full and independant review of finances, including the excessive

Thank you.

Author name: D. Wale

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am fed up with this council blatenly stuffing things up or not doing anything properly and wasting our money and then asking for more sovthey can waste that money too. They take too long to make decisions and then make thewrong decision. They also dont need to be in the entertainment busines with shows on in and around Manly which staff need to organise paper work rules traffic etc etc when we cant get maintenance work done around the whole northern beaches areas. Councils are there to look after all the boring things and keep the community running smoothly. Maybe you need to break up the size again as clearly the way it is being run now ISNT WORKING FOR US RATEPAYERS SO YOU NEED TO FIX THE BEACHES PROBLEMS.

Author name: E. Barry

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The special rate variation requested by the Northern Beahes Council is not supported. Please refer to the attachment below

This document is a submission to IPART opposing the Northern Beaches Council special rate variation.

Each of IPARTs criteria for assessment will be addressed below.

1. Demonstrated Need

The NBC have not demonstrated a NEED for any special rate variation. They have stated a desire for a special variation to increase services

The NBC sought support for the requested special variation and increase in council services from residents, but this was rejected. It was rejected by a significant margin. Indeed the residents were not persuaded a special variation was required at all.

2. Consultation Process

The NBC proposed 4 options with patchy support but an overwhelming amount of documentation. The financial impact of the increase was somewhat clouded by the averaging process.

By way of background the NBC area covers a very diverse range of properties and rateable values. There are semi rural areas, basic apartments, standalone houses right through to luxury appartments worth many millions. For rating purposes the council uses the basic UCV. This means that the individual ratepayers rates are very distorted with some standalone houses paying very high amounts whereas some luxury apartments pay the minimum. The averaging process used by the NBC in the consultation process meant many of the badly affected ratepayers are unaware of the potential impact. There was a tool to identify individual increase but it required significant effort.

In spite of the shortcomings of the process most ratepayers, who responded, had no or minimal desire to expand services. In effect a special rate variation was not supported.

Rather surprisingly the Council has opted to seek a special increase of around 40% over three years. This further diminishes the credibility of the consultation.

3. Is the impact reasonable

Clearly the answer is no.

As summarised above NBC covers a wide range of properties and wards at different stages of development. It is expected that developed areas will receive less attention and council improvement works than underdeveloped areas. To an extent this is appropriate but the impact of the proposed increases on ratepayers in some of the older areas is totally unreasonable. It should be noted that in the end all ratepayers receive the same council services.

In particular, after amalgamation the council "harmonised " the rates. Strangely this resulted in a 26% increase in the rates of standalone houses in the Manly Ward but reductions in Warringah and more surprisingly in the minimum rate for all wards. This was despite prior to harmonisation, Manly Ward residents paying significantly more in dollar terms per property than the Warringah Ward residents. A casualty of the lazy use of UCV as a base. The lack of foresight when setting the common minimum rate paid by most apartments, whether they be basic or luxurious, in no small way contributes to the current situation

When pressed as to why all the increases were in the Manly Ward the response was they can afford it. This response only shows how out of touch the Council is with the demographics. of the area. True there are a number of new residents who have bought expensive homes and helped to inflate the UCVs of the area. However there are a very significant number of older residents that moved to the area when properties were relatively cheap. Many of these have now retired on fixed incomes. Although some will qualify for pension concessions many are on fixed incomes that do

not qualify for concessions. The 26% harmonisation increase was a shock and should the additional 40% now requested be approved the impact will be substantial.

4. Appropriate Documentation

A very large quantity of documentation has been prepared but its relevance or purpose is unclear to a simple ratepayer.

5. Productivity Improvements

The extent to which NBC have made productivity improvements since amalgamation is totally unclear. What is obvious is that they are continuing to request substantial increases in rates and have a very large and highly paid management structure.

Also they seem to have a rather grand view of the role of a local council and wish to continually expand their functions. If the consultation process showed anything it is that the council are out of step with the community with this as well.

Author name: E. Brailey

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Please find attached my submission below and also attached is my completed cover letter. I have recently completed a surveystyle feedback form and now wish to elaborate on that. I consider that the Council has failed at least the first 3 bullet points in the criteria it needs to meet to satisfy IPART requirements. It has not demonstrated the need for additional income; as a member of the community I consider that the Council has not justified the need for and extent of the proposed rate rise and has not established that the impact on ratepayers is reasonable. 1. The Council has failed to achieve the savings that it promulgated when the former 3 councils were amalgamated. Instead it has used the amalgamation as an excuse to expand its bureaucracy into areas which are not part of Councils remit. E.g. the events division of the administration which is a heavy financial burden on ratepayers through its payroll and promotional expenses. The Council believes that because it has a monopoly it can spread its activities beyond the basic remit of councils. 2.The Council has cash resources, a property portfolio and other assorted assets e.g. a fleet of vehicles and equipment which are all poorly managed and surplus to requirements needed to comply with its remit. 3. There has been an uncontrolled growth in the bureaucracy which has seriously impacted its financial performance and caused additional costs. The head count and employment related costs have not been adequately controlled and executive salaries are excessive. 4. Capital expenditure has been undertaken and is planned for the future where no business case is adequately established or communicated to ratepayers which is impacting this proposed special variation application of rates. There is no communication in a consolidated way to alert ratepayers of the financial impact of this for current accounting periods particularly relating to the impact of one-off events. 5. The Council has ignored the results of its own survey of ratepayers in making this application. 11% of ratepayers who responded were in favour and 89% were not in favour of it and were ignored by Councillors who voted 8 to 7 to go ahead with it. Thank you,

Author name: G. Chapman

Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Reject NBCouncil's SV Application that ignores the will of the people! Please see 'attached file' Submission.

"Make a Submission"
ipart@edm.ipart.nsw.gov.au

Say NO to Northern Beaches Council's SV application for a Special Variation to rates.

This submission does not dwell on the shameful bias of NBCouncil's latest community consultation/survey which, with it's predetermined course of action (refer the attached STATEMENT by our eminent State Government representative Mr James Griffin MP), ignored the will of the people that elected it to represent them.

In IPART's FAQ it is astounding to read that IPART can approve a council's SV application when such application "does not need community support."

This is an absurd situation in that it is the community who pays for the SV and not the council!

This submission focuses on one of the criteria in which "IPART assesses Special Variation applications against specific criteria set out by the Office of Local Government (OLG) with that criterion being:

"provide evidence that the community is aware of the need for and the extent of the proposed rate rise."

Firstly, I focus on the term "aware of the <u>need for</u>", in that "need for" is a qualitative term and is totally open to the opinion of the person or body evaluating the subject. By definition and meaning of the term "need for" has the interpretation of "essential, necessary, very important, ... requested"

In this particular case, whilst the NBCouncil is of the opinion that there is a "need for" an SV, it has been clearly proven through council's latest community consultation/survey, that the overwhelming majority of the respondent rate payers (that council is supposed to represent and serve) decisively and definitively do not have the opinion that there is a "need for" an SV. It therefore follows that the community is <u>NOT</u> aware of the <u>need</u> for the proposed rate rise!

......

Secondly, as far as the community being aware of the "extent of", in council's most recent community consultation/survey, other than 'Option 1' (which was "stay with the existing rate peg structure", which won overwhelming support with 59% more than the nearest option), council offered to the community only limited 'high end' alternative options (with the latter being resoundingly defeated in that all other options added together totalled less favour than 'Option 1) that delivered excess funds, and continued to do so because the SV is requested on a "permanent" basis.

The three main reasons upon which council based both it's latest community consultation/survey and it's SV application to IPART are considered ones which council should either manage it's way through (Covid) or ones which are in a state of flux and will soon be mitigated to normal and acceptable levels (inflation and State funding).

I also cite

"When IPART assess applications for special variation, it will examine the extent to which council have fulfilled their obligations under IP&R, in accordance with the criteria. In particular page 69 of the IP&R manual states: The planning process should include an assessment of the communities capacity and willingness to pay rates and ".

NBCouncil's latest community consultation/survey was met with a resounding

UNwillingness of the community to pay extra! with council's Option 1 (to pay no extra rates and stay with the rate peg) receiving a whoppong 59% more support than the next option.

It follows then that the community has NO WILLINGNESS to pay (extra) rates!

It is highlighted that NBCouncil's decision to apply to IPART for a special variation was carried by only one deciding vote 8 for and 7 against.

Whilst council claims that "the community is divided" on the SV issue, the results of the latest community consultation/survey testify that the community is united an has expressed it's overwhelming voice to reject council's SV application and stay with the existing rate peg structure!

It should be remembered that this current council is a council by default, elected only because of a registration oversight of the Liberal Party, and if this oversight had not happened we most likely would not be facing this ridiculous SV Application situation. If the current council can not manage the situation as required by the people that it is supposedly required to represent, then it should resign and let more capable people govern.

In conclusion:
IPART is implored to REJECT Northern Beaches Council's application for a
Special Variation to rates, and to maintain the existing Rate Peg structure,
or if IPART is tempted to consider this application, it should be 'temporar
for a lesser amount, and for a lesser period!

Our future remains in your guiding hands.

Yours Sincerely and with Respect



James Griffin MP Member for Manly



Matt Cross MP Member for Davidson

STATEMENT

Community outrage: Proposed 40% Northern Beaches rate rise

The proposal by the Teal affiliated independents and Greens to increase Northern Beaches Council rates by 40% percent is out of touch with the community.

There is community outrage with this proposal that will negatively impact local households and small businesses. It will place even greater cost of living pressures on our community.

A 40% increase – that will be put to a council vote on 28 January 2025 – will mean an increase each year of \$673 for an average household and \$1,611 for an average business.

Despite spending nearly a quarter of a million dollars of ratepayer funds on a consultation – that a majority of over 6,000 submissions were against a 40% rate rise – it has been completely ignored.

To defy feedback from their own consultation confirms it was clearly a sham.

The proposed 40% rate rise confirms the Teals and Greens, that hold a majority on Northern Beaches Council, have lost control of the budget.

Unlike households and businesses, the Teals and Greens do not believe council needs to live within its means and find credible savings.

The Teals and Greens proposed if they did not get their way, they would consider cutting vital community support, such as a grant to NSW Surf Life Saving. It is a disgrace to threaten the community with cuts, rather than absorbing savings themselves.

If the proposed 40% rate rise is agreed, households and businesses will ultimately be paying for the Teals and Greens mismanagement.

These Teals and Greens councillors should be listening to the community who has made their views and concerns very clear.

END

Author name: G. Dion

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We understand that it is NOT the Northern Beaches Councils fault that we have had massive inflation and prices of everything have increased. In order to have the proper services that are needed and not to turn us into a third world area, we need these increases to go ahead. There has been a LOT of Misinformation and most do not understand how the increases are for 3 years only and NOT a full 40% upfront in fact its over 3 years and then will fall away. We DO need to have our roads and libraries and services to the elderly and the young alike go ahead and in fact be increased and not done away with just because so many residents have not idea how to manage their finances and spend more on take away coffee and frivolous things and not see what the priorities are. We Totally support the increases and we support council for doing a very difficult job Many thanks

Frenchs Forest.

Author name: G. Escher

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to formally express my concern and dissatisfaction regarding the recent decision to increase NB council wages by 39.6%. At a time when many Australians are struggling with the rising cost of living, housing affordability, and wage stagnation, such an excessive salary increase for elected officials is both unjustified and deeply concerning, also ridiculous. Public servants should lead by example, and such a drastic pay rise appears out of touch with the financial hardships faced by everyday Australians. Many essential workers, including teachers, nurses, and emergency responders. What makes this even more frustrating is the lack of investment in our local area. Our community has ongoing issues that have not been properly addressed, such as potholes on the streets, outdated infrastructure, and inadequate public services. Problem with buses every single day etc and etc. I have not seen the council take meaningful action to improve these essential aspects

Author name: G. Fawkner

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Raising rates is absolutely NOT the correct way moving forward with this incompetent council! As a business man myself (22 years) I run my business and household within budget and live within my means. We can not just hand over moneys for it to be squandered away with people Who make bad business decisions, this is madness! The council need to be accountable for it works and moneys and not just put their hand out like a spoilt privileged kid throwing a tantrum because they cant get what they want. Its really simple, get a business person into council to go over where they are making all there wasteful stupid mistakes. I just cant believe how the stupidness of the council is because there is no one making them accountable for their actions.

Author name: G. Loupos

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Im against this disgraceful rate rise for the residents of the Northern Beaches. This Council offers less services every year and continues to charge astronomical rates. This proposed rate rise is horrendous and is not affordable for less services. An audit should be done for misappropriation of funds. I will abort paying any rate rise from this incompetent council. They should all be sacked!

Author name: G. Mason

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I find it confusing that this council requires a rate increase with a bloated staff, overpaid employees, unwanted council promoted excursions, eg escorted tours for seniors at the Kimbriki tip (are they for real!!) one of many wasteful issues by this dysfunctional body.

Author name: G. Shaw

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

Council has, in the past wasted ratepayers' funds on non essential and out of area functions. In addition, the salaries earned by the council executive are excessive for the level of responsibility. This rate rise was not sanctioned by the ratepayers. It is an attempt by the council executive to further extend the inefficient services and pay themselves greater benefits. I am absolutely against this rate rise.

Author name: I. Jones

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council asked residents to give their opinion on various options for different levels of increase. The residents response was overwhelmingly for a minimal increase. However the council has chosen to ignore the residents wishes claiming they can probably afford it. This is not the point. The ratepayers pay to have the council deliver them services to a level they want. If the council are going to request the residents advise the level of increase with clear options on the level of service they can expect then they should honour what the residents have voted for.

Author name: J. Aroney

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am concerned that Northern Beaches Council have applied for a variation to rates without appropriate notification to residents and without undertaking an analysis of where costs may be reduced thereby avoiding the considerable rate rise they have requested.

Author name: J. Brown

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

To: Independent Pricing and Regulatory Tribunal - NSW Subject: IPART Submission Against the Proposed Northern Beaches Council Rates Increase I am writing as a resident of Great Mackerel Beach and ratepayer within the Northern Beaches Council , to formally express my opposition to the area, and as a Northern Beaches Council proposed special variation to increase their general income from rates above the rate peg. I am deeply concerned about the financial, social, and wellbeing impacts that this increase will have on local households and our broader community, including the local business community. I formally spoke against the proposed rate rise at the Northern Beaches Council meeting on 28 January 2025 that was considering the rate rise. I request that IPART direct the Northern Beaches Council to undertake a more thorough consultation process with ratepayers and delay consideration of an rate rise by at least 12 months. Economic Impact and Cost of Living Crisis The timing of this proposed rate increase is particularly poor given the current cost of living crisis. Many residents and businesses are already facing significant financial pressures due to rising expenses for essential goods and services. An increase in rates at this time will further strain household budgets, especially for low-income families, retirees, and those on fixed incomes, and could lead to reduced discretionary spending that supports our local economy. Insufficient Public Consultation I am also concerned about the manner in which the public consultation process has been conducted. The consultation period imposed by the IPART timeline was insufficient predominately over the holiday period, providing residents with inadequate time to review, consider, and respond to such a significant financial decision. Furthermore, it appears that the Northern Beaches Council did not adequately consider the majority of feedback received during this consultation. Ignoring the concerns and suggestions of the community reduces trust in local governance. Transparency and Justification While it is understood that local governments require revenue to maintain and improve community services, the justification for this rate increase remains unclear. A transparent, comprehensive explanation detailing how these additional funds will directly benefit the community is essential. Without such clarity, the rate increase appears disproportionate, and its negative impact on residents quality of life is concerning. Council Decision Making Process The process by which the Council made the decision appears flawed in that Councillors could only vote on one of the four options presented to them, and could not propose and vote on alternate options that were in the best interest of the Council and their rate payers. Both councillors and the community were provided insufficient information to provide a credible informed decision. Alternative Measures Before proceeding with further rate increases, I urge IPART and the Northern Beaches Council to consider alternative measures for achieving budgetary balance. These could include: Focus the Council budget on essential services and infrastructure maintenance ahead of other programs, particularly those already supported by other levels of government and the Not for Profit Sector. Enhancing efficiency in the allocation and utilization of existing funds. Conducting a thorough review of current expenditure to identify and eliminate non-essential costs. Improving transparency in financial planning to ensure residents are fully informed of how funds are being used to benefit the community. Conclusion In conclusion, I respectfully request that IPART and the Northern Beaches Council review the necessity and fairness of the proposed rate increase in light of the current economic challenges, the insufficient public consultation period, and the apparent disregard for the majority of community feedback. A more measured and inclusive approach is essential to ensure that the financial well-

being of all residents is protected while maintaining high-quality local services. Thank you for considering my submission. I am

prepared to provide any additional information or participate in further discussions if required. Yours sincerely,



To: Independent Pricing and Regulatory Tribunal - NSW

Subject: IPART Submission Against the Proposed Northern Beaches Council Rates Increase

I am writing as a resident of Great Mackerel Beach and ratepayer within the Northern Beaches Council area, and as a candidate for the Federal seat of Mackellar at the next federal election, to formally express my opposition to the Northern Beaches Council proposed special variation to increase their general income from rates above the rate peg.

I am deeply concerned about the financial, social, and wellbeing impacts that this increase will have on local households and our broader community, including the local business community.

I formally spoke against the proposed rate rise at the Northern Beaches Council meeting on 28 January 2025 that was considering the rate rise.

I request that IPART direct the Northern Beaches Council to undertake a more thorough consultation process with ratepayers and delay consideration of an rate rise by at least 12 months.

Economic Impact and Cost of Living Crisis

The timing of this proposed rate increase is particularly poor given the current cost of living crisis. Many residents and businesses are already facing significant financial pressures due to rising expenses for essential goods and services. An increase in rates at this time will further strain household budgets, especially for low-income families, retirees, and those on fixed incomes, and could lead to reduced discretionary spending that supports our local economy.

Insufficient Public Consultation

I am also concerned about the manner in which the public consultation process has been conducted. The consultation period imposed by the IPART timeline was insufficient predominately over the holiday period, providing residents with inadequate time to review, consider, and respond to such a significant financial decision. Furthermore, it appears that the Northern Beaches Council did not adequately consider the majority of feedback received during this consultation. Ignoring the concerns and suggestions of the community reduces trust in local governance.

Transparency and Justification

While it is understood that local governments require revenue to maintain and improve community services, the justification for this rate increase remains unclear. A transparent, comprehensive explanation detailing how these additional funds will directly benefit the community is essential. Without such clarity, the rate increase appears disproportionate, and its negative impact on residents' quality of life is concerning.



Council Decision Making Process

The process by which the Council made the decision appears flawed in that Councillors could only vote on one of the four options presented to them, and could not propose and vote on alternate options that were in the best interest of the Council and their rate payers.

Both councillors and the community were provided insufficient information to provide a credible informed decision.

Alternative Measures

Before proceeding with further rate increases, I urge IPART and the Northern Beaches Council to consider alternative measures for achieving budgetary balance. These could include:

- Focus the Council budget on essential services and infrastructure maintenance ahead of other programs, particularly those already supported by other levels of government and the Not for Profit Sector.
- Enhancing efficiency in the allocation and utilization of existing funds.
- Conducting a thorough review of current expenditure to identify and eliminate non-essential
- Improving transparency in financial planning to ensure residents are fully informed of how funds are being used to benefit the community.

Conclusion

In conclusion, I respectfully request that IPART and the Northern Beaches Council review the necessity and fairness of the proposed rate increase in light of the current economic challenges, the insufficient public consultation period, and the apparent disregard for the majority of community feedback. A more measured and inclusive approach is essential to ensure that the financial well-being of all residents is protected while maintaining high-quality local services.

Thank you for considering my submission.

I am prepared to provide any additional information or participate in further discussions if required.

Yours sincerely,

James Brown

Author name: J. Chew

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

To the Independent Pricing and Regulatory Tribunal, I am writing to formally oppose the proposed rate increase by the Northern Beaches Council. This increase is excessive, unjustified, and indicative of poor financial management rather than genuine necessity. The council must first address its internal inefficiencies before burdening residents with higher costs during an already challenging economic period. 1. Excessive Executive Salaries and Bureaucratic Bloat The Northern Beaches Council is plagued by unnecessary spending, particularly on executive salaries and excessive middle management. With 100 executives costing ratepayers a staggering \$25.2 million annually, the council should focus on streamlining its internal operations before requesting additional funds. Reducing unnecessary layers of management and reviewing executive pay structures should be the first course of action instead of shifting the financial burden onto residents. 2. Inflation Does Not Justify a 40% Rate Hike While inflation is a reality, it does not justify an extreme 40% rate increase. No business or individual can simply demand a 40% pay increase from their employer or customers in response to rising costs. Households and businesses alike are tightening their budgets to cope with the cost-of-living crisiswhy should the council be any different? It is irresponsible and entitled for the council to assume it can demand ratepayers subsidise its financial mismanagement without first demonstrating meaningful cost-cutting measures. 3. Misallocation of Funds on Non-Core Services The council has diverted significant funds towards non-core services while neglecting essential services. In the last financial year, the council allocated \$28.7 million to community, arts, and cultural services initiatives that, while valuable, are not essential compared to roads, waste management, and public safety. It is unacceptable for the council to claim that essential services will be cut if rates are not increased when there is clear evidence of spending on non-critical programmes. 4. Inexperienced Councillors Prioritising Political Agendas A number of councillors pushing for this rate increase have minimal experience in governance. Many of them, primarily Greens and Independents newly elected in the recent council elections, lack a deep understanding of council operations. Rather than addressing inefficiencies, they have opted for the easiest solutionraising ratesto fund their political agendas. Ratepayers should not be forced to bankroll their inability to manage the councils budget effectively. 5. Community Opposition Ignored The councils own survey shows that only 17% of residents support a rate increase of 40% or higher. Yet, the council attempts to manipulate these numbers by stating that 49% support maintaining or improving services, ignoring the fact that this does not equate to support for drastic rate hikes. Furthermore, the survey was strategically conducted during the December holiday perioda classic tactic used when trying to minimise public engagement. The councils dismissal of public opinion is both deceptive and disrespectful to its constituents. Conclusion The Northern Beaches Councils proposed rate increase is unjustifiable and reflective of financial mismanagement. Instead of asking ratepayers to cover their inefficiencies, the council must: 1. Reduce excessive executive salaries and bureaucratic bloat. 2. Reallocate funds from non-core services to essential infrastructure. 3. Seek alternative cost-saving measures. 4. Respect the overwhelming opposition from the community. I strongly urge IPART to reject this excessive rate increase and require the council to first demonstrate responsible fiscal management before seeking additional revenue from already burdened residents. A final thought - The council is here to serve the people (and they are paid to do so). But the blatant mismanagement is infact putting a burden on the community.

Author name: J. Cockbill

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object most strongly to any proposed increases in Council Property Rates by the Northern Beaches Council. I believe the elected Council have been mislead and misinformed as to the financial management past, present and future of Northern Beaches Council's financial affairs. The three amalgamated Councils that now comprise Norther Beaches Council are vastly different economically, socially, and geographically and therefore require separate management and property rating to achieve equitable economic administration. The attached file emphasises the complexities and mal administration of the existing Council and their inability to cope with the enormity and therefore accuracy of the administration. I appeal to the IPART to REJECT the Northern Beaches Council proposal to increase property rates and further, to recommend disbanding the existing Council and recommend to reinstatement of three (3) individual administrative bodies of management. I further support all other applications presented to IPART REJECTING FULLY Northern Beaches Councils application for any increase in property rates. The attached file clearly demonstrates just some the inaccuracies propogated either intentionally or unintentionally by the Council's self serving administration.

Submission to IPART re SRV request made by Northern Beaches Council ("NBC")

NBC has NOT demonstrated a need for additional income via a Special rate Variation ("SRV").

In the 5 years 2020/21 to 2024/25 NBC received Capital Grants averaging \$33.2m per year but for the 25/26 to 33/34 period has forecast only an average of \$13.0m per year – a reduction of \$20.2m per year. **\$182m less than experience would indicate**. This \$182m would solve all of Council's funding problems.

Abbreviations etc:

LTFP = Long term Financial Plan 2024-2034 February 2025 Update LINK

DP = Delivery Program 2024-2028 and Operational Plan & Budget 2024/25 Amended 28 January 2025 LINK

AMP = Asset Management Plan LINK

AMR = Asset Maintenance Ratio – see Appendix 2

BIRR = Building & Infrastructure Renewal Ratio - See Appendix 1

OPR = Operating Performance Ratio – See Appendix 3.

OLG = Office of Local Government, a NSW State Government body.

Council's LTFP forecasts that without an SRV, income from "Rates and Annual Charges" will total \$3,009m for the ten years.

However, as this year, 2024-25 is almost 3/4 spent it is the *following* 9 years which are relevant – <u>as it is those</u> <u>years to which Council's SRV would apply (and thereafter)</u> – and for which the pre-SRV forecast income from Rates &c is \$2,750m.

The LTFP forecasts an accumulated deficit of \$15.4m over the next 9 years and if Council were to also seek to recover this year's forecast \$5m loss then there could be a \$20.7m problem to be addressed.

I note, too, that certain Performance Ratios are shown on pages 61-62 of the LTFP and include OLG Benchmarks.

The Operating Performance Ratio problem is discussed above and the only other unsatisfactory performance measures are (a) Building and Infrastructure and (b) Asset Maintenance.

<u>Summary</u> :	<u>Shortfall</u>	
OPR - Operating Performance	\$20.7m	See Note below re absence of operational efficiencies
BIRR - Building & Infrastructure	45.8m	
AMR - Asset Maintenance	\$ <u>16.9</u> m	
	\$83.4m	
Unexplained reduction in Capital Grants	\$ <u>181.8</u> m	
Otherwise expected Surplus	\$98.4m	

<u>Note:</u> The OPR *assumes zero efficiencies* arising from the huge investment in a new computer system and a huge reduction in Capital Grants. This is unreasonable and an investment of this nature would only have proceeded on the basis that it delivered economies.

I close by reiterating that Council has NOT demonstrated a need for additional Rate income.

Appendix 1 - Building and Infrastructure Renewals Ratio ("BIRR")

Council explains this ratio as "... the rate at which these assets are being <u>renewed</u> against the rate at which they are <u>depreciating</u>." It then goes on to show 8 (of the 9 future) years with their under-performance, viz:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	-	6.0%	9.2%	8.1%	9.2%	11.2%	11.0%	12.8%	13.6%	
Page 68 of Council's Asset Management Plan ("AMP") shows the following Depreciation provisions:										S:
Dep'cn	39.8m	41.6m	42.9m	44.3m	45.6m	47.0m	48.4m	49.9m	51.4m	
We can therefore calculate the \$ shortfall										
Shortfall	-	2.7m	4.3m	3.9m	4.6m	5.9m	6.0m	7.3m	8.1m	45.8m

Appendix 2 - Asset Maintenance Ratio ("AMR")

This is explained as "(this) ratio compares <u>actual</u> versus <u>required</u> annual asset maintenance."

The LTFP shows the following maintenance shortfall etc:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	6.5%	6.5%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	
Page 68 of Council's Asset Management Plan ("AMP") shows the following Maintenance expense:										
Maint'ce	24.3m	25.1m	25.8m	26.4m	27.2m	28.0m	28.7m	29.5m	30.3m	
And again, we can calculate the \$ shortfall										
Shortfall	1.7m	1.7m	1.8m	1.8m	1.9m	1.9m	2.0m	2.0m	2.1m	16.9m

<u>Appendix 3 – Operating Performance Ratio</u>: "(this) measures the extent to which a council has succeeded in containing operating expenditure within operating revenue."

Author name: J. Flambard

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I understand that council has not engaged sufficiently with northern beaches residents regarding the proposed rate increase. In fact, they have been very selective in the proposition they have adopted, ignoring the one that received the most votes from residents. This is undemocratic! What is going on with our council? Its supposed to be working FOR US! It sounds more like a corporate entity than a council.

Author name: J. Grayson

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

The proposed increase is completely out of step with current cost of living pressures and inflation. The council should look at reducing non essential services and other cost saving measures. They have not listened to their constituents.

Author name: J. Grech

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir or Madam As a single age pensioner if Council Rates rise by any amount especially around 40 percent as I have little super it will take up about 2 months of pension to pay it then add another 2 months for home insurance, 1 month for electricity 1 month for private health fund, 1 month for gas, 1 month for telephone and internet 1 month for medication 1 month for car cost 1 month for doctors, physiotherapist, eye specialists, dentists leaving one month to buy a years worth of food which is a minimum of \$150 per week so can only eat for three months of the year. So where am I supposed get through a year and you want to starve me to death - I say get more efficient like the DOGE in America cutting a trillion in government waste and would assume a lot people in council should be axed before you attempt to increase council rates.



Independent Pricing and Regulatory Tribunal (IPART) Level 16, 2-24 Rawson Place SYDNEY NSW 2000

Via: ipart@ipart.nsw.gov.au

To the IPART Panel,

I am writing to formally oppose the Northern Beaches Council's (NBC) application for a 39.6% rate increase. Community feedback to my office has been overwhelming in the rejection of this rate increase and it would appear to not meet the necessary criteria set out in the Office of Local Government's (OLG) Guidelines for the Preparation of an Application for a Special Variation to General Income. Feedback shared with my office raised significant concerns about the application. These concerns, of which I share, are as follows:

1. Failure to Demonstrate the Need for Additional Income via a Special Variation to Rates

The Council states that its underlying financial position is not sustainable as it is not generating sufficient funding to maintain community infrastructure and services at the level required. This is reflected in the Council's 2025/26 budget which demonstrated that income levels are no longer sufficient to fund operating expenses, forecasting an operating deficit of \$5.1 million.

Council has attributed these budgetary pressures to rising costs, inflation and unforeseen external pressures such as COVID-19 and natural disasters. While these certainly have played a role, they cannot be solely to blame for the position Council finds itself in today. In accordance with the Local Government Act 1993, councils are obliged to follow principles of sound financial management, and that spending should be responsible and sustainable, aligning general revenue and expenses.¹

In accepting this reality, the next question that must be asked is whether Council has demonstrated that additional income is needed to warrant a special variation to rates. This submission argues that without first exploring all other cost-saving measures that are reasonable, NBC cannot sufficiently justify that a 39.6% rate increase is necessary to achieve financial sustainability. Just because it may be an effective strategy, does not make it the only strategy, nor does it make it needed or reasonable. Amid a cost-of-living crisis, passing an increase of this magnitude onto the ratepayer should only be considered when all other cost-saving measures have been explored.

If alternative measures to reduce costs and generate revenue exist and are feasible, they at the very least must be investigated to demonstrate to ratepayers that a 39.6% increase is in fact necessary. In pushing ahead with this application for a special variation to rates, Council has failed to provide sufficient evidence that these costs cannot be met, or alleviated, through other means.

¹ Councillor Handbook - Office of Local Government. Available at: https://www.olg.nsw.gov.au/wp-content/uploads/2024/09/Councillor-Handbook-2024 p54



2. Evidence that the community is aware of the need for and extent of a rate rise.

Council has stated that a Special Variation to rates is required if Council intends to continue to meet community expectations and deliver existing services and service levels.² Meeting community expectation is therefore at the crux of the position Council finds itself in. On this logic, should the community no longer expect existing service levels, then a rate rise of this magnitude would not be necessary. Engagement is a vital mechanism to assist Council to better understand these evolving expectations and incorporate public will and concerns into decision-making. In fact, NBC's Community Strategic Plan 2040 explicitly states that *'genuine participation is essential so Council can better advocate on behalf of the community on complex issues that are beyond Council's direct control'.*³

As such, Council rightly undertook an extensive, \$173,000 public consultation ('Have Your Say – Funding Our Future') spanning eight weeks, which included sending letters to every ratepayer, face-to-face engagements, and an opt-in survey. The consultation put four options to the community: 1. reduce services; 2. maintain services; 3. improve services (requiring a 39.6 percent rise of three years); and 4. increase services (requiring a 46 percent rise over three years). Council received roughly 6300 submissions, and the results were clear: community expectations have evolved to the point where a majority of residents would rather see services scaled back in favour of a rate rise. Despite more than half the residents who responded to the online survey requesting Option 1 (that there be no special rate variation), and a clearer majority of 64% selecting this as their first preference via mail, Council chose to ignore these results and push for the 'Option 3' rate rise of 39.6 percent over three years.

While community engagement is arguably the cornerstone of democracy, its true value is only realised when action follows. When engagement is ignored, trust is broken, and the very foundation of responsible governance is undermined. Although the Council did undertake community consultation, its decision to disregard the public's feedback has defeated the purpose of the engagement, weakened the overall decision-making process, undermined public trust and called into question the rationale for the proposed rate increase.

Council's community engagement on the prospect of a Special Variation to rates was very clear in explaining that without a rate rise, services would be scaled back or cut. As the results demonstrate, the respondents understood this ultimatum, and still indicated their preference to forego current services to avoid a rate increase. Despite this, Council have proceeded with the rate increase.

The timing of the consultation, which took place over the Christmas holiday period of last year, also raises concerns. A decision of this magnitude requires robust and transparent engagement with the entire community, and ample time for the community to digest what is being proposed. Conducting this consultation at a time when many are overseas, interstate or spending time with friends and families is ill-considered.

For these reasons, I do not believe that NBC's community engagement has prosecuted the need for a 39.6 percent rate rise.

² Northern Beaches Council: What you need to know about the rates special variation. Available at: https://www.northernbeaches.nsw.gov.au/council/news/what-you-need-to-know-about-rates-special-variation

³Northern Beaches Council Community Strategy Plan. Published November 2022. Available at: https://files-preprod-d9.northernbeaches.nsw.gov.au/nbc-prod-files/documents/2023-04/community-strategy-plan-dec22.pdf?1741143999 p54



3. Unreasonable Impact on Ratepayers

In accordance with the Office of Local Government Councillor Handbook, Councillors need to display leadership and integrity to help ensure that the decisions they make as a member of the governing body are in the best interest of all the community. It further details that a core principle for local government is that Council should carry out their functions in a way that provides the best possible value for residents and ratepayers⁴

Given the Council rejected an amendment at a Council meeting on Tuesday, 12 November to conduct a detailed report to examine every possible alternative cost-saving solution before an application for a special rate variation was considered, it cannot be said with certainty that the proposed rate rise is reasonable or provides the best possible value for ratepayers.

A 39.6% rate rise, coupled with additional levies on businesses, will place an excessive financial burden on households and small businesses. Many families in the Northern Beaches are already struggling with the rising cost of living, and an increase of this scale could force some residents to reconsider whether they can afford to remain in the area. Additionally, businesses - especially small and independent operators - will be disproportionately affected, potentially forcing them to close or relocate, which would negatively impact local employment and the vibrancy of the Northern Beaches economy.

The proposed business levy will place additional pressure on local businesses that are already contending with economic challenges. Small businesses are the backbone of our community, and imposing higher rates will lead to increased operational costs, which may be passed on to consumers or result in job losses. In the long term, this measure will deter new businesses from setting up in the Northern Beaches, reducing economic activity and leading to a decline in services available to residents.

4. Conclusion

In summary, the NBC's application for a 39.6% rate rise does not satisfy the Office of Local Government's assessment criteria for special variation applications. NBC has not sufficiently demonstrated the need for a rate rise of this significance, nor has it engaged the community in a broad and meaningful consultation process. Finally, the impact that such a sizeable rate increase would have on ratepayers cannot be deemed reasonable in light of the current economic climate.

On these grounds, I urge IPART to reject this application in full.

Yours sincerely,



James Griffin MP Member for Manly

Date: 19 March 2025

⁴ Councillor Handbook - Office of Local Government. Available at: https://www.olg.nsw.gov.au/wp-content/uploads/2024/09/Councillor-Handbook-2024 p9



Author name: J. Harris

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission to IPART re: Proposed Northern Beaches Council Special Rate Variation Dear IPART, I am writing to express my strong opposition to the Northern Beaches Councils (NBC) application for a 39% Special Rate Variation (SRV). This proposal places an unreasonable financial burden on residents and reflects a failure by NBC to manage its budget responsibly. Financial Mismanagement and Lack of Justification Since its amalgamation, NBC has consistently reported budget surpluses and holds approximately \$200 million in investments. Despite this, the Council is now seeking a drastic rate increase rather than demonstrating prudent financial management and cost-cutting measures. Before resorting to such an excessive rate hike, NBC should first: Reduce excessive executive salaries and senior management positions. Rationalise and restrict the Councils vehicle fleet. Eliminate unnecessary non-core services. Improve operational efficiency and cost-effectiveness. Conduct a full audit of major infrastructure budget blowouts due to time delays. NBC has failed to provide sufficient evidence that these alternatives have been explored before applying for the SRV. Furthermore, the Council has not demonstrated transparency regarding infrastructure project completions or past budget mismanagement. Ratepayers should not be forced to cover financial shortfalls without clear accountability. Flawed Public Consultation Process The public consultation process was inadequate and failed to properly engage the community. The survey: Was conducted at an inconvenient time of year. Lacked clear communication regarding the implications of the SRV. Did not provide direct engagement opportunities such as pop-up community meetings. Had no dedicated point of contact for inquiries. Despite spending almost \$200,000 on the survey, NBC ultimately disregarded the majority opinion of residents and proceeded with its preferred option. Unfair Impact on Ratepayers NBC has failed to demonstrate that the impact of the proposed rate increase is reasonable. The Council has not considered: Residents' capacity to fund such an increase. The impact on pensioners and retirees on fixed incomes. The disproportionate burden placed on non-urban landholders in. the RU4 zone with minimal council services. As a long-term Northern Beaches resident of 39 years, I am particularly concerned about the unfair impact of this rate increase on retirees. While my property value may suggest financial security. I do not have the disposable income to afford such a significant increase. It is inequitable that my rates and those of my neighbours are being used to subsidize services elsewhere. As a self-funded retiree, my current annual rates of \$6,700 will rise to approximately \$9,400 under the proposed variationan unsustainable burden, especially with upcoming land valuation increases by the Valuer General. I have a neighbour in her 90s, one of the original Italian immigrant market gardeners, who now lives on a government pension. She simply cannot afford this exorbitant increase on non-urban land. NBC has failed to consider the implications of such a massive hike on elderly residents. Is she expected to sell her home of 65 years just to cover these costs? Timing of the Application and Lack of Accountability NBC delayed applying for this urgent SRV until after the 2024 Council elections, leaving newly elected, inexperienced Councillorswho may lack full contextto approve the application to IPART. This raises concerns about transparency and the motivations behind the timing of this request. Conclusion NBC has failed to justify this drastic rate increase. The proposed SRV would place an unreasonable strain on many ratepayers, particularly retirees and those on fixed incomes. For these reasons, I strongly oppose the SRV and urge IPART to reject NBCs application. Thank you for your time and consideration. I look forward to your response. Yours sincerely,

Author name: J. Kench

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

IPART must REJECT OUTRIGHT the application by the Northern Beaches Council for a special rate variation because there is no evidence the community is aware of the nature and extent of the special rate rise being sought. There cannot be any such evidence meeting the OLG and IPART thresholds because at no stage through the months leading up to this application has the Council told the community definitively what the rate rise would be and how it would be applied, and consequently, it has not undertaken with the community the communication and consultation activities as required by the OLG guidelines community about a specific proposal. The Council cannot simply rely on its own truisms about wishing to have more funds in published comments, or by saying 'we know our community want us to do more' when those community remarks are untested by any rate rise needed to actually do more, especially a substantial rise. At no time during the Council's Community and Stakeholder Engagement activities from November-January did the Council state its preferred position for a substantial increase, as if to do so would invite unhelpful dialogue with Council, especially where cost of living is always a hot topic. The Council instead canvassed a wide range of possibilities which obscured the process. Please refer to the Council's letter to all ratepayers of 20 November 2024 which sought ratepayer feedback on FOUR options including 'no rate rise' at all. The second, third and fourth options showed significant rate rises, cumulative over three years, including the rate peg, of 31.1%, 39.6% and 46.0% respectively. There was no detailed information about the nature and extent of the effects on services. Council did not resolve until 28 January 2025 to have a special rate rise; it rejected the option of no increase. It chose the third option of a cumulative rise of 39.6% over 3 years. On 3 February 2025 the Council filed its IPART application. Given the lateness of the timing of its resolution, the cornerstone safeguards set out in the OLG Guidelines for community consultation and for related Integrated Planning and Reporting for a SPECIAL rate variation of 39.6% have not been (and could not be) undertaken by Council. The nature and extent of the public outcry to the Council's decision, when published on 29 January 2025, speaks for itself in showing that the community was previously unaware of the nature and extent of the proposed rate rise. However Council may wish to 'slice and dice' the qualitative aspects of the Council's survey, in. any event only 11% supported the rate rise chosen by Council; 51% voted for no rate rise accepting this would mean reduced services. The OLG Guidelines have been designed to safeguard against AMBUSH rate rises by addressing the notion that the community may not like 'bad news' but it certainly hates 'surprises', especially last minute ones. Proper compliance with the guidelines has required the NBC to have informed the community in good time and in good order about the amount of the proposed rate rise, and not just possibilities, and then undertake, pursuant to the OLG's Integrated Planning and Reporting guidelines, a period of consultation and explanation about the rate rise, in other words "to put meat on the bones", so that the community can question and challenge and ultimately 'agree' or 'agree to disagree' the nature and extent of the rate rise in contextual detail. As the OLG guidelines say, only those Councils with the Special Rate variation in their Integrated Planning and Reporting Process should consider making an application. The OLG's guidelines, which IPART 'polices', drive proper community communications about the impact on current and planned service levels, and alternative considerations and efficiencies. I would have thought there is a higher burden on Council to be more persuasive when the Council's finances show it is profitable. The OLG guidelines safeguard against shortcuts and ambush claims by requiring certainty as to what is proposed and to remove surprises for the community. The NBC's survey process has not done that. Simply inviting feedback on four options and using shorthand labels such as 'reduce services', 'maintain services', 'improve services', and 'increase services', without any meaningful information about the nature and extent of the affected quantity, quality, where, when, how, by how much and so on does not not enable anyone to make any informed judgment or participate in a debate. Putting more detail into the IPART application itself is too late and is outside the process. In order to maintain the integrity of and respect for the OLG guidelines around SPECIAL rate variations, and to enable the proper disciplined administration of the rules by IPART, this application must be rejected. As price takers, ratepayers need the protection of effective OLG guidelines and IPART processes. Otherwise ambush tactics will be rewarded.

Author name: J. Lamb

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The mismanagement of council funds and efficiency shouldnt be warn by the residence. I have spent 2 years appealing to different departments and councillors to try to get my access to my house upgraded and the internal mechanisms / protocols are so inefficient, nothing has happened. To pour more money into the same systems without reviewing its current status is ludicrous. The standard costs of living are increasing in every direction. If the councils require higher subsidies they should be reviewing the state and federal contributions not looking to the residents to foot the bill of poor management and inconsistent planning. Northern beaches has had considerable increases in the amount of residences, the number of dwellings with new builds, the rates have increases with the land value so the overall contribution of rate payers has increases consistently. Adding this variation on top when the community has already voiced with disapproval is unwise and will do nothing to improve the councils management of funds.

Author name: J. Loudoun

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Misleading and Deceptive Conduct by Northern Beaches Council. 1. The public consultation included a calculator to estimate new rates based on scenarios proposed. This calculator made an assumption there is NO increase in Land Value. This is completely misrepresentation of the expected outcome 2. In not disclosing an estimate or a reference guide as to what Land Values could be and showing the impact of the Special Variation is deceptive 3. The council accounting principles are incompetent, misleading and in breach of the code of conduct for finance professionals. A professional council would estimate and disclose expected increases in future general revenue relating to increases in Land Value 4. Local Government Act 1993 Chapter 3 8B (a) Council spending should be responsible and sustainable, aligning general revenue and expenses. The Act does not offer a legal framework to increase general revenue to align to council spending 5. The council failed to undertake public consultation other than make general statements about scenarios with no substance about what was required to have expenditure meet general revenue 6. The Council does not represent the result put forward by rate payers 7. The Council has failed to take into consideration declining living standards, household income going backwards verse underlying inflation, changes to tax at federal and state level 8. Council has taken no steps to review and provide transparent benchmarking for staff costs

Author name: J. McHugh

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a long term resident I am already paying a premium rate based on inflated property valuation. In the 30+ years I have never seen the roads in a worse state potholes everywhere and no footpaths and a massive increase in local traffic it appears the amalgamation of councils promising improved services with a reduction in overheads. It is obvious to residents that the current council has lost its way. Maybe it's time to return to cancelling the council and return to independent management to sort out the current mess we find ourselves in with no redress to our concerns

Author name: J. North

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Ok to publish: Many residents are elderly, rate are their biggest fixed expense and they have no way to increase their incomes. Many elderly need home care workers, waiting uo to 12 months as no workers can afford to live a commutable distance to NB. Many are renting and landlords will increase rent. It's not possible for elderly to sell their large homes and down size as there are few suitable units.





Submission to IPART on the Northern Beaches Council's request for a Special Rate Variation

As the Independent Member for Pittwater, I make the following submission to the Independent Pricing and Regulatory Tribunal ("IPART") regarding the Northern Beaches Council's ("NBC") application for a Special Rate Variation ("SRV"). The Council is seeking to increase rates by a cumulative 39.6% over three years, a proposal that has generated widespread public opposition in my electorate (covers part of the Northern Beaches electorate).

Assessment Against IPART's Criteria

IPART requires councils to meet key criteria for an SRV, including demonstrating financial need, ensuring community awareness and engagement, assessing the impact on ratepayers, and implementing cost-saving measures before applying for a rate increase.

1. Demonstrated Need for the Variation

The Northern Beaches Council justifies the rate increase on the grounds of financial sustainability, citing budget deficits, declining reserves, and the need to fund essential services. According to the Council's Long-Term Financial Plan, without an SRV, it anticipates a 10 year gap for Total Unfunded Asset Management Plans of \$255m.

However key issues constituents have raised with me include that:

- NBC income has increased each year and has had a budget surplus year on year.
- NBC has \$182 million in investments.
- There has been no independent audit or NSW Audit Office Performance Audit on compliance.

There has been limited indication from NBC that the council is in financial trouble over the years.

Generally, people in the Pittwater part of the LGA want a focus on core council services including maintenance of reserves, ocean pools and wharves, headland management and improved footpaths and roads including potholes and landslips. However, they do not desire investment in unnecessary urbanisation (although there is an anticipation of new surf clubs, particularly Newport Beach and sports facilities).

2. Community Awareness and Engagement

While the Council has undertaken the required IPART community consultation, there has been a significant public backlash against the proposed increase. Thousands of residents have signed petitions, attended community meetings, and voiced their concerns about affordability, particularly for pensioners, renters, and those on fixed incomes.¹

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https://www.news.com.au/finance/money/costs/disgusting-outrage-as-northern-beaches-c

¹ See, for example,





I received many complaints about the nature of the consultation. Constituents were distressed that the consultation was conducted over the Christmas period when people were away on holidays or otherwise busy, notwithstanding this was the IPART prescribed timeline. Others noted that the consultation website was difficult to use and the QR code was not appropriate for older demographics.

My constituents also have asserted that consultation documents failed to articulate exactly what services would be cut, and what would be funded. It was therefore impossible for an informed decision to be made.

Additionally, there was no option, nor modelling, of an option to improve operational efficiencies.

Reference to justify the increases has also been made to the Community Strategic Plan 2040. However when consulting on the strategic direction of NBC, the community was not informed about potential cost implications of strategic aspirations. Had they known the financial impact of certain strategic goals, their position may have been different.

Council received over 6000 responses to its consultation. The votes were split as follows:

- 1. Option 1 Reduce service, which received 51% of votes;
- 2. Option 2 Maintain service, which received 32% of votes;
- 3. Option 3 Improve service, which received 11% of votes; and
- 4. Option 4 Increase service, which received 6% of votes.2

Despite these results, NBC has proceeded with option 3, raising concerns about whether community feedback has been adequately considered in decision-making. Additionally, constituents have made representations to me that they feel the conclusions drawn by the consultation were misrepresented by some councillors.

I've also received concerns about the accuracy of the information within the consultation report. For example, one constituent wrote to me as follows:

- "1) The survey target was not the whole NB population but only ratepayers, that is more or less the number of properties or dwellings that are ratable. This is the reason why 98% of the survey respondents were ratepayers.
- (2) Therefore the sample representativeness is to be calculated against only about 105,000 dwellings, (instead of 267,000 residents in Nicholas' calculations)

ouncil-votes-to-raise-rates-40-per-cent/news-story/f906be1f0b4451b6c010e9cb8292b574?utm

Ξ

² See

https://hdp-au-prod-app-nthbch-yoursay-files.s3.ap-southeast-2.amazonaws.com/1617/3827 /5792/Community_Engagement_Report_-_Funding_our_future_-_Special_variation_to_rates.p df





- (3) Statistically, a minimum sample size of about 4,000 survey respondents is sufficient to provide a 99% confidence level with a 2% margin of error for a 105,000 dwelling population.
- (4) Hence the fact that 51% of over 5,500 respondents voted for option 1 and 87% voted for options 1 and 2, i.e. against options 3 and 4, is absolutely statistically representative and conclusive with a very low margin of error.
- (5) The fact that the NBC "Have Your Say" consultation process usually gathers at best a few hundreds submissions for other matters against over 6000 submissions for the rate variation consultation is also an evidence of the huge community's concern and mobilisation."

Constituents have also expressed dismay at the cost of the survey, of approximately \$200,000, especially given the results of the survey were ignored. This reflects on a broader discontent of NBC using contractors to undertake work that could be done internally by its own employees.

My observation is that the community has not been taken on the journey of why a rate rise is needed. Transparent, honest and easy to understand examples of the practical implications of different options should have been communicated over time.

Finally, it is important to note that ratepayers were promised a rate reduction as a result of amalgamation. A rate increase is therefore in stark contrast to their expectations and communications over time which have not prepared them for the current SRV.

3. Impact on Ratepayers

We are in a cost of living crisis, with mortgages at all time high rates. This is not the time to be imposing a rate rise.

The proposed increase would see average rates rise by approximately \$340 per year for residents. For some property owners this figure could exceed \$1000 per year. Such increases come at a time when many households are already struggling with higher mortgage repayments, utility costs, and grocery bills. Many local businesses are also struggling, with commercial rents increasing and consumer spending declining.

I have received over 80 emails, along with innumerable social media messages and phone calls, about the impact of the rate rise on constituents.

Many believe they will have difficulty affording the rate rise, and say they are considering cutting back on essential expenses to compensate. This demonstrates the real-world impact of the SRV on already strained household budgets, irrespective of the average data.

It is also important to look beyond the averages contained within the Capacity to Pay report. The reality is that in a cost of living crisis, there are some people in the LGA who are struggling to keep their head above water as rates have gone up, these people are lost in averages but must not be ignored by IPART.

Additionally, although the Northern Beaches has a higher proportion of fully owned homes at 34% than Sydney's average, this does not mean people have income to absorb a rate





increase. Many are also facing increases to land value by the Valuer General have also increased. I note that Blue Mountains Council responded to this by stating:

1 May 2023, Blue Mountains Mayor, Cr Mark Greenhill said: "With the years of ongoing natural disasters endured by our community, coupled with interest rate rises and dramatic rises in the cost of living, we recognise what an exceptionally challenging time it is for many households.

"That is why Council is calling for current rate levels as per the last assessment to be maintained, or rate increases subsidised."

4. Productivity Improvements and Cost Containment Strategies

IPART requires councils to demonstrate that they have pursued all possible efficiency improvements before seeking a rate increase. While the Council has made some efforts to control costs, such as reviewing contracts and procurement processes, the rise in staffing expenses suggests there is room for further internal budgetary restraint.

There are clear opportunities for alternative revenue sources:

- NBC has not reviewed exempt rate payers and the potential their contribution could be made to offsetting costs.
- There has been insufficient effort to address cost cutting and austerity measures prior to applying for an SRV with many non-core council services still operating.
- Since amalgamation in 2016, staffing costs have increased by approximately \$40 million (adjusted for inflation) and 111 executives. This suggests that part of the financial strain may stem from administrative inefficiencies rather than external funding pressures alone.
- NBC hasn't exhausted opportunities for revenue generation, including:
 - o poor compliance on DA costs (e.g. <u>Jennifer Hawkins grossly understating the</u> development costs of her property)
 - enforcement of traffic management plans at construction sites (zero penalties)
 - enforcement of illegal dumping which is now a matter for ICAC.

Irrespective of whether these cost saving measures would address the anticipated deficits, they should be exhausted prior to applying for an SRV. There is a strong desire from my constituents for NBC to demonstrate austerity measures especially cutting services such as the World Food Markets and fireworks.

State and Federal Cost Shifting and Financial Pressures on Local Councils

As a state representative, it is important to note that local councils across NSW are under financial strain. NBC is not alone with over 25 Councils in the last 3 years applying for SRVs.

Councils are not immune to inflation, increased construction costs and the impacts of climate change. The NSW Government has identified the Northern Beaches as having the highest costs from extreme weather by 2060 in NSW at \$969 million average annual loss in the State Disaster Mitigation Plan 2024-2026. They are also facing increasing responsibilities being shifted onto them by state and federal governments without corresponding increases in funding.





This issue has been subject to both state and federal parliamentary inquiries. The recommendations of the *NSW Parliamentary Inquiry into the Financial Sustainability of Local Government to Fund Infrastructure and Services* outlined systemic issues being faced by councils including cost shifting by NSW government and increasing costs from extreme weather, decreased grants and reviewing exemptions from rate payers - whilst also facing rising costs for roads, waste management, and environmental programs.

The inquiry recommended:

- A review of financial assistance grants to ensure they reflect the needs of local councils.
- Greater transparency in state and federal cost-shifting practices.
- Additional funding to assist councils with disaster recovery and resilience infrastructure.

Despite these recommendations, little action has been taken at the state level to address the core financial challenges facing councils and the NSW Government has not yet responded to the inquiry.

I have been advocating for the NSW Government to adopt the recommendations that put downward pressure on rates. Given the opportunity for the government to take action in this regard, any decision regarding an SRV should be put on hold until they have responded to the inquiry.

Conclusion

While the Northern Beaches Council, like other councils across NSW, faces legitimate financial challenges, its application for an SRV raises significant concerns. The overwhelming community resistance to the proposal cannot be ignored, particularly given the current cost-of-living pressures affecting households.

Moreover, the financial pressures facing local councils are part of a broader issue of state and federal cost-shifting and reduced government funding and more must be done at a state and federal level.

I urge IPART to consider the financial burden this SRV would impose on the people of the Northern Beaches and to take into account the widespread public opposition when making its determination. In my view, this process should be delayed until the government has responded to the current NSW inquiry.

Yours sincerely,



Jacqui Scruby Independent Member for Pittwater Author name: K. Andrews

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am opposed to the rate rise. This council has operated at a high level of expenditure for years with no foresight to place funds in savings for future projects like building maintenance and storm drain cleaning which have led to massive floods and deteriation of council buildings that bring in more than enough funds to cover any upkeep should these funds be projected for. This council has made many promises regarding saving of funds but instead has emptied the coffers and expects the community to pay. We have had services reduced since amalgamation but have seen none of the savings passed on. As a Pittwater resident it is extremely frustrating as my rates have risen 10fold since the amalgamation which is the opposite of the reduction promised. During that time my bins have reduced in size by over 25% and our hard garbage services were limited to twice yearly from the previous 4 yearly area clean ups. Due to this I ask that IPart assist the council in finding the appropriate funding to keep them going and instead only consider a rate rise if all other avenues are not able to raise significant funds. Considering the NB councils revenue is only partially made up from rates it does seem that assets recycling and renewal is possible without rising the rates.

Author name: K. Aroney

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a first homebuyer my finances are already committed and the added burden of this large increase in rates will put considerable pressure on my ability to finance my lifestyle. I did not receive notification of the council's communication and therefore was unable to voice my opinions in their survey. Since learning of this increase in rates I have become aware of numerous activities the council engage in beyond what is necessary and believe there is an opportunity for council to reduce its spending before expecting ratepayers to pay more. A reduction in these activities would not only give a saving in the actual cost of the activity but also the council would need considerably fewer staff if they stuck to core council activities such as roads and garbage. These savings should have been considered and notified to all ratepayers prior to applying for a rate increase.

Author name: K. Aroney

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Whilst I acknowledge the need for council to maintain infrastructure, currently they engage in a lot of activities that are not necessary but still cost eg wellness workshops, lessons in how to downsize and tours of the tip etc. Add to this a number of projects which have proceeded but then pronounced unsatisfactory such as fencing around Manly Oval and a number of traffic modifications which have been reversed. If the council stuck to core issues (such as maintaining roads and collecting garbage) the costs would be much less. The survey that the council was required to conduct was very poorly communicated and done at a busy time for everyone ie over the Christmas holiday period. However, the response rate was considered reasonable enough to draw conclusions. Unfortunately the statistics used to draw the councils conclusions were not actually what the survey showed. The majority of respondents did not want a rate rise (surprisingly!). If the council reduced its unnecessary activities the number of council staff could be reduced. This would reduce the wages paid to council considerably. Also, the wages of some members of council should be reviewed. I am concerned that any review of the council is done by another government agency. Surely an independent body would better be able to give an independent opinion. It would appear, from the councils own documents, that a lot of infrastructure has been allowed to fall into disrepair. Surely the council should have been responsible for ensuring that this did not happen over the last few years, and yet it would appear that other agencies have given the councillors the tick of approval in the past. Regardless of who is to blame, I feel the council should have looked at its own spending and how that can be reduced before they applied for such a significant rate hike. When the council has managed to achieve this it would then be appropriate to inform the ratepayers of measures the council is taking and what that would save. Only then should they engage in a survey and subsequent application to IPART.

Author name: K. Bellingham

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I have lived on the Northern Beaches for fifty five years, and in that time paid rates for at least 40 years. I pay my taxes which are very high and work full-time. The increase of council rates would be financially untenable and I would have to leave the area to purchase property elsewhere. My children live and my community. It is unreasonable to expect the community to pay for rate increases, when we are struggling to pay mortgage's and dealing with the cost of living. Our children have been unable to buy in the area unless they are on significant salaries. A rate increase will quelch those aspirations. To have a rate increase would significantly impact the pensioners in our society and the self funded retirees. I thoroughly oppose a rate rise due to significant financial impact it will have on all rate payers including myself.

Author name: K. Diamond

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council asked for feedback from those who live within it only to ignore what majority want. Please listen to the people, the cost of living is already too high.

Author name: K. Dixon

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object most strongly to council proposed 40% rate rise council is proposig. 8million dollars to be spent on renovations & concrete wall at newport bch. I note major wrks to various surf clubs by council turning them into comercial ventures, thats not council job. The sea wall is far beyond expertise of this council, a recent seawall at nielson park blew out from 6 to 17 mil. Council have done no forms of passive sand stabilizing at this bch in last 10 years, no other forms of wks are proposed at cheaper costs, i belive council is misusing moneys on all of our bchs, they have no authority to do this.

Author name: K. Ford

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to strongly voice my opposition to the incredibly excessive increase in rates proposed by the NB Council. We should not be financially responsible for their gross mismanagement. I have lived in this Council area since 1989 and am frustrated that after the much heralded amalgamation we are in this position.

Author name: K. Gillian

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

OBJECTION TO THE PROPOSED RATE INCREASE BY NBC I object to this increase for the following reasons: 1. At the time of the amalgamation into the Northern Beaches Council (NBC), the ratepayers were assured that monies would be saved and the standard of services would remain the same or be bettered. Since amalgamation, the rates have substantially increased with our services having markedly diminished. Privatisation, financial mismanagement, etc seem to be contributing factors to the latter. 2. The NBC has lost focus on core business of roads, rubbish, footpaths, sports fields, etc. It should withdraw from feel good spending especially as they are stating that the financial forecasts are dire. Non core activities are varied, such as, proposing a covid memorial; flying banners at beaches; Manlys Wellness Week, etc. This is at a time when our basic needs as a community arent being met, such as bins being collected in a timely fashion, potholes not being fixed, etc. 3. The NBCs approach (or blackmail) has been the threat that if ratepayers do not agree to this extortionate increase in rates, services will be diminished. It is quite interesting to try and determine where services could be further cut we now only have 2 cleanups a year, no E-waste collections, etc. 4. The NBC seems to consider that all ratepayers are financially able to absorb this stupendous rate hike. This demonstrates very little understanding of the diversity of this community. 5. The NBCs survey was expensive (\$170,000) and the Council chose to ignore the communitys feedback. The survey only included 4 options, which were all rate increases; and did not include a choice for no rate rise. Of the 4 options, 1 was in line with the "basic" increase of approx 3%; There was no option to record "no rate increase". The survey was timed over XMAS- NY which could be read as being a deliberate attempt to limit community involvement. As only 2% of the community has replied to the survey, the NBC has implied that this shows a lack of community interest, rather than the timing. Further, there was only a few days between the NBC's lengthy (January) report being issued and the deadline for community feedback (still in the January holiday period). 6. There are countless examples of the NBC wasting money. 7. From the NBC's financial statements, the books seem to be in the black. We, as ratepayers, manage our household budgets and find efficiencies; and we expect our council to do the same. There seems to be significant wastage and loss of focus on maintaining appropriate levels of service in the core business of council. 8. From research, there seem to be 110 full-time management positions at the Council, with the CEO, five directors, 22 executive managers and 81 managers with a total salary of over AUD 25 million. Surely this is top heavy. Are 22 executive managers truly needed? And what of perks? The CEO earns, as a base salary, nearly as much as the Prime Minister and more than you, Premier. Management numbers, pay scales and packages need to be reviewed. It would be horrific to consider that any part of a rate increase would find its way into management's wallets. 9. I understand that a number of councillors have sought a full audit of the councils financials but this proposal was defeated. Why? IPart, who seem to have very strict guidelines may not allow them to fully take account of the communitys concerns. Ive signed various petitions. Overall, the NBC is blatantly ignoring the wishes of the majority of the community that they claim to represent. Their attitude is unconscionable, arrogant, not transparent and smacks of blackmail. From speaking with and contacting other ratepayers via social media, ratepayers are outraged and disgusted. Furthermore, the huge, proposed increases are vehemently opposed especially in light of diminishing services since amalgamation. Any increases to rates, presumably in line with CPI, should not be introduced until the results of a full forensic audit and a broad ranging report on the operations of the council (ie core business and other) is known. It should also be noted that rates are based on the Valuer General"s land valuation and as such NBC are sharing in the gain already.

Author name: K. Glanville

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir/Madam against proceeding with the proposed rate rise. I instead voted to proceed with a smaller ~30% increase over 3 years. My reasons for this position were: - Option 3 of ~40% had only weak support from the community. While rate rises are never popular, I felt Option 2 of ~30% was more of a consensus / compromise position reflecting that generally speaking, I feel most residents want to maintain current assets and services, but would also like to see Council further pursuit opportunities to reallocate aspects of the budget to fund new projects, and give less priority to a few "nice to have" aspects of expenditure while the asset maintenance backlog is addressed. - I personally disagreed with the economic analysis provided by Council's consultant on the ability of residents to pay. While wages are relatively high, I feel it under accounted for the extent to which mortgages and rents are also very high. There are a variety of significant cost of living pressures on the community at present, and I feel these should not be exacerbated. In general I feel IPARTs processes are very flawed. The rate cap effectively forces Councils every few years to make an extremely unpopular and large rate jump, rather than allowing Councils set rates based on the inflationary pressures of each year specific to their area and community needs. This inevitably politicises the process of applying for a special rates variation. There are other ways for IPART to ensure that Councils are operating efficiently. Further the timing in which applications must be made drives a consultation process over Christmas. This drives significant mistrust and suspicion by residents that Council is "springing" a proposal over the holidays when people are distracted I think it is unfortunate that the process requires that any proposal submitted to IPART must be the specific submitted to the community consultant. This reduces the consultation process conducted by Council to a tick box exercise as there is ultimately minimal scope for community feedback to shape the proposal ultimately submitted - say for example a council went to consultation on a 35% raise, but community feedback only supported a rise of 25% (for arguments sake), there is no way for Council to instead propose 25% to IPART unless it waits a year to restart consultation.

Author name: K. Hill

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

K A Hill March 2025 Attention: The Chief Executive Officer Mr. Andrew Nicholls Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240 Sir, please consider my very Strong Objection to the Northern Beaches Councils (NBC) Proposed Special Rate Variation, (Options 2, 3 & 4). As I understand, councillors have voted with much influence (selling panic) from senior staff & very little acknowledgement let alone consideration of the vast number of ratepayers (like myself) who categorically object to the proposed increases, let alone the 39% increase they have supported in their application for consideration by yourself. The present is not the correct time relative to economic pressures faced every day (now for some number of years & likely more years into future) placed on the average person as a ratepayer in the Northern Beaches Council (NBC) local government area. I believe, the starting point for the NBC to emerge from their self-inflicted position linked to past fiscal mismanagement is to reduce the number of Executives, Managers & Directors (popular belief is there is more than 110 such persons) by a minimum of 50%. (Some say, this may reduce by up to 50% their yet known to have been challenged financial shortcomings into the short-term future.) Whilst I am rate payer & may not be impacted upon as significantly as commercial (especially small) businesses, a 39% increase will only create more rate payers defaulting upon annual rates & financial ruin of many small businesses (some of whom would also be ratepayers). The NBC has admitted to spending in excess of \$150,00.00 of ratepayers money (likely to not include who could guess the cost (time & fiscal) of inhouse staff generated to promote their grab for cash) to reach their farcical position of seeking a SRV of 39%. Even this, as an ambit claim, is a poor reflection on their fiscal management ability without even criticising an obvious to all ratepayers/residents total lack of transparency & democracy. Please, as I believe NSW governments history reflects, DO NOT SUPPORT the outrageously expensive NBC proposed SRV application. Thank you in advance for considering my submission,

Author name: K. Mc Donnell

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Inflation has been so high, it is incomprehensible that rates should be increased so much. Any private enterprise would have to make trade off decisions with their available finances. Instead it seems council has determined that through mismanagement it needs a certain level of funding and will seek to recoup that from residents. Council members have openly admitted there was no process by which the council sought ways to reduce costs. Please do not allow dates to be increased so nuch

Author name: K. McCarthy

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This council is very management heavy and inefficient. The salaries for councillors is beyond reasonable for the work they do. The mismanagement of council revenue is astonishing. Parking and traffic flip flops as an example in Manly have been a great waste of funds. The council staffing levels need review and productivity assessment.

Author name: K. Price

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I wish to register my objection to the proposed council increase of residential rates for the following reasons. First, whilst a subjective point, is that I now have a distrust of a council who have after extensive consultation have ignored its residents choice of reducing services to a sustainable level. This according their own statistics was 51% of respondents, then added a new option by combining options 2,3 and 4 to create 49% but choosing option 3 (11%) as the basis of their submission. The document they have submitted has been presented to deceive and bury information in its lengthy format. Next, in light of the cost of living crisis that we are all experiencing presently, whilst addressing some areas of possible cost savings, a more comprehensive review of expenses such as wages and in particular management salaries. My distrust of this organisation makes me feel that out of control management of council budgets would mean that mismanagement would just continue and more money requested again next time. I can understand a major single project blowout but this just looks like so much reckless spending, so why should they be trusted with more residents' money this time. They must have known this state of affairs well before this application. I would also like you to consider the weight of the vote by the acting counsellors for the council to make a submission to IPART. This was a majority of one vote. Backed substantially by a party block. Obviously people within this minority group feel there are other options. Lastly whilst providing an opportunity to provide feedback and subsequently ignoring the outcome of the communities feedback, I feel such a request should be suspended until the next council election where a community can exercise its choices in a democratic manner.

Author name: K. Thom

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I simply cannot afford this rate increase after years of interest rate increases. It's not possible. I don't have the money. I don't see council services improving to my benefit or many like me. The council is wasteful and should run itself like a business not just increase rates because it needs more money.

Author name: K. Warian

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern beaches council wants to increase rates by about 40%. In this difficult financial times this is going to be a hardship for us and we won't be able to afford that. Please take the financial situation of the public into consideration. Instead of raising the rates maybe they should cut back n their expenses, why does their CEO get nearly half million in wages. There is a lot of waste in the council, all these happened after they merged, when we were Warringah council we had no such issues and the roads were in a much better condition than now, now they are full of pot holes, which council is not attending too. During the merge the public was told this was to save money, it has done exactly the opposite. Very disappointing

Author name: K. White

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly disagree with the proposed variation of 39.7% over next 3 years. Being an aged pensioner who's future income is limited and the fact that over 50% of residential ratepayers on the Northern. Beaches are SENIORS. The expectation is 6-8% per anumn, ie no more than 25%. Northern Beaches Council seems to have managers who have too many perks along with large salaries e.g. luxury cars. When amalgamated several years ago (Warringah, Manly and Pittwater councils) into the new Northern Beaches Council every rate payer was promised this would reduce spending, save on duplication of services and indeed provide good budget keeping and fiscal savings in the long term. This outcome has NOT been achieved at all.

Author name: L. Brander

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am totally opposed to such a large increase. apart from the fact I can't afford it, this council has performed very poorly - they have been totally unresponsive to drainage problems on my road that cause frequent flooding of my carport (have been asking for help for 6 years) and the complete mess they made of avalon road changes in avalon. they under perform at e very level yet the general manager is one of the highest paid in the State. start by lowering his salary and then introduce a more modest increase of say 10 per cent.



IPART SUBMISSION

RE: NORTHERN BEACHES COUNCIL SPECIAL VARIATION TO INCREASE RATES BY 45%

SUMMARY

In this IPART submission, I will point out several major flaws in the Northern Beaches Council rate variation increase submission, in relation to key IPART assessment criteria.

Hopefully highlighting why the special variation increase in rates should be rejected by the IPART committee.

IPART assessment criteria:

"The planning process should include an assessment of the community's capacity and willingness to pay rates and whether there is the potential for changes in that capacity."

Firstly, I would like to address the community "Willingness" to pay aspect of this criteria.

The results of the Northern Beaches Council's own community survey (which never mentioned or attributed rate increase values to any of the questions) still resulted in massive community sentiment in favour of reducing or maintaining services. Increasing services, which NBC is pushing was by far the least favoured.

NBC MISREPRESENTATION OF SURVEY RESULTS TO IPART

In their IPART submission of supporting documentation upon which they are basing their finding (NBC Community Engagement Report P22) Northern Beaches Council combine three separate figures (option 2, 3 & 4) in an attempt to inflate the results in their favour and "pull the wool over" IPART's eyes. (See extract of NBC survey results below). "Maintain, improve or increase services" was not an option in the survey!

51% of the community's first preferences favoured option 1 to "reduce services". Increase services (option 4), which was NBC's ultimate goal had only 6% support, as shown by their own graph below. They have deceptively misrepresented the true results.

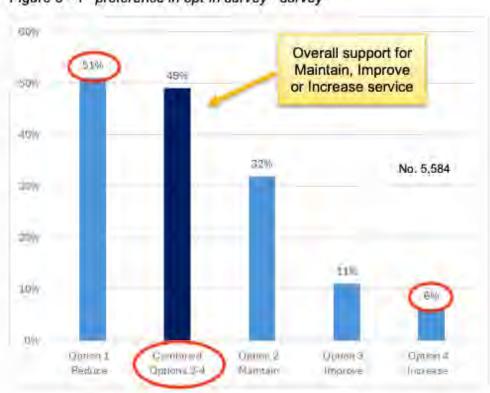


Figure 5 - 1st preference in opt-in survey - survey

If you were to apply the same questionable tactics and combine "Reduce services" (option 1) and "Maintain services" (Option 2) the overall community sentiment would be **83% against** "improve and increase services" (which is the rate rise NBC is after).

Northern Beaches Council has not only misrepresented the results to IPART, but has ignored the communities overwhelming vote NOT TO INCREASE SERVICES.

NBC HID THE TRUE COST DURING COMMUNITY SURVEYS

IPART assessment criteria:

The council must show that the community is aware of the need for the rate increase and the extent of the increase.

None of the NBC community surveys <u>ever</u> attributed a rate increase value to any of the options. So most people answered the survey without the full picture.

Yet, at the heart of NBC surveys was a simple question.

Do you want to reduce, maintain, improve or increase services?

Even with the true rate increase hidden from the community, the vast majority voted for "Reduce" or "Maintain". The general assumption of any reasonable person would be that by voting this way, rates would (as the survey suggests) "reduce" or "maintain". Hence, not drastically increase.

How can you ask people "would you be willing to pay more for improved or increased services," without a dollar value? Without knowing the true cost? It was an underhanded tactic that still back-fired on NBC.

And if NBC had attributed the proposed rate increase values to the questions in any of their surveys, particularly the 45% increase suggested, the result would have been even more heavily weighted in favour of reduce or maintain.

Only after the survey results came out did the NBC shown their hand, ignoring the true outcome of the surveys and the community sentiment, before revealing the extent of the rate increases they were pursuing.

CAPACITY TO PAY

IPART Assessment criteria point:

"The impact on affected ratepayers must be reasonable."

NBC commissioned Morrison Low to create a document (Supporting documentation Capacity to Pay Report) to help them suggest that there is a capacity to pay for the proposed rate increases in the community.

Morrison Low's own table from page 20 of that report on Cost of Living Pressures on the Northern Beaches is shown below:

Table 13 Five-year comparison	of cost of living in Nort	hern Beaches Council LGA5
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Household expenditure (totals)	2022/23		2017/18		Change		
	\$ per household	% of expenditure	\$ per household	% of expenditure	\$ per household	% of expenditure	%
Food	\$15,532	9%	\$16,021	9%	-\$488	0%	-3%
Alcoholic beverages & tobacco	\$6,639	4%	\$8,423	5%	-\$1,784	-1%	-21%
Clothing & footwear	\$6,900	4%	\$6,060	3%	\$840	1%	14%
Furnishings & equipment	\$7,801	4.4%	\$7,887	4.3%	-\$85	0%	-1%
Health	\$10,283	6%	\$9,404	5%	\$879	1%	9%
Transport	\$17,036	10%	\$22,833	12%	-\$5,798	-3%	-25%
Communications	\$3,155	2%	\$2,898	2%	\$256	0%	9%
Recreation & culture	\$17,273	10%	\$17,864	10%	-\$590	0%	-3%
Education	\$6,282	4%	\$6,366	3%	-\$84	0%	-1%
Hotels, cafes & restaurants	\$13,463	8%	\$14, <mark>3</mark> 15	8%	-\$851	0%	-6%
Miscellaneous goods & services	\$21,861	12%	\$24,791	13%	-\$2,930	-1%	-12%
Housing	\$47,015	27%	\$43,526	24%	\$3,489	3%	8%
Utilities	\$4,486	3%	\$4,999	3%	-\$514	0%	-10%
Total expenditure	\$177,728	100%	\$185,388	100%	-\$7,560	0%	-4%
Net savings	\$45,855	21%	\$36,836	17%	\$9,019	4%	24%
Total disposable income	\$223,583	0%	\$222,224	0%	\$1,359	0%	1%
Non-discretionary*	\$104,407	59%	\$105,741	57%	-\$1,334	2%	-1%
Discretionary	\$73,319	41%	\$79,646	43%	-\$6,327	-2%	-8%

The red shows how and where Northern Beaches residents are cutting back on spending to try balance their household budgets.

Is this not an indicator that there are cost of living pressures across the board? And while households try to cut costs and save where they can, NBC wants to increase rates by 45%.

Moreso, buried on page 19 of 38 pages of statistics in this report that are meant to "muddy the waters" is the fact: "17% of households have mortgage costs exceeding 30% of household income. And there maybe potential for mortgage stress here." (Full extract below)

17%. That is still nearly 1 in 5 households potentially facing mortgage stress. While this is just a statistic to NBC it is still 5644 real families! Real people. People the NBC is suppose to represent and care about.

I restate IPART's assessment criteria:

[&]quot;The impact on affected ratepayers must be reasonable."

So I ask the IPART committee, is impacting 17% or 5644 family households reasonable?

(Morrison Low Capacity to Pay Report - Page 19 extract below)



Overall, 5,644 (17%) households have mortgage costs exceeding 30% of their household income, below the North District and Greater Sydney averages (19% and 20% respectively). North-East has the highest proportion of all groupings at 19% (1,522 households) followed by Central-East at 18%. These groupings also both have highest proportions of households in the lowest two equivalised income quartiles, therefore there may be potential for some mortgage stress within these groupings. South (16%) and West and North-West (15%) both have lower proportions with mortgage costs exceeding 30% of income and also have the highest proportions in the highest two equivalised income quartiles, which would suggest that there is lower potential for mortgage stress within these groupings.

IPART assessment criteria:

"ipart assess whether a council has found and implemented efficiencies and cost containment strategies."

Northern Beaches Council in their submission claim they have sought and pursued numerous "cost containment strategies" before arriving at this massive rate increase for residents.

However, their staff-to-revenue ratios (as shown in the chart below taken from NBC 2024 annual report) shows Northern Beaches Council staff-to-revenue ratio is at almost 40%.

That is, 40% of every rate payer dollar goes to staff wages and costs instead of services. It is their second largest cost outlay.



Sound business principles indicate benchmark staff-to-revenue ratios should be in the vicinity of 20-25%. Even including the extremes, this ratio should fall between 15-30% staff-to-revenue ratios.

At 40%, Northern Beaches Council's staffing ratio is well beyond even the extreme benchmark norms. And where most businesses or organisations facing a monetary shortfall would see staffing ratios as the first area for any cost saving initiatives, the Northern Beaches Council seems to not even have considered this most basic cost saving measure. All despite having one of the most highly paid Local Council CEO's in the entire country!

This area of cost saving should have been considered and actioned well before any request to IPART for large rate increases even occurred.

CONCLUSION:

The majority sentiment of the community was to reduce or maintain services.

The least favoured option was to increase services.

This is proven by the NBC's own community survey, when figures are not combined and manipulated.

There is not a "willingness" for such an excessive rate increase within the community. NBC have chosen to ignore the true results and the community they are suppose to be serving.

While there maybe the capacity to pay for large parts of the community, there is clear evidence that cost-of-living pressures are biting across the board. The NBC's own consultants suggest 17% (5644) households could well be faced with mortgage pressures. This is not a reasonable number of affected people, despite what NBC would have IPART believe.

Lastly, the NBC has not looked at the most basic of cost containment measures that any competent organisation would pursue. Their 40% staff-to-revenue ratio is way out of alignment with benchmark figures which sit at around 20-25%. NBC staffing levels are unsustainable. And simply asking residents to dig deeper is not a cost containment measure. It is a money grab. Pure and simple.

It is for these reasons I have outlined in my IPART submission, all based IPART's own assessment criteria, that I ask the IPART panel to reject the Northern Beaches Council's application for a 45% rate increase.

With thanks.



Northern Beaches resident and rate payer for 30+ years.

Author name: L. Dainton

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The option to hike up rates in such a large jump is not reasonable. It reflects that the council has not been managing its cost over the past few years. The increase is only to cover existing services, but we have seen services decline over the past few years in relation to refuse collection and more recently vacation care services. So in fact, it is an increase for a decrease number of services. Also, the amalgamation of the councils into a single northern Beaches Council was supposed to bring efficiencies, but That doesnt appear to have played out. I think the next step would be an independent review of Counsell operations in line with the proposed efficiency gains from the amalgamation.

Author name: L. Lombard

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am against the rate hike in the Northern beaches council. We are first (new) homeowners and future parents and this hike would be too hard on us.

Author name: L. StClair

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

Northern Beaches 40% rate increase would cause untold hardship for residents, local businesses, retail shops even tenants. There must be a way to cut their expenditure increases especially wages of the senior bureaucracy. Everyone needs to make sacrifices not just ratepayers.

Author name: L. Whitely

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The older people who are on pensions will be forced out of their homes because they cannot afford higher rates and the government encourages them to stay in their homes. This will put pressure on nursing homes . Sack the CEO. What does he do? paid nearly as much as primeminister. Update some of the antiquated rules of the counci

Author name: M. Bain

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Chief Executive Officer Mr. Andrew Nicholls Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240 Dear Sir, Re: Objection to Northern Beaches Council's Proposed Special Rate Variation I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000. These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses: The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses. Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support: Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents. This approach undermines the principles of democratic representation and community engagement. Conclusion: In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Author name: M. Benitez

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

It is incredible that the people have voted with their feet and NBC councilors still ignoring what we want. Only 11% voted for the maximum rate and 51% for middle of the range. Democracy is a word non-existing within NBC. We've got highly paid CEO and staff that I don't think they are suitable for the job/s that there were engaged to do. As administrators they have failed in finance and economy's principles, yet, they move mountains of money and now they want more to cover their ineptitude. I'm not only strongly oppose to accept the 39.6% increase in our rates, but, also to have the ICCC to investigate the mismanagement of funds and whether if any of the councilors/administrators have acted improperly. The other point that I like to rise is that there is no a register for projects whether they are on target, within budget and on-time. Some of the Council project have ballooned to astronomical figures and nobody none of the wiser. Finally the entire NBC shall be sacked and investigated including the CEO + managers.

Author name: m. camp

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I wish to lodge an objection to the Northern Beaches Council proposed Special Rates Variation (SRV) submission, which seeks to increase the rates for householders a cumulative 29% over 3 years excluding the rate peg (39.6% including the rate peg). An increase in rates of this magnitude will have a serious impact on the finances of most households in the Northern Beaches area where the average income per family is \$450 per week. Land values, which rates are based on, are greater than most of NSW and mortgage repayments are also much higher. Additionally, 22% of the population are over the age of 60 and thus less equipped to absorb such an impost on their often, limited pensions. Like households, the council should concentrate on the essentials and stay within their budget. There are numerous examples of council spending rate payers money on totally non-essential activities and infrastructure. Nowhere is this more evident than in the council's 2024 strategic plan which includes a range of non-core initiatives which would be nice to have but not if it requires and increase in their budget. My fear is, the rate increase income will just be squandered on these non-essential items.

Author name: M. Condon

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

There should be an independent audit that assess the legitimacy of why such a significant increase is justified. If council executives on high salaries are unable to manage within budgets they should replaced by more competent people.

Author name: M. Cottee

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART official, On 20/11/24 Northern Beaches Council sent ratepayers a letter titled Funding our future Proposal for a Special Variation to rates. In it, CEO Scott Phillips said the annual rate peg of 3.8% has been less than half the inflation rate. He used this argument to push for rate increases of up to 46% over three years. As we now know, Australia's annual inflation rate fell to 2.4% in Q4 2024 from 2.8% in Q3, and the Reserve Bank has begun lowering rates. 2.4% bears no relationship whatever to the proposed 40% increase over three years agreed by the council in the face of majority ratepayer support for the rate peg only. I supported the rate peg only in my submission, for the following reasons: 1. Many of us are doing it tough and need to tighten our belts. 2. Council executive pay is a well-canvassed issue, so I wont go over old ground other than to say remuneration rates should be benchmarked to the Premiers, whose responsibilities, budgets etc far exceed those of individual senior council staff. 3. The falling and now low inflation rate. 4. The LGA needs to push back vigorously against State Government cost shifting. 3.8% is more than 50% above the current annual inflation rate. Does democracy still mean something? Yours sincerely,

On 24 Mar 2025, at 2:35 pm, IPART < ipart@ipart.nsw.gov.au > wrote:

Submission below:



23rd March 2025

Independent Pricing and Regulatory Tribunal (IPART)

PO Box K35

Haymarket Post Shop NSW 1240

Dear IPART Review Panel,

As residents we are writing as very frustrated rate payers of the Northern Beaches Local Government Area as we absolutely oppose the Northern Beaches Council (NBC) application for a Special Rate Variation (SRV)that will increase our rates by 39.6% over the next 3 years. This is unacceptable when we have a cost of living crisis in Australia and the CPI for Sydney for the year to December 2024 is running at 2.4%. The requested 30.6% will continue to add to the cost of living and inflationary pressure. There is absolutely no justification for this requested SRV and we would strongly recommend that IPART reject this request in full.

This is based on the following observations:

Consultation - Ignoring the majority resident view

In the survey the NBC undertook it got a high response of over 6,000 responses (unusual for such surveys). Only 11% in the survey voted for a 40% increase in rates and 51% voted for an increase at or less than the rate peg accepting this would mean a cut in services. How can the NBC ignore this strong indication of the sentiment and feedback from residents? What mandate do they have for the requested increase? Why poll residents if you are going to totally

ignore the feedback! This is not meaningful consultation as required by the IPART guidelines. Please do not approve any SRV unless the NBC proves proper consultation and they have the support and mandate from the residents.

Council efficiency and management

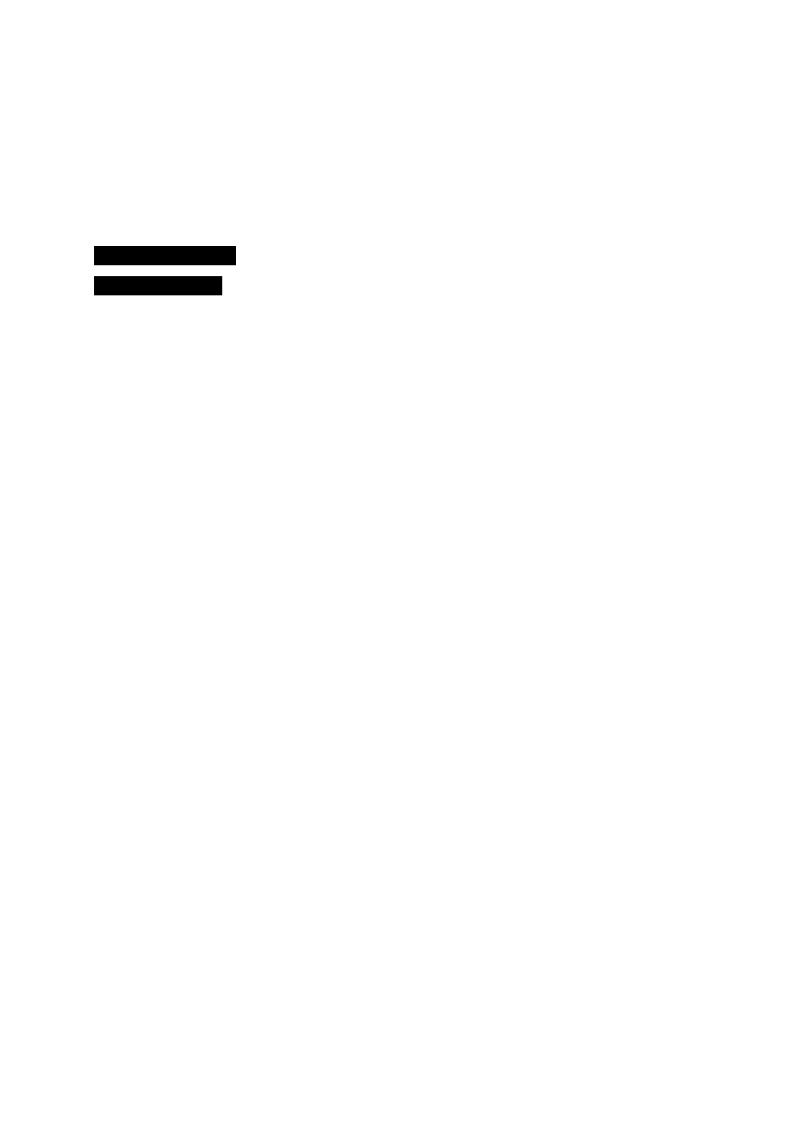
As rates are compulsory and not optional residents expect that the NBC will be managed efficiently and effectively. This primarily means prioritising the key 'must do' roles required by residents (bin collection, roads, collecting rates, park maintenance etc) and if they can and have resident support the many 'nice to do' roles/projects. In a cost of living crisis the NBC must prepare a budget based on as little increase in rates as possible within the pegged rate. The NBC has outlined a \$23.6m deficit. Why? Simply manage the council within the budget and pegged rates to deliver 'must do' services and cut back on the 'nice to do' roles and projects. If this means giving up on some current projects and staff layoffs so be it. This is what management is all about to meet and hopefully exceed the residents expectations. If the NBC was a publicly listed company it would be inconceivable they would have put forward a budget with a 40% increase in costs. Why does the NBC believe this is acceptable. The council must live within its means as all their residents have to do. It is not clear if the NBC are being managed effectively with leadership of a clear vision, strong objectives and targets rather just putting in numbers to maintain the status quo of an inefficient organisation. Not permitting the SRV will create the incentive for much needed change to meet residents expectations of and efficient well run council.

Benchmarking of Salaries

The senior leadership seems to have relatively high salaries with 111 executive staff costing \$25 million out of the annual staff budget of \$170 million. As personnel are one of the major drivers of costs. It would be sensible to benchmark salaries to ensure they are in line with other Councils equivalent organisations and businesses. If not this is a clear area that should be addressed and can bring the budget into line.

Could you please acknowledge receipt of this submission.

Yours sincerely





21 March 2025

Mr. Andrew Nicholls PSM Chief Executive Officer Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240 ipart@ipart.nsw.gov.au

Dear Mr Nicolls.

Re: Northern Beaches Council Special Variation

I write in relation to the request for a special variation to increase rates income by more than the rate peg amount by Northern Beaches Council (NBC) to the Independent Pricing and Regulatory Tribunal (IPART).

NBC is seeking a permanent increase in rates income for the period 2025/26 to 2027/28 of 39.6% under section 508A of the Local Government Act 1993.

I call on IPART to not approve and to reject this special variation request.

I do so for the following two reasons.

1) Not supported by the community

A community consultation was undertaken by NBC over two months from late November 2024 to late January 2025.

The consultation received 6,339 responses. The first preferences received:

- 51% supported Option 1 (reduce services), which is a 10.7%
- 32% supported Option 2 (maintain services), which is a 31.1% increase
- 11% supported Option 3 (improve services), which is a 39.6% increase
- 6% supported Option 4 (increase services), which is a 46% increase

I note that Option 3 was supported by NBC, despite only 11% of the community that was surveyed supported.







O Suite 8A, 12 Tryon Road Lindfield NSW 2070



mattcrossmp.com.au





Clearly, the community does not support a special variation of 39.6% increase.

I received several emails in relation to this matter. These emails include the following:

"We too are concerned about the rate rise. We are self-funded retirees. We are not rich."

"I am totally against any rate rise as council just wastes our ratepayer's money and don't care about the fact that no money is going to fix ALL the problems that the council has."

"The surveys that accompany rate hike proposals do not provide options for reduced Council expenditure and belt tightening."

"I am deeply displeased with the Council's approach, which essentially presents ratepayers with an ultimatum: agree to pay above the rate peg or face a reduction in essential services. This letter reads more like a threat than a genuine consultation."

2) Northern Beaches Council has not found savings

I am concerned NBC has not undertaken a review to find budget savings. In relation to the four options presented to the community for consultation, I note that three of the four options were for maintaining or improving/increasing services.

Clearly this demonstrates a lack of consideration for a budget review that would be welcomed by ratepayers.

I note that revelations have come to light about the financial management of NBC:

- 1) \$40 million increase on employee costs in 2023/24 compared with 2014/15. The current total spend on wages is \$159 million for 1,800 staff.
- 2) **\$14.6 million increase on contractors in 2023/24 compared to 2016/17.** The current total spend on contractors is \$74.5 million.

As we are in a cost-of-living crisis, households and businesses have to make sacrifices by finding savings.

Local councils, including NBC, should not be immune to this and should not be able to simply pass the buck to ratepayers.

Conclusion

I call on IPART to not approve and to reject this application for a permanent increase in rates by NBC.

If a permanent increase is approved, it confirms the following:

- That the consultation process is ignored, unresponsive and to be blunt, "a sham"
- That local governments do not need or are required to find budget savings, and can pass on cost-of-living pressures to ratepayers, being households and businesses.

Thank you for considering this submission.

Yours sincerely.

Matt Cross MP

Member for Davidson

Author name: M. Deuxberry

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council should keep to the RBA inflation target of between 2 to 3%, otherwise THEY are the cause of runaway inflation. Its that simple.

Author name: M. Eyre

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council rate variation application is similar to outlawed pyramid schemes where the people at the base of the pyramid fund those prosperous individuals at the pointy top, with those in between the bottom and the top taking whatever financial benefit they can for themselves. We have the Federal Government collecting the bulk of our taxes. Part of those taxes including the GST. is (unfairly) carved up with some of it handed back to the States to spend as they wish. The States receive a share of the GST according to their spending needs and their ability to raise revenue. The NSW State Government provides certain funds and grants to local Councils, but because of their own financial restraints and financial commitments, that funding and much of those grants has either been withdrawn or drastically reduced. The shortfall for Councils means that they can no longer fund all that they dlike to spend. They then turn to the rate payers to pay for the shortfall in their income. Rate payers are at the bottom of the pyramid scheme. They too are struggling with their own financial commitments, hoping that whatever income stream they have will allow them to have some quality of life. But in a cost of living crisis, the financial quality that they may have once enjoyed has quickly become a financial burden. The special rate rise variation is one such financial burden. Individuals are cash strapped and need to pull in their belts one or two more notches just to survive and not have to sell their most cherished possession, their houses. Council is highlighting the financial burden that they have, due in part to the reduced State funding that they once enjoyed and also due to poor fiscal management. But they are not at the bottom of the pyramid, and they too are doing their best to maintain their own individual life styles, expecting their wages to keep increasing each year, all at the expense of the rate payers. Council tell us that they are doing everything in accordance with the complicated rules, procedures and practices set up by IPART as well as other legislative laws that they are required to follow. Each of the individuals who work for IPART, as well as other State agencies, are doing what every other person in the State is doing, concentrating on their own quality of life that must come at the expense of others. Its all part of the pyramid scheme, and its unfair for those at the base. Its a dog eat dog world. Its also a completely flawed Government system that needs to be remedied. It can only be remedied by those various agencies, including IPART, doing some intense house work to streamline their operations with the aim to reduce their own costs. That may well mean that many working within those agencies will become redundant. Mass sackings are planned for the public servants in the USA, aimed at saving trillions of dollars for the Government. If Australian Governments, including local Councils, cant, or more accurately wont, take all necessary steps to cut costs and spend their reduced income wisely, they too must be wound up. In the case of Councils, they must be placed into administration where only the basic services are provided and its only the basic services that rate payers want, not the fancy frills and whistles type unnecessary events that provide photo opportunities for the Mayor. IPART, the ball is in your court and you need to show compassion for rate payers, particularly during these harsh times when income is under intense pressure, with a dollar not buying the things today that it could buy just a few years ago. Northern Beaches rate payers have spoken loud and clear. No rate rise. Councils surveys are structured so that a yes or no answer has to be justified by answering additional questions designed to lessen the impact that a no answer serves. Somebody in Council is being paid to manipulate Councils own customer surveys to better suit Councils goals. This is fraudulent behaviour. Northern Beaches rate payers gave Council and their Councillor representatives a clear mandate to NOT increase rates. We were deliberately ignored. So now Council has come to IPART, referring to your guidelines as their means of deflecting all blame and enticing you to overrule any rate payer mandates in favour of providing more funds for Council coffers to waste on more unnecessary projects..and of course, to keep their own high paying jobs.

Author name: M. Ferguson

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I wish to lodge my objection to the Nthn Beaches Council request for a rate rise, over and above the IPART recommended increase. Consultation with Council particularly in seeking information about one of the options offered eg. Reduced Services was not open or forthcoming. At no stage did Council articulate which services would be reduced notwithstanding multiple requests. This implied threat to reduce services appeared illogical considering the yearly budget surpluses Council has been achieving. Moreover, much of the information about why rates needed to be increased related to future asset maintenance issues and spurious carrying costs associated with Covid and debt from Council amalgamations. Surely asset maintenance is a fundamental aspect of a Councils budgeting processes and the cost impact would be well known. What was the role of IPART in assessing and then recommending its much smaller increase? Surely all of these factors (including asset maintenance etc) is taken into account in its recommendations. In my view, firstly, Council did not justify the increase and the consultation process appeared pre-ordained. Secondly, Council did not clearly articulate the options and impacts that residents were asked to vote on. I again request IPART to disallow Nthn Beaches Council submission or request that they at least clearly identify which services would be reduced is that option (Reduced Services) had been chosen. Thank you

The Chief Executive Officer
Mr. Andrew Nicholls
Independent Pricing and Regulatory Tribunal (IPART)
PO Box K35
Haymarket Post Shop NSW 1240

Dear Sir,

Re: Objection to Northern Beaches Council's Proposed Special Rate Variation

I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years.

This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses.

Australia wide Suspected Deaths by Suicide were up 56% in November 2024 on the previous month. This tells me that people are really struggling financially, worrying about how they would afford Christmas etc.

55,000 people Australia wide have attempted suicide in the past year.

Northern Beaches council simply **can't** put more pressure on families.

Financial Mis-management and Extravagant Expenditures is the issue here.

The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility.

Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 per annum.

These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates.

Economic Strain on Residents and Businesses

The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses.

Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being.

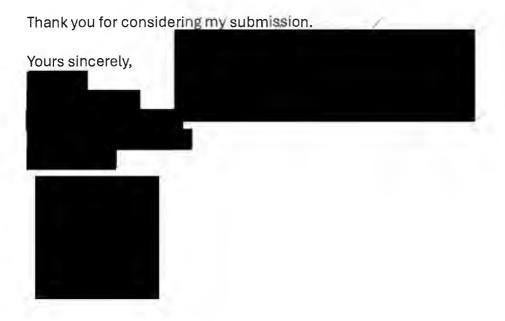
Lack of Community Support

Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents.

This approach undermines the principles of democratic representation and community engagement.

Conclusion

In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers.



Author name: M. Leabeater

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the proposed rate increase for the following reasons: - Council has not adequately addressed their own inefficiencies (excess spending) before considering asking residents to pay significantly increased fees. A number of mismanaged projects have been seen in recent times (eg traffic changes along Manly beachfront which resulted in abortive work due to no community consultation and inadequate planning). Salaries and staff numbers (particular manager to worker ratio) are excessive when compared to other councils. Council has not adequately demonstrated that there are no alternatives to the rate rise. - The letter to residents regarding the proposed rate increases was deceptive and misleading, making a large rate increase appear inevitable and acceptable, when this is in large part caused by councils own issues. Only 4 options were provided which were framed in such a way to be fear-mongering and lead people to vote for at least a 31% increase. Additionally, the review period was over Christmas, with a submission close date of 12th January, a time when many people were distracted by the Christmas break / holidays and were not back at work. - The community did not support the 40% rate increase that council voted in favour of.

Author name: M. Palme

Date of submission: Monday, 24 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).
Get rid of councillors and bring back an administrator. The money paid to councillors could then be used appropriately on the services required. This includes the massive salary paid to the CEO. Council's summary of its income for 2024/25 identifies that 39% (\$165.5 million) of the ratepayers' funds are to be paid in "Employee benefits and oncosts". This must be reduced. And to have \$12.4 million spent on "other expenses" is a ridiculous use of the money paid by ratepayers.

Author name: M. Paul

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The recent survey by council which was sprung upon the community was carefully constructed to force a limited response... there was no opportunity to select "Other". Even so, council chose the 11% response to adopt, totally ignoring the 80% plus who objected to this. Council has not made it clear where they propose to cut costs and become more efficient. Why do they constantly send out emails inviting us to have our say when they ignore us when we do say something. It was a mystery as to where all the money was going - until external sources exposed the unusually heavy overload of managers. Given that we have 2 levels of government already to do strategic things, we need councils to do basic things, like keeping the place clean, maintaining roads, cutting grass, collecting garbage, trimming trees where needed, etc. Since we merged councils, efficiency and cost savings have not improved as was promised. It has not saved money, and has not improved services or protected the environment. In fact, the tree canopy is disappearing, and no constraints on environmentally sympathetic development seem to exist. There has been too much focus on unnecessary projects. These include changing our towns, and imposing cookie cutter "projects" like "streets as shared spaces" across the board, ignoring local input. Trying to force bike lanes onto congested roads, in an area where shoppers, mothers with prams and children need to drive because of the hilly terrain all show that plans are being devised without local and practical knowledge. Where they have started these projects it is now a mess. Then there are the grandiose plans for replacing Warriewood... it was shabby but it worked. And commissioning artists to come up with ludicrous signage for Mona Vale headland, carving images of Mitch Farrelly into pristine sandstone etc. The simple footpaths that we have requested in high traffic areas are not forthcoming. Instead, there are miles of unused new foothpaths in Newport. Who decides these things? The projects are too arbitrary, expensive and random, and residents haven't heard, nor can they see, how they benefit the community. Any suggestions to have an external entity to review the council structure, staffing, expenditure etc are rejected, with the rationale being that the State government has approved them - which is not the kind of business efficiency audit that is needed. It is imperative that the council accepts a real, independent external audit, aimed at greater efficiency, stringent cost saving measures, and focusing on accepting and addressing community needs. Thank you for the opportunity to express my concerns.

Author name: M. Regan MP

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I accept a special variation may be required to continue to meet the level of services the community of the Northern Beaches legitimately expects. However, I do not agree with the extent of the rate rise which Northern Beaches Council has applied for. The proposed increase of 39.6% over a 3 year period is seen as a very significant increase to be borne by households and businesses at a time when so many are already facing significant financial pressures. Instead, I encourage IPART to endorse a rate rise consistent with Option 2 proposed to residents and councillors to maintain services. Please see my detailed correspondence attached for further details.

To whom it may concern,

Thank you for the opportunity to make a submission on the Northern Beaches Council application for a special variation to increase rates above the rate peg amount.

I accept a special variation may be required to continue to meet the level of services the community of the Northern Beaches legitimately expects. However, I do not agree with the extent of the rate rise which Northern Beaches Council has applied for.

The proposed increase of 39.6% over a 3 year period is seen as a very significant increase to be borne by households and businesses at a time when so many are already facing significant financial pressures.

Instead, I encourage IPART to endorse a rate rise consistent with Option 2 proposed to residents and councillors to 'maintain services'. The reason being, is that if I accept the Council numbers are correct, add to that the fact that people are struggling, and it will be businesses that will pay more, not the landlord who simply passes it to the lease holder (small business).

I think that ultimately the Council should only collect what it needs, not worry about building additional infrastructure it will then need to maintain, and it should look very closely at their Property Register. If new projects are deemed essential, there are numerous surplus properties that could be sold to fund them — noting that any new builds will also increase the depreciation line. My point is that if new projects are assessed as essential, there are other means of funding them rather than increasing the rates. The IPART variation should only be for maintaining existing services until such time as Council has a proper conversation with the entire community and decides what - if any - services should be cut.

My over-arching concern is that the community has not had time to consider all the options, including the option to reduce services. An appropriate consultation where all stakeholders feel engaged and where all data and scenarios are discussed and explored would likely take a year and may never reach consensus. Until such time as that consultation takes place, the baseline of any increase should simply be calculated on the accurately reported depreciation line.

I do not believe there has been sufficient communication with the community about cost cutting efforts to date, explaining where savings have already been made and demonstrating where those savings have been reinvested.

The reality is that council rates are rarely understood by our communities and few people can actually tell you how much they pay let alone what the split is of Waste levy and Land rates. They see the one collated amount on their annual notice and believe there will now be a 40% increase on that figure. And as you would appreciate, it is complicated by the fact that the individual land values fluctuate. So in the past, where some peoples rates go up, others go down.

Council has done a lot of work since amalgamation to pay off the loans of 2 Councils, Pittwater and Manly, and reinvest back into closing the gap of the infrastructure backlogs that were frankly embarrassing and scary for Pittwater and Manly. One example was the Church Point car park that Pittwater could not afford to build despite significant capital cost being borne by residents set to benefit. Or the Mona Vale Surf Club that needed to be condemned and rebuilt (\$11 million for that one alone). Then there was the emergency Order Council had to serve on itself to fix a well used public wharf that cost over \$2 million to repair. Manly and Pittwater had in essence fudged their depreciation lines in order to fund other projects or services. The new Council had to address this, make savings (close to \$29 million pa) and merge 3 workforces of varying capabilities — not to mention 3 very different and critical IT systems into one. It all costs. And when you do transparent and robust forward financial planning, you need to be honest — but also take the community on that journey. I am not sure that the Council has done this in this instance.

More broadly, IPART and the State Government should also look at what loopholes Councils use across the State to provide unrealistic budgets. The depreciation is the first (and probably the only) place to look. Most Councils use this as a way to make themselves look good which has a detrimental impact on the those councils that do the right thing and report their depreciation accurately.

Also, the adverse financial impact of cost shifting is universal. The waste levy that Northern Beaches Council pays is over \$13 million a year yet they only receive back less than \$500,000 - if they are lucky. One of many examples of cost shifting onto local government; and one that the community does not even know about.

It's time for State and Federal Government to pay their fair share and end cost shifting. BUT, Councils need to properly account for their assets in particular. The depreciation is the first area that needs to be examined. I look forward to working with government to make the changes that Local Government needs to be financially sustainable. The State Government could start by fully implementing the recommendations of the Parliamentary inquiry into the <u>Ability of local governments</u> to fund infrastructure and services. That report was handed down in November 2024. The government response is now a month overdue but we all eagerly await their response and action.

State and local government should both first look internally for savings and improved practices before hitting up the ratepayers for more funds. I look forward to working with both levels of government to deliver the services the Northern Beaches community expects and deserves.

Author name: M. Rogers

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council have not adequately communicated to its ratepayers the need for an special variation to the rates. They chose to send a survey to residents in late November with completion in December. I consider this an unsuitable time given it is the end of the school year and a period where people are going on holiday. They also held the special meeting to approve the submission to iPart in January when many ratepayers are on holiday. Further to this, they then ignored the feedback from the ratepayers survey that indicated they did not want increased services and costs. The need for additional expenditure is vague and unspecific. They cite maintenance backlogs and asset renewal but the detail behind this is not evident to the public. Have they assessed all assets appropriately in respect to their ongoing necessity? No detail has been made accessible to the public for this. Where have they provided evidence of sustained productivity improvement and cost cutting outcomes. They have not demonstrated their actions undertaken to reduce expenditure and cut costs in any way. There are many, many examples of inefficiencies such as the Manly Art Gallery which has lost in excess of \$600,000 and up to \$900,000 every year over the last 6 years. Why is this allowed to continue to operate at such a significant loss? The council completed an assessment (at some cost) that ratepayers can afford to pay. So rather than apply prudent financial management in the first case, they have just stuck their hand out and said you can pay. Asking ratepayers to pay more should be a last measure after a series of appropriate focuses not the first line of attack. The Northern Beaches area would have a large number of retirees who may be asset rich on paper but have restricted incomes. There are also many families who will be suffering in the current cost of living crisis. If the council had demonstrated a comprehensive cost and improvement regime and appropriately justified asset renewal and maintenance needs, ratepayers would not be so surprised and shocked at this variation. They have failed to inform their ratepayers, justify the reasons additional money is required and prove that they have the capacity to provide proper financial management and control.

Author name: M. Simpson

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council has already asked the rate payers to tell them what percentage increase they wanted and what we could afford. So rather than except the majority vote which was the lowest amount, They voted for the maximum Given their very poor performance in maintaining the infrastructure of the local area, in our opinion theydo not deserve the extra income, Especially given the salary of the CEO and management. I would also like to point out that being a Self-funded retires makes it hard for us to find any extra funds for this council to waste.

Author name: M. Tasker

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council has not met need to increase rates. It has sufficient funding to carry out the existing work. Based on your criteria there is validity in council seeking 300 billion dollar increase. Patently obvious you have financial and governance obligations for public expenditure. IPART exposes itself to investigation of fraud and severe misconduct.

Author name: N. Manfield

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly oppose the increase in rates by Northern Beaches Council. The council has mismanaged the running of the council area since it was amalgamated from Manly, Pittwater and Warringah. Despite inheriting a substantial sum of money from Pittwater we now see that through mismanagement we are in the red . When were were forced to amalgamate we were promised lower rates and that bigger councils were more cost effective. Utter rubbish! The council has not been open and transparent with its ratepayers and tried to dupe people about the rate rise at Christmas time when everyone was busy. The performance of the elected councillors and paid senior staff at the most recent meetings has been so unprofessional and shown great contempt for the ratepayers.

Author name: N. Moulston

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The rate rise is not required, what is required is a forensic accounting of our current spend, cuts to salaries of our representatives, and a re-budgeting of finances. A \sim 40% rate rise without an understanding of what this rise will give to the constituents of the Northern beaches is a gross overstep by our representatives. There has been zero consultation.

Author name: N. NOLAN

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object to the application by Northern Beaches Council for a Special Rate Variation on the following grounds: 1. NBC has made no attempt to minimise expenditure by eliminating unnecessary expenditure. Council's primary responsibility is to efficiently provide essential services, not to attempt to provide services which can be more efficiently provided by external market providers. 2. NBC's attempts to seek public feedback on the proposed rate rises drew substantial community opposition which Council then proceeded to ignore. 3. Council staff presented the case for the SRV to councillors as a "take it or leave it" position with little opportunity for councillors to debate the merits. 4. NBC staff have made no attempt to reduce costs by reducing staff numbers, nor to reducing costs by reducing excessive wages and salaries paid to council staff. 5. NBC have failed to provide evidence for the need for the additional income. They used an earlier uncosted survey of the community's expectations for Council priorities to then justify the costs of providing those services. If they had provided estimated costings for the provision of those services, they would almost certainly have come up with a different result. It was the classic "pea and thimble" trick. 6. NBC have ignored the potential financial impact on ratepayers in this period of high inflation and difficult economic circumstances. 7. NBC have made no attempt to achieve productivity improvements and cost containment strategies. Since amalgamation council costs have increased alarmingly, particularly through the hiring of additional staff, many on highly inflated salaries. 8. NBC staff have made no attempt to prioritise expenditure to those issues which are essential to the provision of essential services and eliminating non-essential services. In summary, council have failed to meet any of the necessary criteria to justify a Special Rate Variation and IPART should refuse it.

Author name: P. Birrell

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

When amalgamation of Manly, Warringah and Pittwater Councils was being considered, a major selling point was that a larger council would achieve economies of scale and thus result in reduced rates for residents. The new Northern Beaches Council appears to have reflected the larger council size in the number of Managers and their associated salaries but not a reduction in the cost base and thus reduced rates for residents. An in-house assessment that a significant rate rise is the solution fails to address this as one cause of the current council's dilemma. An independent Audit is desperately needed to identify non-essential "services" and bureaucratic consolidation that would make good the promise of economies of scale. I do not agree with the Council's application for any rate rise unless and until this audit is performed, the results made public and ratepayers given the opportunity to provide feedback in a transparent way.

Ratepayer Northern Beaches

Author name: P. Brown

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The increase started out at 43%, and is down to 39.% which is still ridiculous. The council was going very well with the last mayor, but with amalgamation of other councils there doesn't appear to be enough cash to operate properly especially since the council CEO is on a salary of \$544k. This is a lot more than the PM who has already been in trouble with paying civil servants far too much. I don't know how much other CS get paid in this council as it is kept very secret. This council has recently put in a brand new fantastic wharf at Taylor's Point and is going to put in another at Macherel Beach for \$938k. This is before any rate rises. As the saying goes, "follow the money " and I am sure you will find that some people are being paid too much, and ask them like crazy Musk to explain what 5 things they did last week, etc. The CEO should know if there are too many employees and get rid of excess ones. A bit more information about financial figures would help the public see if the rises are required or not.

Author name: P. Holt (Dr)

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The NBC has failed to protect the environment in Pittwater. The budget for weed control has been inadequate. Why should ratepayers, particularly those in Pittwater, pay extra, when the basic environmental duties are not undertaken, and vandalism is endemic. Instance the bulldozing of the Avalon sand dune, the mowing over of newly planted native species, and the cultivation of African Olive weed trees around Avalon Golf course. The organisation is incompetent and wasteful. Instance the unecessary replacement of all plastic bins. Does one of the councillors manufacture bins, BTW? They don't deserve any more funds from ratepayers. The Pittwater Council managed well, with no deficit of funds. Bring back Pittwater Council.

Author name: P. Lamborn

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

the special variation should be delayed at least. the council indulges themselves in various activities that are not essential to their mandate, and in my opinion, not worth the time and money. for example food and drink at council meetings, community food events, various personal events (for females, trans gender etc) should be made user pays. that way, the ratepayers who want these events can pay for them, rather than ratepayers like us who do not use or attend these events, but are still slugged for same in our rates. the special variation is not fair to retirees like us.

Author name: P. McCarthy

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The 39.6% rate hike cannot be approved. Ever since the amalgamation the council has always posted a surplus. Where is the justification for a rise of this amount? Perhaps the CEO needs to conduct a review of the council and come up with an alternative. They could look at the almost 1800 staff members and contain costs by getting rid of the dead weight. Or look into the staff members earning more than \$2.8M combined per annum. There are many other avenues that could be taken. They also have more than 100 people in a manager or director role - too many chiefs. There is so much financial mismanagement within that organisation. There are loads of ways to save money that they could undertake

Author name: P. O'Prey

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

While the council did send out a survey ahead of the proposed changes, it feel like this was a sham process to simply tick a box and there was no option to choose keeping rates as they are and reducing spend in other areas. It appears that over the years this councils wage bill has grown far in excess of inflation and certainly has not been reflected in any increase in services or infrastructure provided. There simply must be areas of overspend and inefficiencies that should be tackled to find other source of funding. The proposed increases are simply unaffordable in todays environment and, in my opinion, cannot be justified under any circumstances.

SUBMISSION TO IPART OPPOSING NORTHERN BEACHES COUNCIL'S SPECIAL RATE VARIATION.

Submitted by:

Date 12 March 2025

Introduction

I am writing to formally object to Northern Beaches Council's (NBC) application for a Special Variation (SV). While I acknowledge that NBC has followed the procedural requirements and produced IP&R documentation required by IPART, I believe the application should be rejected on the following grounds:

- 1. Inadequate Exploration of Existing Services Reductions or cuts
- 2. Rejection of Organisational Structure and Salary Review
- NBC's application includes discretionary spending which should be financed from standard IPART rate increases and prioritising service delivery.
- 4. Failure of Legislative Obligations.
- 5. Design of Community Consultation and Survey
- 6. NBC's stated comments on Representation on Survey results.

1. Exploration of Existing Services

A critical requirement for IPART approving an SV is for council to demonstrate that all reasonable measures have been taken to improve its fiscal performance and manage its financial sustainability **before** resorting to rate increases.

Although NBC has prepared a Productivity Journey and Improvement Plan (PJIP), the plan "cherry picks the easy fruit". It has not undertaken a deep dive evaluation of the necessity, frequency, demand and costs of current community services, programs and events, including services that are the

responsibility of Federal or State Governments. **Alternatively, an audit of all council run services, programs, events and facilities to identify areas where usage is low could be a first step to achieving immediate savings.**

NBC does NOT acknowledge the need for such a review, rather it proposes only a "moderate level of service reductions". See PJIP page 19.

The Productivity Journey Improvement Plan (PJIP) outlines some areas for evaluation however its submission states the review will be an ongoing process over the next 3 years. Stated savings for 1 to 3 years are expected to be \$4.115m and after 3 years a further saving of \$4.976m, a total of around \$9.1m from an **expenditure budget of over half a billion dollars.**

More detail of this process is stated in NBC's Service Review Framework - May 2024 sets out a 3-stage process. Not only is the process so detailed and unnecessarily exhaustive it is no wonder the timeline is long and too slow to achieve significant savings to have an immediate and significant impact on its finances. The cost to ratepayers of this process will be significant.

If a public company took this view when in financial difficulty it would be in liquidation well before it got to carry out its plan.

A three-year plus process suggests that NBC is not in an urgent financial crisis as it claims and does not require its requested SV.

If council truly believes in the urgency of its application, then NBC should fast-track and expand its internal review within a timeline of 12 months before seeking an SV.

If NBC council feels it cannot achieve such a program, then IPART should recommend to the NSW Government to appoint an Administrator.

2. Workforce Structure and Salary Review

Despite calls from councilors and ratepayers NBC has rejected a comprehensive review of its workforce structure and salaries and therefore fails to exercise all opportunities to reduce its expenditures before seeking an

SV. This review should not only examine salary expenditures but also focus on;

a) Actual Types of Work Performed by Employees

The review should assess what proportion of the workforce is engaged in planning and policy development verse those directly involved in managing and implementing services that benefit the community in real time.

b) Effectiveness of Planning Projects.

NBC should provide evidence that planning and policy initiatives lead to tangible beneficial outcomes for the community rather than simply increasing bureaucratic costs.

c) Prioritising of Implementation Over Planning.

If a significant proportion of staff is focused on planning rather than delivering real time services, NBC should reassess its workforce allocation to ensure resources are directed toward projects that produce immediate, measurable benefits for residents.

d) Salary and Wage Costs

The Budget report 24/25 indicates NBC employs 1301 with an annual cost of \$171mil including 11 executives with a combined salary of expenditure of over \$25mil suggesting room for cost saving optimisation.

NBC state in their Productivity Journey Plan that "council will continue to focus on workforce efficiency in the same manner that it has to date". Furthermore, "Council will review over the next 3 years and where feasible improve its organisational design to ensure it is cost effective, has an optimal structure to deliver efficient community services and infrastructure in line with the Community Strategy Plan".

This statement does not give confidence to residents and stakeholders that NBC takes seriously its financial responsibilities, preferring to make conforming SV applications rather than make hard decisions on itself.

3. Misalignment Between the Stated Justification and Fund Allocation

NBC has justified its SV application on the basis of ensuring long term financial sustainability. However, only 17% of the proposed 29% SV increase is allocated toward Financial Sustainability (see Special Variation Form Part B page 5 Q3) with the remaining 12% funds directed toward discretionary projects. Environmental and natural risk accounts for 4% and whilst important, NBC should seek dedicated government grants or partnerships specifically aimed at environment projects, reducing the need to draw funds from general rates.

The remaining 8% is for new/additional services. These enhancements to services and infrastructure should be financed through efficient budgeting and reallocation of existing service funding, ensuring that critical projects are prioritised within its current budget framework.

If financial sustainability is the core issue, NBC has NOT demonstrated why a full 29% SV increase is necessary rather than an increase limited to the 17% financial sustainability component. Any allocation of ratepayer's funds to discretionary services and projects undermines the claim that the SV is essential for the council's long term financial health. This demonstrates that NBC is taking the opportunity to "grab additional funding" via an SV under a headline narrative of sustainability.

4. Failure to Fulfil Legislative Obligations

NBC has stated in its 28 January 2025 agenda (item 7.1 page 11 see attached) that it has an obligation under LGA 1993 section 8B to ensure financial sustainability. However, it simultaneously admits that over the past four years, the infrastructure asset backlog has deteriorated (item 7.1 page 12 see attached) whilst prioritising new and improved community infrastructure and services over obligations of financial sustainability raising serious concerns about its financial management.

5. Concerns Regarding the Design of the Community Consultation and Survey Result

5.1 The Design. Serious questions arise regarding the design of NBC "opt in" Community Survey which appears structured to produce a predetermined result in favour of an SV. This is evidenced by the use of "Motherhood Statements" - "vague, feel-good platitudes that generate widespread agreement without offering detail or comment".

In the survey respondents were asked to rate the **"level of importance"** on various services and facilities including;

- Improving roads and expanding footpath programs
- Maintaining existing assets and service levels
- Investing in natural risk reduction programs, such as stormwater works and bushfire protection

By framing the questions in this way, NBC did not provide respondents with a genuine choice regarding whether rates should be increased or not. Instead, the survey led respondent's toward agreeing these services are important – something very few people would dispute — without stating that respondent's answers would be used to support an SV rate increase as

"willing to pay more". Furthermore, NBC did not offer alternative funding solutions or allow respondents to indicate whether they prefer budget reprioritisation over higher rates.

NBC used the same process of rating levels of support from "Very Supportive to Not at All Supportive" for the four options – each having different SV rates attached. Again, NBC did not state their intention to combine the results for Options 2,3 and 4 in support of their case that the community was "willing to pay more" for services. Interestingly, "willing to pay more" used by NBC is a concept that has no credibility unless it is stated in the prelude to the questions, which it was not, and is a deliberate methodology to appear to conform to community consultancy guidelines but to sway results to appease an NBC result.

5.2 Survey Results

The result of this process was NBC could state that 49% of respondents were in favour of an SV with option 2 receiving 32%, option 3 only 11% and option 4, 6%. This contrasts with **51% of survey respondents** selecting Option 1, no SV and to reduce services. Moreover, the above opt in survey result of 51% against an SV **DOES NOT** include the 467 email/written submissions received directly to NBC whereby 64% selected no SV in Option 1 meaning that NBC has intentionally misrepresented the results by **not including** these submissions in the overall first preference result.

Unfortunately for NBC the predetermined result that it wanted from the community consultation via its surveys, even with its misrepresentations and bias did not quite get up to its desired option 3 (only 11% of the vote) so it had to after all of this analysis and so-called consultation and \$172000 spent, NBC decided it would choose option 3, an 8% per year SV, overriding any reasonable assessment of the consulting process result.

Yes, legally NBC can override the result, but should it exercise this right without first fast tracking a comprehensive review of expenditure?

6.NBC IP&R documentation - Community Strategic Plan 2040 etc.

NBC's IP&R documentation within its SV application commonly refers to its CSP as justification for community needs, desires and support for its current and future wanted services and infrastructure. The development of the CSP since its inception in 2018 shows the initial CSP received 848 community submissions. In 2022 its first revision recorded just 55 submissions and its latest update in 2024 received 190 submissions.

It follows that if NBC considers the CSP to be its leading indicator, given its low participation numbers determining what the community needs and wants are and uses this document to pursue funding for its initiatives then when 6389 submissions are received for a SV and NBC state and I quote from its Community and Stakeholder Engagement Report – Funding Our Future 28 January 2025 report page 17 of 30 "In considering the views expressed in the engagement results it is important to note that they are NOT representative as they represent less than 6% of all ratepayers, less than half of the people who used the online calculator and just 15% of individuals who engaged and browsed the project page".

What does this statement say about the CSP and IP&R documentation and NBC's decision to go against the community's wishes of cutting costs and reducing services.

7. Recommendation

Although NBC has followed the procedural requirements and produced IP&R documentation required by IPART, the concerns outlined above suggest that its application may not be justified without first addressing the issues raised herein.

I would ask that IPART consider the following:

1. Reject NBC's application in total.

as it has not reasonably exercised all its opportunities to reduce its expenditure before burdening ratepayers with a steep increase.

NBC's Productivity Journey and Improvement Plan - May 2024 does not demonstrate its commitment to pursue future savings in quick time

NBC's Part A table 8.1 Income & Operating Expenditure Balance shows the cumulative effect of just the proposed SV increase, without any income from yearly Peg rate increases, will raise additional income of \$551.9 Mil (more than half a billion dollars) over the next 10 years. Given that this program of expenditure is based on the Community Strategic Plan and other IP&R documents (which leave some specifics without detail, raising unanswered questions) with very low community participation, it clearly shows NBC's intent to continue its unrelenting spending forcing ratepayers into accepting and paying for services and infrastructure the greater majority do not need or want. Table 8.1 shows at the end of 10 years NBC has spent \$9.4 Mil more than the income it received from the SV increase. With all this funding it still can't show just a little financial restraint.

In 2023 NBC received an ASV of 2.4%, demonstrates its inability to adjust its expenditure for changing economic circumstances that all governments, corporations and citizens must do.

NBC's Community Consultation process was biased towards a predetermined result, questions were misrepresented to lead respondents to a specific result that supported NBC's preferred SV option.

NBC's form and narrative of the consultation results discounts the community's majority choice for Option 1 – no SV.

Misstatements and comments made to IPART within the application on the participation rate of the consultation results as being not representative of the community highlights the underhandedness and arrogance of NBC

especially when it receives thousands less submissions for its CSP and other documentation.

NBC's decision to override the community consultation results and choose the third least favoured Option 3 – an 8.3% SV, confirms the process was set up to obtain a predetermined result.

2. Consider Alternatives to a full approval of SV

Consider the urgency for approving an SV and whether it could be **deferred in full** until an in-depth service and expenditure review be carried out over the next 12 months.

Consider the deferral of the sustainability proportion SV increase for one year to allow NBC to fast track potential cost saving - i.e. 17% of 29%

If IPART accepts that NBC submission for financial sustainability cannot be postponed, then only the sustainability portion be approved. - i.e.17% of 29%.

Reject the discretionary proportion of the SV (12% 0f 29%) as NBC's "business as usual" Productivity Journey and Improvement Plan, Delivery and Operational Plan documentation show no serious commitment to finance its discretionary expenditure through efficient budgeting and reallocation of existing service funding, ensuring that critical projects are prioritised within its current budget framework.

Given the increase in SV applications over past years and last year's parliamentary inquiries into the future funding of LGC's, there is the potential for income models to be changed which may result in NBC gaining additional income from a new rate calculation methodology/system. A new rate calculation may include adjustments for past deficiencies in the Peg rate, cost shifting adjustments etc. and/or expansion of council ability to generate income. In anticipating of this occurring, and if IPART unfortunately sees fit to approve some form of NBC's SV, IPART must place a caveat on its approval to ensure that NBC does not gain an advantage at ratepayers expense to

"double dip" from any potential change in the way rate income is determined in the future. As NBC's SV application covers a ten year period any "double dipping" during this period as determined by IPART should be deducted from future "Peg Rate" increases.

3. Public Interest

IPART's assessment process can make decisions in the public interest. With 6 councils making SV submission this year, all claiming financial sustainability issues and requiring extra funding for discretionary projects and services it is little wonder the number of councils making SV submissions over recent years has increased substantially.

There are many reasons for the increase but what is obviously lacking from council Executive Administration is financial leadership and financial control. Councilors, in general do not have the expertise to perform this function and therefore it must fall on the Executive Administration to take on this responsibility. The Executive Administration also drives initiatives together with the elected Council, but as economic circumstances change, Executive Administration must take responsibility to curtail expenditure. The rise in SV submissions clearly identifies this does not happen. Instead, Council Executives convince councilors that they can get extra funding without having to look at reducing and cutting services costs, so they resort to applying for SV's. This works particularly well for the large councils as they have the expertise and resources to make detailed and conforming applications that make it difficult for IPART to reject. This repeating circle of council overspend and SV application, and in some instances, administrators appointed every few years, is of major concern to ratepayers. The continual increase in council rates is excessive and unsustainable for ratepayers something that councils do not have to deal with because they just make an SV application.

Simply put, it is all well and good to have excellent services and infrastructure but at what cost to ratepayers. The ability to pay is not a valid measurement. Ratepayers from many LGA's are challenging excessive increases only to see

IPART approve most SV and State and Federal representatives talk a lot but do nothing. Unlike State and Federal governments where politicians are reasonably well known along with policy, local councilors are not, and voters generally have little interest in local affairs. At election time Councilors throw out one-line sentences on "what they stand for" with no detail. This situation is creating a high level of disillusionment in local government in particular, its mandate that it can do and spend ratepayers' money in any way it wants provided it is not illegal and is for the benefit of the community. This is an extremely wide expenditure license and as such over the years the services and infrastructure portfolio has expanded to the extent that every service, function and infrastructure is now council's core responsibility. As the portfolio has expanded so has the cost to manage it so what was once the main function or "core" of councils expenditure, local roads, footpaths, parks, swimming pools, development and building approvals, garbage and waste and a few other commonly accepted responsibilities which were mostly seen as activity functions, responsibilities now include wellness, culture initiatives, art, health, childcare, environment, affordable housing, transport, child care and a million other planning initiatives all driven by executive administration staff who find ways and reasons to put various initiatives forward. Many of these initiatives are determined by a minority of residents via the CSP (commonly known as the wish list) and various IP&R documentation. The bureaucratic costs involved are now huge.

Additional to the recommended points 1 & 2 above, IPART can make a public interest decision and reject an SV when councils cannot demonstrate reasonable restraint within the confines of their prior and future annual expenditure budgets. This would ensure councils focus would be on sound financial management in addition to providing priority services and infrastructure. I would ask IPART to consider this avenue of assessment regarding NBC's SV and reject its application in full.

Thank you and kind regards.	Should you require
any further information.	

necessary working capital to manage unexpected events, a scenario which is not sustainable and without intervention will continue to reduce services to the community.

The Asset Management Plans require an additional investment of \$15.1 million per year to maintain and renew existing assets, along with \$10.4 million per year to uplift service levels and provide high priority new assets required by the community.

The LTFP at Attachment 3 explores alternative scenarios to strengthen Council's position in the future and address these funding gaps along with options to improve services through a special variation to rates.

To assist with Council's rising costs, service demands, upkeep of assets and to meet ongoing financial sustainability needs, Council should apply to IPART for a special variation to increase rates above the pegged annual increase.

Financial sustainability outlook

Council has a responsibility, under the *Local Government Act 1993* (Section 8B and Section 223(1)(c)), to ensure as far as possible the financial sustainability of the Council, including effective asset management and achieving intergenerational equity. This requires Council to take such decisions as are necessary to achieve financial sustainability and consider the financial effects on future generations.

Council's financial results over the past 4 financial years reflect the impact of COVID-19 pandemic restrictions on operations, the support measures in place for the community and the recovery process. The net cost to Council of the COVID-19 pandemic was \$41 million.

Other significant events placing pressure on Council include storms, flooding, and bushfire threats. In the past 6 years the Northern Beaches experienced seven natural disasters at a cost of \$15 million, of which \$7 million has been recovered (to 30 June 2024) from the Federal Government Disaster Recovery Funding Arrangements.

In 2023/24 the Emergency Services Levy alone increased by \$3 million to \$9 million, equivalent to a \$30 increase per ratepayer. Council was required to reduce infrastructure spending by \$3 million per year to fund this cost increase.

High inflation and price volatility, combined with the historical lag in the rate peg, are resulting in a growing divergence between costs and rates income.

Key financial and asset management performance ratios are weakening. Income levels are no longer sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets required by the Asset Management Plans and provide the necessary working capital to manage unexpected events.

Council has made positive and sound financial management decisions over many years which enabled Council to deliver significant projects, support the community during the COVID-19 pandemic and several natural disasters and invest merger savings into improved services and infrastructure to meet the needs of our community and improve their quality of life.

However, with infrastructure inflation outpacing growth in rates income by 12.6% in 4 years and no mechanism in the IPART rate peg to adjust for this, income levels are not sufficient to meet future operating costs and maintain infrastructure at the level required.

The following operating ratios table indicate the deterioration in Council's financial position, with the Operating Performance ratios failing to meet the Office of Local Government's (OLG) benchmark.

option 1: Reduce service statement of performance measures														
	OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 1
Budget Performance									_					
Operating Performance Ratio measures the extent to which a council has	> 0%	4.5%	4.5%	3.7%	(1.3%)	(2.5%)	(0.9%)	0.3%	(0.1%)	0.0%	0.1%	(0.2%)	(0.6%)	(0.3%
succeeded in containing operating expenditure within operating revenue.		0	0	0	0	0	0	0	0	0	0	0	0	0
Own Source Operating Revenue Ratio measures fiscal flexibility. It is the degree of reliance an external funding sources.	> 50%	82.5% ②	84.6%	87.4%	86.0%	89.9%	92.2%	93.1%	93.6%	93.6%	93.6%	93.4%	93.6%	93.5%
Operational Liquidity														
Unrestricted Current Ratio represents a council's ability to meet short- term obligations as they fall due.	> 1.5x	1.90x	1.92x	2.18x	2.16x	1.92x	1.72x	1.82x	1.89x	1.83x	1.95x	1.83x	1.84x	1.92x
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage expressed as a percentage of total rates	< 5%	3.6%	1.6%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
and charges available for collection in the financial year.		0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Expense Cover Ratio liquidity ratio indicates the number of	> 3mths	5.6mths	6.1mths	6.4mths	4.8mths	4.1mths	4.0mths	3.9mths	4.1mths	3.9mths	3.9mths	3.9mths	3.9mths	3.9mt/
months a council can continue paying for its immediate expenses without additional cosh inflow.		0	0	0	0	0	0	0	0	•	0	0	0	0
Liability and Debt Management														
Debt Service Cover Ratio	> 2x	7.3x	7.7x	6.9x	8.8x	6.9x	9.7x	10.5x	10.8x	15.7x	15.6x	16.3x	14.5x	19.2x
measures the availability of operating cash to service laan repayments.		0	0	0	0	0	0	0	0	0	0	0	0	0

It is important to note that while the OLG's benchmark for the Operating Performance Ratio is 0%, Northern Beaches Council requires a stronger ratio within a range of 4% to 6% to ensure adequate funds are available to respond to natural disasters, unexpected shocks, failure of infrastructure, unexpected cost shifting from other levels of government, and to set aside funding for future needs including the remediation of the Kimbriki landfill site. The Northern Beaches area is particularly vulnerable to natural hazards including bush fire, flooding, landslip, coastal erosion and storms. Additional funding above this level provides the capacity to invest in improvements to community infrastructure. Only Options 3 and 4 are forecast to achieve an Operating Performance Ratio above this target.

Decline in asset conditions and maintenance requirements

Council manages \$2.5 billion of land assets, \$3.9 billion of infrastructure assets and \$0.1 billion of other assets such as IT equipment, plant, and fleet. Council's infrastructure assets include the stormwater network, transport network (local roads, paths, cycleways, bus shelters, wharves, bridges, retaining walls), sports fields and other parks and recreation assets, some foreshore structures and a wide range of buildings and public amenities. Each year Council plans ahead to understand investment levels required to ensure our assets meet the needs of our changing community, are well maintained, accessible, safe and operational, and upgraded when needed.

Council's Asset Management Strategy and Asset Management Plans have identified an everincreasing trend in the decline of asset condition and the need for greater levels of asset maintenance. As noted above, the Asset Management Plans identify infrastructure challenges that will require an additional investment of \$15.1 million per year to renew and maintain existing assets along with an additional \$10.4 million per year to invest in service uplifts and new assets.

Over the last 4 years, the 'infrastructure backlog' as reported in the annual Financial Statements has been growing as a result of insufficient funding available to maintain and renew assets at the required levels. This means that the number of assets in poor or very poor condition is continuing to grow, creating an escalating financial liability for Council and the community.

Should asset renewals continue to be deferred due to insufficient renewal funding, asset conditions will continue to deteriorate, leading to more reactive maintenance, until the point of asset failure and significant disruption to service delivery. This type of deferral and reactive approach can only be sustained for a short period of time before the cumulative effects result in significantly more

A quality control process was also implemented so that submissions could be further cross checked.

All submissions received were reviewed, coded, and categorised within the following 11 overarching themes. However, themes 1-3 were only used in relation to the analysis of submissions received through the Your Say survey as this formed part of the survey structure and the feedback is captured on that data set.

- Desire to improve services and infrastructure
- Desire to maintain services and infrastructure
- 3. Desire to reduce services and infrastructure
- 4. Support for Council to cut costs and seek additional income streams
- 5. Increase in rates should only be in line with inflation or no increase at all
- 6. Comments relating to affordability
- 7. Community engagement on options
- 8. Concerns over the benefit of amalgamation
- 9. Don't like any of the options
- 10. NSW Government influence
- 11. Concerns about the rating system

6.2 Qualitative analysis - Limitations and restrictions

The analysis of submissions in this report is qualitative. Whilst the project has received one of the highest responses in terms of the number of submissions in recent years, it is not representative data, rather it provides some representation of community sentiment.

Feedback was captured through several channels including an online survey form where respondents were invited to include comments. Feedback was also received via email and letter, and directly from organisations. Some submissions provided extensive and detailed information specific to many aspects of the project.

One of the challenges in analysing this type of feedback is in identifying the key issues whilst mitigating bias. Therefore, the comments and issues within each submission were analysed in accordance with 11 high level themes that emerged from the data. This was ascertained through a process of sampling and testing and a quality control review.

A further limitation to the data analysis was the Have Your Say survey design. Whilst the survey was developed to gain insights into option preferences, it was also built to get a wholistic picture, to understand what services the community value in terms of importance. This data should be read together with the thematic analysis and the results of the Community Satisfaction Survey.

In considering the views expressed in the engagement results it is important to note they are not representative, as they represent less than 6% of all ratepayers, less than half of the people who used the online rates calculator and just 15% of individual who engaged and browsed the project page.



Author name: P. Tomkins

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This decision to increase rates was taken against the wishes of ratepayers who participated in a costly \$170k survey rejecting the increase above the peg rate. It highlights a lack of regard for community sentiment. At a time when households are already burdened by rising cost of living pressures and escalating interest rates, such a substantial rate hike is unwarranted and deeply insensitive to the financial struggles faced by many in our community. Council should maintain expenditure within the rate peg. If costs grow in excess of the rate peg. Councils are supposed to seek a higher allowed increase - a higher peg - in the following year. Requesting increases above the peg indicates a failure of Council to live within their means. The survey was sent in late November, with many residents and businesses preoccupied by the upcoming Christmas period. It included a QR code to have your say a technology that many, especially older community members, do not know how to use. Despite this, approximately 6,000 responded and as stated previously, voted for no rate increase above the peg rate. Despite the survey results and the clear opinions of those who were able to attend the Council meeting on 28 January 2025, the Council have pushed for a 39.6% increase. Further compounding this issue is the Councils questionable use of resources in recent years. Residents have borne witness to unnecessary or poorly executed projects such as the installation of 3D footpaths, misaligned gates, and substandard roadworks in Avalon that have required multiple revisions, each at a substantial cost. There are a multitude of examples of substandard or unnecessary projects, and wasteful spending. Equally concerning is the Councils resistance to implementing internal cost-saving measures. Despite reportedly high levels of staff remuneration, including significant salaries for the CEO and other management positions, they fail to adequately address inefficiencies or explore avenues for cutting costs. The Northern Beaches Council reports an expenditure of \$25m for 111 managers (therefore an average of over \$225,000 per person) and \$170M in staff salaries. In addition, they have approved a 4.5% pay rise and a six figure awards allocation. The Councils CEO, who serves a population of 267,921 currently receives a similar salary to the NSW Premier, and the Prime Minister of Australia, who serves a population of over 26 million. To exacerbate matters, the council has even proposed potential reductions in essential local services, although they have failed to advise the community on what those are likely to be, while claiming there are no liquidity or audit concerns. This discrepancy between their financial condition and their proposed drastic rate increases raises serious questions about the true necessity of this measure and their capabilities as a council. A critical review by an independent audit body should be conducted and questions must be asked about whether Council's have undertaken an internal expense review and cost cutting measures. To have not done so prior to their SRV submission is a dereliction of duty. For example, numerous non-core activities, many that community service organisations have previously run, have been taken "in house" and Council staff have been paid to run them. In 2013 alone, the Arts, Culture and Events section of Council had a budget of more than \$11 million and a staff allocation of 58. An independent audit may be able to shed light on the following: Depreciation expenses shown on Councils operating statement would increase as the value of assets increase in a revaluation exercise if the remaining life of the assets dont increase. Depreciation and asset valuation are book entries only, they are non-cash flow items. Maintenance cost on assets is also an expense. So, adding this to depreciation makes it a double dip that inflates expenses. Properly maintained assets should have infinite utility. The Councils maintenance and asset renewal ratios tell the story that the Council is well above benchmark, despite depreciation expenses increasing year on year. The NSW Auditor General has certified Council's liquidity status. The NSW Office of Local Government has certified the great majority of requisite benchmarks have been met. Council has a cash and investment portfolio in excess of \$200 million which made over \$50 million in interest each year in the preceding years. Council has property, plant and equipment of over \$5.6 billion and has had significant surpluses in each budget since amalgamation. Motions have been raised at Council outlining potential cost-cutting (25 June 2024 and 28 January 2025). In each instance the motion was defeated. The Council is clearly unwilling to explore cost saving measures and have instead just defaulted to a rate variation solution.

Author name: P. Vasili

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

The community cannot afford this increase. The council must look at other measure to facilitate a more reasonable increase. We want more efficient council practices to partly fund any increase in council running costs.

Author name: P. West

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In respect of NBC's application to IPART for a 39%+ increase in rates over the next three years, I wish to strongly object on the following grounds - 1. Community awareness of the councils plans The community consultation process was flawed, in that it was not adequately broadcast for participation, but deceptively, within the community over the busy and distracted Christmas/New Year period. Certain groups (eg, elderly residents) who do not have a computer or a mobile phone could not participate in the online survey. The faulty survey demonstrated 51% of ratepayers elected option 1 not to increase rates and reduce services but, despite this, NBC at their EGM on 28.01.2025 chose option 3 to increase rates. Only 11% of the respondents to the survey chose this option. 2. A reasonable impact on ratepayers The proposed rate increase is unaffordable to many ratepayers, and will lead to financial hardship due to the current cost of living crisis, eg, food, electricity, fuel, health care, mortgage interest rates, etc. Due to the financial distress this will cause, it will cause/exacerbate mental and physical health decline within the community, noting that our hospitals already are unable to cope because they are already in crisis. Many people in our community are already disadvantaged including sole parents, pensioners, low income earners and self funded retirees on fixed incomes and are at zero capacity to cover a massive rates hike. It will have a flow on effect to those who are living in rental accommodation because rents by landlords will need to be increased to cover the rate increases This massive rate increase will be detrimental to many small businesses of all types With CPI increase under 3 %, there is no reason whatsoever, for NBC to take this position 3. A sustainable financing strategy & need for the higher increase NBC have clearly not explored options within NBC to cut costs, eg, redundancies, etc noting the current annual payroll of NBC is approximately \$150+ million, etc. NBC is profoundly out of touch with its community and our varying circumstances by assuming we are all wealthy and able to afford a 39%+ rise without any adverse effects. 4. A history of well-documented productivity improvements Amalgamation of Councils to one NBC was supposed to be cost efficient. This has not occurred, but rather the opposite. Frivolous and exorbitant spending on nonessential items in a cost of living crisis, eg, many colourful flags for noncritical occasions / events, \$140,000+ a year on catering for official NBC meetings and events, etc. Inappropriate and unwanted public artwork in a cost of living crisis, eg, a monument to remember coronavirus costing approximately \$100K+. Careless expenditure in a cost of living crisis eg, council clean up trucks picking up whitegoods on the Australia Day public holiday (Monday, 27.01.25) As an example, I have two access verge areas adjoining my address, neither of which the council will maintain [and have never done so in 11 years], with lawn mowing, fixing stormwater runoff across a crumbling roadside [which then enters and damages my property, which I have to rectify at my cost] etc, and now have the audacity to demand a 39% increase - I think not . . . Wasteful spending on unnecessary events in a cost of living crisis, eg, World Food Markets, with many vendors coming from outside NBC local area, Australia Day Eve Open Air Cinema, Drag Queen Story Hour at Manly library, etc. I believe the proposed massive increase in our rates is untenable in view of the above and also as was apparent by the many supporters rallying prior to the EGM held outside council chambers on 28.01.25 at 5.30pm, attendance at the actual EGM commencing at 6pm and, most definitively, from the many submissions that will be submitted by the community to the Minister for Local Government, Shadow Minister for Local Government, NSW Ombudsman and IPART. Respectfully, I request that an administrator be appointed to investigate and sort out the very large financial hot mess NBC is in and appropriate actions be taken according to each of your jurisdictions and powers.

Author name: R. Hughes

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir, Re: Objection to Northern Beaches Council's Proposed Special Rate Variation I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents This approach undermines the principles of democratic representation and community engagement. Conclusion In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission.



Independent Pricing and Regulatory Tribunal 2-24 Rawson Place SYDNEY NSW 2000

RE: Request for Rate Rise, Northern Beaches Council

Dear Sir or Madam,

I wish to comment on this proposal for increased rates in the Northern Beaches. PART provides a rate pegging of 2.6%. This requested increase is above this rate.

I am a with a I worked for several and have a close association with the operation of many councils having contracted to many councils. Many of my comments in this submission could be applied to the many requests by Councils (such as North Sydney, Burwood, Ku-ring-gai), who apply for increase to rates.

Councils and Spending

Local Government is subordinate, not sovereign.

The emphasis of the former *Local Government Act 1919* (NSW) was on governing and controlling. However, since the 1993 Act came into operation on 1 July 2993, it has been more about community involvement and ESD principles. In 2016, paragraph e) was added to recognise Ecologically Sustainable Development in the Environmental Planning and Assessment Act 1979, however, true sustainability refers to the triple bottom line, including financial sustainability. One of the key differences between the 1919 Act and the 1993 Act was the transfer to a corporate type structure.

s 8B of the LGA 1993 (NSW) deals with council spending. The following principles of sound financial management applies to councils—

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following—
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following—
 - (i) policy decisions are made after considering their financial effects on future generations.
 - (ii) the current generation funds the cost of its services.

¹ https://www.northernbeaches.nsw.gov.au/council/rates-and-fees/special-variation-rates

Council has an obligation to streamline its processes and its operational and administrative costs before asking ratepayers to incur increases in rates. s 438A of the Local Government Act enables Council to be issued with a performance management order, following a public enquiry into the internal functioning and mis-spending of money by Council.

Chapter 13 of the LGA 1993 (NSW) deals with council's administrative functions, particularly accountability to the public for principal activities and financial management. Division 1, Part 3, deals with the two separate funds which the council must establish, a consolidated fund and a trust fund. The working account is called the consolidated fund. Any money that doesn't belong to the council that comes in for a particular purpose, but that purpose has not yet eventuated goes into the trust fund until they can establish it is theirs because they've done the work. s 408 they can't put money that belongs to someone else straight into their consolidated fund. Part 5 provides enquiries and reviews on surcharging.

Since the amalgamation, which was supposed to make council fit for the future, and where some financial resources were offered (about \$2million) to make council more efficient, Council has been constantly asking for more money. It is subordinate to the State Government. The State Government – not landowners, should be footing the deficit in Councils bill. This is because the State Government delegates many of its functions to Local Government

Both the State and Local Government have significant more administrative resources compared to most businesses on the Northern Beaches but does a very limited amount of operational work. It sub-contracts the trimming of vegetation yet advocates for 80% canopy cover of trees. It subcontracts out traffic calming devices yet advocates for kerb blisters on a grand scale. It is administratively rich, but yet sub-contracts just about everything – and yet everything costs triple when delivered in this way.

s 429A of the *Local Government Act 1993* (NSW) has had to be utilised more and more as we enter 2025. This is because staff in council do not consider financial implications of its policies and actions. I observed this from my experience working inside council, from being a rate payer who cares about operational efficiency and from making submissions on Policies and procedures, of which even my level of professional insight, doesn't appear to change the scope of the policies which are being adopted. As Paul Stein expressed in his book² published immediately after the new legislation was passed in 1993, the LG Act requires the local community and state government to be informed about its activities. The public are entitled to access a wide range of documents under s 12 of the Act and GIPA. Council advocates for Affordable Housing and quality natural environment, however its policies and processes are counterintuitive.

The State Government

The NSW State Government is already imposing landowners with increased land taxes, which have (in the last few years) been increasing at 20% per annum for many landowners. This is where Local Government should be seeking to obtain money. It's not ethical to continue to ask for rate rises across the board, when Local Government is subordinate to the State. Local Government should be asking the State Government for the money. Not rate payers, who are not the cause of the problem.

² Annotated Local Government Act 1993 (NSW) / Paul Stein, Catherine Brady, Sue Mahony, https://catalogue.nla.gov.au/catalog/2075186

OTHER OPTIONS

Council has many other options at its discretion to cut costs and to increase revenue. Rates are not the only method.

1. Reducing Staffing Costs and Overheads

A council is meant to have sufficient and appropriately qualified staff for the efficient and effective management of its organisation. Council should look inwardly at its processes, and staff overheads and the long-term costs of having policies adopted which are not financially sustainable to implement. The cost of council vehicles, the cost of sending staff to conferences and the list goes on. There was problems with the former Warringah Council.³ The problems with Northern Beaches Council are bigger.

s 338 provides that senior staff and General Manager be employed on a contractual basis, subject to performance. Needing to increase rates by 40% above the cap, is an illustration of very poor performance either in Council, or the State Government, or the way they fail to work together (or all of the above).

OLG Circular "Standard Contract for Employment for General Managers in Force from 1 July 2005". This circular highlights that the Act contains provisions to ensure greater efficiency and accountability in local government by enabling the Director General of the Department of Local Government to approve standard forms of contract to certain conditions of employment of General Managers and other senior council staff.

The 2006 agreement remains in force. "The new requirements ensure consistency and certainty and employment relationships that the management level in local government and reflect community expectations.... s 6.1 of this document lists all the things that employees will do. The contract gives reference to the relevant sections in the Act.

I have made multiple requests to speak to the CEO/General Manager of this Council over the last few years, all of which have been discarded. I first tried to meet with Ray Brownlee, then the new CEO. This is because I wanted to express some things that have serious legal implications for council, and which also concern me personally about the conduct of staff. No reciprocation was ever made to meet with me. Now they are going broke and want more money from rate payers, of which I am one. I think this is atrocious. I would express to IPART some of the things I wished to discuss but a lot of this is confidential and legal.

2. Costing its Policies to be Long Term Sustainable

When exhibiting each Council policy, Council Staff should be **costing the policy** and **explaining to the community** and the elected Councillors ow much the policy will cost the community to implement, before it adopts the policy.

For example, the Trees and Bushland Development Control Plan advocates for 80% canopy coverage across the whole Northern Beaches. As I explained to Council staff, this would be a disaster for the Northern Beaches. Council sub-contracts the pruning of vegetation out to private firms, who charge inordinate amounts back to Council to do the works. If Council is passing this cost onto the community, they shouldn't make

3

aspirational policies. Essential infrastructure such as trunk mains, pipes, for water, telecommunications, electricity and the like are regularly damaged by tree roots & branches. In extreme events, the damage can be catastrophic. This is a big cost to the community. As we enter 2020, the lifecycle of essential infrastructure is such that these expenses are not likely to reduce. A proliferation of trees will only exacerbate the issue.

- In April 2020, I wrote a comprehensive submission to council explaining that, at 80% canopy coverage, trees are going to become very expensive and while the world needs dreamers who are doers, too often, seemingly well-intentioned policies are written and adopted by people without any thought of the broader implications. Who is going to pay for all the damage caused by trees, the pruning and the maintenance? Council were forewarned. Council didn't act on amending the policy. Therefore, losses should be incurred by Council.
- The same issue cascades through many of council aspirational policies. Sadly, their long-term costs are never reported to the community, which represents a lack of transparency. As council staff are mostly administrative, it appears to be

3. Increasing The Quantum of Rate Payers

One of the challenges with rating land the size of Northern Beaches Council, is being fair and equitable. An option available to council is to increase the amount (or quantum) of rate payers, rather than increasing the burden on existing rate payers. For a long time, The State Government has been placing pressure on Council to develop large areas of land, including the Oxford Falls Crown Lands, land at Ingleside and land in the upper reaches of the Warriewood Valley. Council keeps saying no. Local Government is subordinate, not sovereign. The purpose of this letter is not to advocate for what is best for these areas.

As Council services only an administrative function and delivers very few operational services, unless council shows why it is sovereign, and not subordinate, a consequence of amalgamation, would be to be financially sustainable, by taking an efficient and proactive approach to sustainable development. The author of this document wrote a paper, in the late 2000s, explaining why land in the Oxford Falls Valley should not be developed (and the same reasons remain in 2025). The NSW Planning Commission upheld my recommendations, after copy-pasting my report.⁴

However, assessment of development potential for land in the Ingleside area (for example) has not had the same level of rigor. Council advertises jobs for strategic planning, specifically roles in Urban Land Release – and then fails to fill the roles, despite getting good candidates, who want to help council get the best possible result and develop the land, sustainably, which would increase the quantum of rate payers and provide jobs, housing and other vibrancy to the area. The reason Council doesn't fill the roles is because Council doesn't want to deliver State Government objectives and directives. The recent decisions by Ku-ring-gai Council to object to the NSW Government's centres policies is a similar approach.

However, when Council spends all of its administrative time, finding reasons to say no, to staged development, but then asks for a special rate increase, this is not long term sustainable. Councils which refuse to increase the quantum of rate payers and then apply for a special rate increase, should have some conditions attached to any decisions, that they need to remember they are not sovereign (they are subordinate) and they have been required to operate as a corporation since the adoption of the Local Government Act 1993. If the development were to be delivered by the private sector, with a significant amount of Development Consent Conditions, (which Council is generally good at) and Development

 $[\]frac{4}{\text{https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2009/01/review-of-certain-lands-in-oxford-falls-valley/documents/oxford-falls-valley-pac-final-reportpdf.pdf}$

Contributions/Infrastructure Contributions, the quality of the land and value of the surrounds and improvements in transport and services as a result, will result in making the area long term more sustainable.

4. Increasing Compliance with its Policies

A common occurrence is the proliferation of new policies and rules, but <u>a reduction or stagnation of compliance</u>. The extent of non-compliance all over the northern beaches is extraordinary. The more regulatory officers issuing community fines, the better the place becomes as a place to live, and the more funding is collected in the community.

The need for more staff in compliance includes building compliance for dodgy construction and ranger compliance for outdoor activities. For example, one (1) appointed Ranger in the Manly area alone has the ability to bring in over \$1 million of revenue a year, however Council doesn't employ more rangers. Instead, they give the CEO, the Directors, and other senior staff pay rises and cars. They need to shift money away from aspirational type 'fluffy' roles, and into practical, revenue raising, traditional roles. I once saw an add for an urban designer specialising in bicycle facilities. This may be well and good – but what about employing a full-time arborist (or a plumber) if the council has over \$1 million trees – and all the subsurface areas are blocked, causing Sydney Water, and other state agencies significant amounts of money.

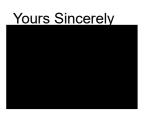
5. Bed Taxes for Tourists

This will be as far as I go with creative thinking on behalf of local and state government. Sadly, Government Agencies fail to think outside the square and fail to work together, causing rate payers, Taxpayers (Land Tax + Income taxpayer) considerable time and money. The southern areas of the Northern Beaches have a particularly high number of tourists, including people on student visas, temporary Australians and others who made it to Australia due to Federal Government laws. Council needs to impose a bed tax in some way, to monitor the high rates of non-compliant Air BnB operations, which are essentially short stay accommodation, and often come with considerable anti-social behaviour but council gets no money from this. The State Government has a process in place, but it doesn't work.

6. COUNCIL SEEK FUNDING FROM THE STATE AND FEDERAL GOVERNMENT

This is the preferred solution. Local Government is subordinate, not sovereign. It does most of the work, which is the state government agenda and accommodating all the people that the federal government lets into this country. The State Government get enormous amounts of money through land taxes. The federal Government gets enormous amounts of money through income taxes and unusual international agreements. Long term residents who built these communities and have paid all their taxes all their lives, often through 3 generations, should be taken out of the double dip. It's a triple dip because landowners, pay income tax, land tax, and rates – just for their efforts in providing affordable rental housing.

Please accept this submission and look at putting strict performance conditions and future protocols, attached to any approval for an increase in rates outside of the standard 2.6%. Every single council needs to improve its efficiency. Local Government is subordinate, not sovereign.



21/02/2025

Author name: r. smallwood

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council has failed to establish a need for a special variation in accordance with the criteria required by IPART. 1.It has failed to identify with sufficient particularity how the special increas above the PEG will be spent. 2. It has failed to consider raising the minimum rate levey which would have a significant imact on the need to increase the ad valorem rate. 3. It has failed to adequately demonstrate that the impact on ratepayers will not cause harship to many in the community. 4. In particular the economic impact on commercial premises and the resilience of the commercial sector to rate increases over the PEG could be significant given that sector does not rate well when compared with the sector across the Greater Sydney area. 5. WHen disclosing how the special increase will be spent (see point 1. above) Council is obliged to detail how the special increase in the rates raised from differenct areas within the Northern Beaches Council area will be spent within those areas. Failing to do so leave open the risk and liklihood of some areas not being treated equitably. For example the special increase in rates from the RU4 area have not been identified to be spent within that area especially in circumstances where Council has failed to maintain three dish drains for many years causing local flooding of a major road through the RU4 zone and where there is no passable pedestrian pathway through the suburb for the safety of children and families although it has been promised by Counil for many years but never makes the budget papers as an expenditure item. 6. Council hads failed to detail how future staffing efficiencies will be obtained yet this expenditure is a very significant part of the budget. The frequent change in personnel structure within Council leads to several staff members dealing with the same issues for an area meaning valuable time is lost/spent in staff having to go over "old ground". 7. The pay structure for managers is well over the commercial value of their positions. The public are not informed of any KPis for top level staff and thus one of the criteria IPART requiries is not met. 8. Council has made assumptions which may not eventuate for example Council has assumed it will not obtain any grant funds as it has received in the past. For this reason and the need for Council to demonstrate efficiencies achieved over next year any increase should be restricted to one year only and for a more modest increase. 9. The majority of residents who responded were agains the increase now sought by Council. 10. Councillors only succeeded in passing the increase submitted to IPART by 8/7. Many Councillors were new to the Council and not across the issues and thus voted without sufficient understanding of the basis for the submission of the the 3rd option and its impact. I am aware of one new Councillor voting in favour on the baiss they did not want to "risk" voting against the motion "in case the increase was required". Not a very satisfactory basis for a decision!! 11. No account has been taken of the likely impact of the Valuer Generals revaluing the land within the Northern Beashes this year which will have a significant impact on the revenue received by Council for implementing the 3rd Option.

Author name: R. Smith

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir I seek your rejection for the Northern Beaches Council (NBC) proposed 39.6% rate increase over 3 years. In 2024 I am aware that a minority of Councillors called for NBC to find a way to cut costs before a special rate rise was considered. However, they were overruled by other Councillors in the Your Northern Beaches Independent Team (YNBIT), a registered political party, which has had control of Council since 2016 often in partnership with the Green and Teal parties. NBC subsequently commissioned a consultant at a cost of approximately \$173,000 to develop a questionnaire seeking the residents comments for a rate increase. Council staff then put forward a closed survey with only four proposals which ranged from do nothing - Option 1 to do more with residents rates increasing from Option 2 to Option 4 for community consultation. Unfortunately, this questionnaire did not provide for an option to have possible staff reduction or for residents to list their priority of the non-core activities that could be reduced or terminated The questionnaire was carried out over Christmas/new year holiday period and surprisingly, more than 6,000 replies were submitted. This number is more than required for a true sample result. The survey revealed a majority of 51% favoured the least expense option which includes a reduction in unnamed services via Option 1, and a further 13% selected Option 2 to retain (all existing) services. Only 11% wanted extra unnamed services, Option 3. At its Extraordinary General Meeting of 28 January 2025, the majority of NBC Councillors passed a motion to accept the staff report recommending the adoption of the third most expensive of the four options, ie, Option 3. I was one of over 200 people attending Councils Extraordinary General Meeting. I was very disappointed to witness the staged meeting questions asked by selected Councillors to set the scene for adopting the staffs report recommendation. At one stage the Mayor told the meeting to be quiet otherwise she would adjourn the meeting for 5 minutes and then asked the speaker addressing the Councillors to continue his irritating speech for another 1.5 minutes. After many objections from the gallery, she laughingly apologised. After further questioning the Chief Financial Officer advised that the long-term financial position of the Council was unsustainable. She said: So, the Council currently has a current operating budget deficit, and we have an asset renewal and maintenance backlog, so that issue is only going to grow if we do not intervene In addition, I recently read in the Daily Telegraph of 30 January 2025 a report on NBC decision. It stated, In its 2023-24 annual report, Council (NBC) reported 4 senior staff earned \$2,846,877 between them. It then went on to compare NBC staff salary bills with those of Sydney, Liverpool, Blacktown, Waverley and Parramatta Councils, which were significantly less! It is blatantly clear that no NBC staff report would recommend a staff reduction which was a justification for the amalgamation of the three former councils in 2016. Unfortunately, no practical reduction in staff numbers of some 1,350 has resulted in 8 years. My Ward Councillor informed me that NBC has initiated new services! Surely these non-core initiatives should be the first areas to save financial expenditure. Finally, NBC urgently needs to return to their core business of service and infrastructure. It must reduce management overheads particularly in non-core activities and start being more financially responsible. I strongly suggest the only way this can be achieved is by installing an Administrator and removing the extremely highly paid executives and CEO to enable this to occur. I look forward to your timely response. Yours faithfully

Author name: R. StClair

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).
40% increase in council rates is well above inflation. No justification for this extraordinary increase has been provided. This council needs to be sacked by NSW state government or ratepayers will be financially decimated.

Author name: R. Steers

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Independent Pricing and Regulatory Tribunal (IPART) Subject: Submission in Opposition to Northern Beaches Council Special Rate Variation Dear IPART, I am writing to formally object to the Northern Beaches Councils (NBC) application for a Special Rate Variation (SRV) seeking to increase rates by 39.6% over three years. This increase is excessive, poorly justified, and implemented through a consultation process that did not adequately reflect the communitys views or economic realities. Below, I outline the key concerns with the rate rise and the process by which it has been pursued. 1. Poorly Designed Survey and Questionable Interpretation of Results NBCs consultation survey was flawed, biased, and designed to lead respondents towards supporting an increase. The methodology has been questioned by councillors and community members alike, particularly given that: 51% of respondents rejected any rate increase. Only 11% supported Option 3 (the 39.6% increase), yet the Council still pursued it. The survey was opt-in, which limits its representativeness. The interpretation of the results by some councillors raises concerns about their numerical literacy and understanding of statistical reliability. Given these issues, the results should not be relied upon as a strong indicator of public support. It also should not be relied upon as an indicator of consultation. Only 5000 people responded, out of 100000 rates payers, and roughly half of those said no to a rates rise. 2. The Rising Burden of Cost-Shifting to Local Councils Local councils are increasingly covering services that should be funded by the state government, such as natural disaster recovery, environmental management, and infrastructure maintenance. While these services are important, they should not be financed through an excessive rate rise imposed on local residents already facing economic hardship. Instead, state and federal funding mechanisms should be reformed to ensure councils receive adequate support. 3. The Economic Hardship of Ratepayers is Being Ignored The Councils decision to pursue the highest rate increase demonstrates a lack of consideration for the financial strain faced by households and businesses in the current economic environment. The costof-living crisis, rising mortgage rates, and inflation are already squeezing household budgets. A more modest rate rise would have been far more appropriate, particularly given the real wage stagnation experienced by many residents. 4. Excessive Staff Costs and Executive Salaries The Council employs 1,800 staff, with 40% of its budget allocated to salaries, totaling \$159 million per year. This raises concerns about fiscal responsibility, especially given: The Council has five directors and 22 executive managers, an excessive number for a local government body. Senior staff salaries appear to be significantly higher than in comparable councils. Ratepayers should not be expected to fund such high administrative costs when essential services are under strain. Before increasing rates, the Council should implement stronger cost-cutting measures, particularly at the executive level, rather than relying on ratepayers to cover inefficiencies. 5. The Consultation Process Was Superficial and Ineffective Despite widespread opposition, the Council proceeded with the largest rate increase proposal. The consultation process appears to have been a procedural formality rather than a genuine attempt to engage with and respond to community concerns. This raises serious doubts about the transparency and accountability of the decision-making process. 6. Alternative Approaches Were Not Adequately Explored Instead of imposing such a drastic increase, the Council should have explored alternative approaches, such as: A lower and more gradual increase to ease the financial burden on residents. More aggressive cost-cutting and efficiency measures. Stronger advocacy for state and federal government funding to cover essential infrastructure and services. I urge IPART to reject the proposed rate increase in its current form. The Northern Beaches Council has failed to justify the scale of this increase through a fair and transparent process. The Council must be held accountable for its spending and management practices before shifting an excessive financial burden onto ratepayers. I appreciate the opportunity to provide this submission and trust that IPART will critically assess the justification for this rate rise.



Early submission

2 messages

Hi Daniel. I just noticed that submissions for the Northern beaches Council SRV opened on the 25th Feb. I sent in a submission (via post) a few weeks before this date and just want to check that you received it and that it will be put in with all the other submissions. Just want to make sure as I put a lot of time and effort into it and can easily resend it if early submissions aren't considered. I'd hate for it to be rejected on a technicality. It was dated February 4 and was posted about 4 or 5 days after that. Could you please let me know if there is a problem.

Regards

Hi

Thank you for your email and checking this with us, unfortunately we are not able to take your submission as it was lodged before the consultation period.

Could you please relodge the submission via our website: https://www.ipart.nsw.gov.au/lodge-submission-2025-26-special-variation-applications

The consultation period ends on 24 March 2025.

Please feel free to give me a cail on my direct number below should you have any further queries.

Kind regards



Resubmission as requested.

Any problems, please email me at the above email address.

Thank you.







Independent Pricing and Regulatory Tribunal P.O. Box K35 Haymarket Post Shop NSW 1240

9th March 2025

SUBMISSION RE: SPECIAL RATES VARIATION, NORTHERN BEACHES COUNCIL

Thank you for inviting me to make a submission on the above. In my submission I wish to oppose the application by Northern Beaches Council for a special rates variation of 40% (known as option 3 in the Councils community engagement plan) under section 3.1 (3) of the assessment criteria for special variation application.

In my submission I suggest that Northern Beaches Council have failed to adequately demonstrate that the impact on effected rate payers is reasonable and have misjudged the communities capacity and willingness to pay.

In the first part of this submission I will address the rate payers capacity to pay a 40% increase in council rates and whether the effect is reasonable. In the second part I will address the rate payers willingness to pay such a large increase.

COMMUNITY'S CAPACITY TO PAY.

Council engaged consultant firm Morrison Low to prepare a capacity to pay report in October 2024. While the 38 page report is very comprehensive and detailed, I believe that it fails to show clearly that the community has the capacity or willingness to pay a 40% rate increase. I also note that some of the data used in the report is quite old, going back as far as 2016, even the latest ABS data used is four years old (refer to page 4, Introduction) and economically things have changed a great deal in that time.

None the less, I would like to draw your attention to tables 11 on page 18 of the capacity to pay report which indicate the percentage of households with mortgage costs greater than 30% of

income. This table shows Northern Beaches households on par with other council local government areas of NSW, both at 17%. Table 12 on page 19 indicates the percentage of households with rental costs greater than 30% of income. This table shows a higher percentage for the Northern Beaches LGA at 37%, NSW being 36% and Greater Sydney being 35%. It should be noted that it is not only ratepayers who are affected by any rate increase as landlords often pass on these increases to tenants and this is acknowledged in the Morrison Low report (page 19). Table 13 on page 20, Five year comparison of cost of living in Northern Beaches Council LGA, indicates that household spending has decreased by 4% and discretionary spending has decreased by some 8% over the 5 years, 2017 to 2023.

All of this indicates that many of the residents of the Northern beaches are suffering the same cost of living stress - with large increases in interest repayments, strata levies, rent, food, groceries, insurance, water rates, electricity, gas, medical bills, medicines, transport, communications, clothing and footwear – as much as the rest of the country. A cost of living crisis recognised by most people in the community and prompting the Federal Government to provide cost of living relief to families. A cost of living crisis recognised by all, it appears, except a council completely out of touch with its ratepayers. Completely out of touch with low income earners, hard working families, pensioners, self funded retirees, and of course small businesses, all struggling to keep their heads above water.

I observe that the Morrison Low report did not address the inflationary impact of a 40% rate increase on Northern Beaches residents. Unlike households, businesses can pass on the rate hike in the form of higher prices for goods and services if not willing or unable to absorb the increase themselves. So, every time a resident visits a butcher, hair dresser, cafe, mechanic, dentist, IGA or any other local businesses, he or she will be indirectly impacted by the increase which, as a flow on effect, will affect their capacity to pay.

It is interesting to read the closing sentence in the Morrison Low Capacity Report: "Overall it is therefore considered that there is capacity to absorb the additional rates payable, particularly if it is supported by an appropriate hardship policy." Firstly, they speak of the "capacity to absorb additional rates payable" but do not indicate whether from option 2, 3 or 4 of the proposed rate increase. Secondly and most importantly, the statement "particularly if supported by an appropriate hardship policy" is in itself, proof that many ratepayers in the community simply don't have the capacity to pay. The statement is almost an acknowledgment of this fact. If you have to implement and then rely upon an appropriate hardship policy in order for sections of the community to pay their rates, the rate increase is too great.

After reading through the entire report, I am far from convinced that the rate payers of the Northern Beaches Council LGA, as a whole, have the capacity to pay a 40% increase in rates. I believe that a rate increase of this magnitude will have a crippling impact on low income earners and hit fixed income earners such as pensioners and self funded retirees extremely hard.

Surely it is the responsibility of good government at all levels, federal, state and local, to try and lift people out of poverty, not push them into it. And statistics, no matter how cleverly they are presented, don't always paint an accurate picture of whats happening in the real world, particularly in these fast changing and difficult economic times.

COMMUNITY'S WILLINGNESS TO PAY.

Once again Council has relied on the Morrision Low capacity to pay report in an attempt to demonstrate a willingness of the community to pay. The author appears to have relied on two pieces of information in reaching their conclusion in the report. Those pieces of information being the outstanding rates and charges for OLG group 3 metropolitan councils (table 23 on page 31) and an August 2024 community satisfaction survey (Figure 6, page 32).

Table 23 indicates Northern Beaches outstanding rates as being 3.6% which is below the NSW benchmark of 5% and the author puts this forward as a partial indicator of capacity and willingness to pay. It needs to be pointed out that the 3.6% is for the rates as they currently stand. It would not be unreasonable to assume that a 40% increase would push the percentage of outstanding rates well in excess of the NSW benchmark of 5% and as such I feel that this is a very poor argument to use in favor of such a large increase.

The second piece of information put forward is the August 2024 community satisfaction survey of 606 Northern Beaches residents conducted by Micromex Research in August 2024. I have viewed the results of the survey and cannot see where the respondents were told that 'support to pay more' equates to a massive 40% increase to their rates. The respondents were answering questions with out being given all of the necessary information and for that reason I believe the survey should be considered invalid. In any case, the results of the survey are subject to an individuals interpretation with the author of the Morrision Low report suggesting "there is some willingness to pay within the community". My interpretation of the results would be any willingness to pay is lukewarm at best.

A much more indicative result can be extracted from the Community Engagement undertaken by Council between 18/11/24 and 12/1/25 (after the Morrision Low report was completed) in which respondents were asked to choose from four rate hike options, 1 being the minimal and 4 being the maximum. Over 6,389 residents participated and 51% of respondents chose option 1; rate peg increase only. Of those who entered comments in the appropriate section of their submissions, 57% suggested Council cut costs and seek other income streams. In addition to this it should also be noted that 83% of respondents chose either option 1 or option 2, the two lowest rate increase options.

Looking at the above, no amount of twisting, no amount of spin, no amount of manipulation could suggest that there is a willingness of the ratepayers, as a whole, to pay a massive 40% increase to their rates. Council has either misjudged or deliberately chosen to ignore community sentiment and this has resulted in a great deal of anger among the residents. All the people I speak to are very unhappy about the increases. Every one seems to have a story of waste and poorly prioritised infrastructure work. A top heavy council with too many highly paid senior management positions. The overuse of consultants and contractors. The overwhelming feeling among the people I speak to is that there is a lot of fat to be trimmed before any rate rise should be considered. (Refer to Community and Stakeholders Engagement Report, 7.8, themes from comments pages 26 & 27 for a more detailed list of where ratepayers believe Council waste can be cut and better management principles applied).

In concluding, it is my opinion that Northern Beaches Council has, through its application for a special rate variation of 40%, failed completely in establishing that the impact on effected ratepayers is reasonable or that there is a capacity or willingness to pay. I therefore believe that Council has not met the OLG's criteria for a special rate variation and that it's application should be rejected.

Once again, thank you for inviting me to make a submission and I hope you will take my views into consideration when making a decision on the matter.

Yours faithfully

Author name: R. Waldersee

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Re: OLG criteria 5. I draw on my experience

where I spent nearly a

decade examining failings in government control systems and previously as a focused on effective management of organisations. The conclusions that are set out below are that Council finds itself in the current financial difficulties through a set of strategic decisions and failed management controls that are inconsistent with the efficient and effective stewardship of public monies. Further rate increases to fund these mistakes and ongoing failure to control spending into the future are not an appropriate solution. Significant reform of Councils arrangements is warranted to place Council expenditure on an even keel and allow delivery of priority projects that represent value for money. I have benchmarked Sutherland Shire against Northern Beaches. The two LGAs have near identical populations, similar geography including beaches, bushland and waterways (excluding State land under NPWS management), are located in similar positions relative to the CBD, and have similar socio-economic, political and demographic characteristics. Using the 2023-24 audited financial statements produced in compliance with the Local Government Act comparisons can be made that show Northern Breaches Council employee and materials/services costs (together an operating cost proxy) are overall 33% higher per resident than Sutherland Shire. Detailed comparison of the financial statements indicates Northern Beaches is higher on nearly all comparable line items where comparable entries are available. The full table is presented in the attachment. Employees \$159.3 m (NB) \$120.2 m (SS) \$39 m/32% higher Materials/Services \$163.4 m (NB) \$112.2 m (SS) \$51 m/45% higher Total Operating Cost Proxy \$322.7 (NB) \$232.4 m (SS) \$90 m/33% higher cost per resident My observations are that Northern beaches Council appears to have made a series of key mistakes that have cumulatively resulted in the current problems: Structurally embedding a large number of project managers into Council, inevitably leading to a dramatic increase in project numbers including some wasteful and luxury projects. Creating permanent/structural costs on the back of temporary funding. Outsourcing of basic Council activities without implementing a corresponding material reduction in Council head count. Diverting funds from priority works to grant co-contributions where the grant program is not necessarily for projects that are a priority for Council. Failing to pivot and reorder spending priorities as conditions change. Gold plating basic works as budgets become tighter. Allowing Councils scope of activities to expand into very low value and questionable areas that appear to be almost all cost and no benefit. These are also set out in detail in the attachment.



3 March 2025

Re: Northern Beaches rate variation request.

OLG criteria "productivity improvements and cost containment strategies the council has realised in past years and plans to realise over the proposed special variation period".

My credentials

I draw on my experience	where	e I spent
nearly a decade examining failings in government control systems and previou	sly as	
focussed on effective management of organis	sations	3.

My observations and conclusions are not based on any access to Council staff or confidential documents, and as such all conclusions are based on my experience in scrutinising government, publicly available information and observations as a resident.

The conclusions that are set out below are that Council finds itself in the current financial difficulties through a set of strategic decisions and failed management controls that are inconsistent with the efficient and effective stewardship of public monies.

Further rate increases to fund these mistakes and ongoing failure to control spending into the future are not an appropriate solution. Significant reform of Councils' arrangements is warranted to place Council expenditure on an even keel and allow delivery of priority projects that represent value for money.

Background – the macro level conclusion.

This submission only addresses the 5th OLG criteria that IPART must consider: *A history of well-documented council productivity improvements and cost containment strategies.*

The macro level failure of Council to control spending and achieve value outcomes since amalgamation is self evident. Amalgamation was intended to generate sustainable financial outcomes yet Council is now asking the taxpayer to provide funds in addition to the allocated increases to deliver the same or more service outcomes.

The question for IPART is whether Council has adequately addressed productivity and cost containment. This submission seeks to demonstrate that this has not occurred.

Administrative efficiencies and a one time \$21m from the controversial Stronger Communities Together Grant Program were intended to set up the Council for the future. The facts indicate

Council has not realised efficiencies and now cannot maintain the status quo on delivery (Council letter to Ratepayers 20 November 2024 seeking submissions)

This submission sets out:

- 1. A benchmark of Northern Beaches Council against Sutherland Shire Council
- 2. Analysis of causes of inflated spending, drawing on my credentials as a

Benchmark comparison.

<u>Summary</u>: The benchmark summary presented below is consistent with Northern Beaches having excessive permanent staff and high salaries, but at the same time having embarked on an outsourcing model of accelerating project delivery. Northern Beaches has effectively duplicated delivery resourcing by retaining high levels of staff but also outsourcing their work. This represents a structural flaw that should be rectified before additional funding is awarded.

<u>Detail</u>: My experience is that accountability of Local Government Areas (LGA) through benchmark comparison with other LGA's is resisted by Councils on the basis of claimed uniqueness. While there are some granular differences in every case, my experience at shows there are similarities in macro characteristics that allow valid comparison of matched LGAs.

In this case, Sutherland Shire Council is very similar to Northern Beaches Council and represents an appropriate benchmark against which Northern Beaches Council can be compared. The two LGAs have near identical populations, similar geography including beaches, bushland and waterways (excluding State land under NPWS management), are located in similar positions relative to the CBD, and have similar socio-economic, political and demographic characteristics.

Using the 2023-24 audited financial statements produced in compliance with the Local Government Act the following comparisons can be made that show Northern Breaches Council employee and materials/services costs (together an operating cost proxy) are overall 33% higher per resident than Sutherland Shire. Detailed comparison of the financial statements indicates Northern Beaches is higher on nearly all comparable line items where comparable entries are available. This is set out below:

Overall operating costs	Northern Beaches	Sutherland	Difference – Actual and percent
Employees	\$159.3 m	\$120.2 m	\$39 m / 32% higher
Materials/Services	\$163.4 m	\$112.2 m	\$51 m/ 45% higher
Total Operating Cost Proxy	\$322.7	\$232.4 m	\$90 m / 33% higher cost per
resid			resident
Line item comparison as possible			
Training	\$3.6 m	\$0.88 m	\$6.2 m /300% higher
Cleaning	\$7.5 m	\$1.3 m	\$6.2 m /470% higher
Consultancy	\$7.5 m	\$4.1	\$3.4 m / 83% higher
Contractors and waste	\$75.4 m	\$56 m	\$20 m / 35% higher
Other			
CEO salary	\$544 k	\$470 k	\$75 k / 16% higher

Senior Staff/Directors	\$2.8 m	\$1.5 m	\$1.3 m / 86% higher
(annual reports)			
Borrowing costs	\$2.6 m	\$0.72	\$2 m / 270% higher

NOTE: Employees plus materials/services are the best proxy for total operating costs using comparable accounting methods, recognising some materials will be expensed and recorded on the asset register and other materials are included in contractor costs.

The Councils' financial statements do not present the same line items for contractors and waste. The above smooths this by aggregating relevant items to allow a comparison.

Similar benchmark results can be observed benchmarking NB against Wollongong LGA although this LGA has significantly different characteristics from Northen Beaches. The Central Coast LGA is more like Wollongong but has high costs like the Northern Beaches. The Central Coast has been in administration until recently following one of the worst financial mismanagement cases ever and is more of a warning than a useful benchmark.

Detailed Observations

Northern beaches Council appears to have made a series of key mistakes that have cumulatively resulted in the current problems:

- Structurally embedding a large number of project managers into Council, inevitably leading to a dramatic increase in project numbers including some wasteful and luxury projects.
- Creating permanent/structural costs on the back of temporary funding.
- Outsourcing of basic Council activities without implementing a corresponding material reduction in Council head count.
- Diverting funds from priority works to grant co-contributions where the grant program is not necessarily for projects that are a priority for Council.
- Failing to pivot and reorder spending priorities as conditions change.
- Gold plating basic works as budgets become tighter.
- Allowing Council's scope of activities to expand into very low value and questionable areas that appear to be almost all cost and no benefit.

Each are described below in detail:

1. Structurally embedding a large number of project managers into Council, inevitably leading to a dramatic increase in project numbers including some wasteful and luxury projects.

Following amalgamation Council advertised for a very large number of permanent project managers, a number more common in large scale infrastructure project such as Metro.

The intent of permanently employing such a large number of project managers can only have been to materially expand the number of projects undertaken off the back of anticipated amalgamation efficiencies and grant funding.

The inevitable outcome of this structural change has been a proliferation of projects, many of which have been of questionable value such as replacing existing footpaths with marginally wider ones or installing large numbers of rarely used aluminium seats throughout the parks and bushland. At one intersection in Dee Why Council installed seating for approximately 40 persons, where no more than two or three ever use it.

While the project manager salaries may not reflect a significant proportion of Council budget, the existence of so many project managers has spawned a costly pipeline of outsourced projects that were not previously part of the three pre-amalgamation Councils' scope, with a negative impact on the ongoing budget and sometimes questionable value for money.

2. Creating permanent costs on the back of temporary funding.

Council relies heavily on temporary/one off funding such as grants to create assets with permanent associated costs. Numerous non-essential projects appear to create ongoing costs, including the establishment of micro gardens on the footpaths at various places such as Narraweena shops and the start of the Dee Why headland walk.

It is a basic tenet of responsible government budgeting that permanent costs are not built into the budget on the basis of temporary funding such as the Stronger Communities Together funds or anticipated but not yet realised future savings of amalgamation.

Designing projects that create permanent costs off temporary funding, when the budget position is constrained, is fiscally irresponsible.

3. <u>Outsourcing of basic Council activities without implementing a corresponding material reduction in Council head count.</u>

The Council web site associated with this rate increase consultation process indicated a very small reduction of staff costs, likely less than ten FTE per year as a result of amalgamation. In effect, the number of staff inherited through amalgamation does not appear to have been reduced. This is consistent with the difference in staff costs between Northern Beaches and Sutherland reflecting a failure to achieve efficiencies from amalgamation (NB being 32% higher).

The number of Council projects and activities appears to have ballooned in the same period and is being achieved through outsourcing. The benchmark data above indicates Northern Beaches Material/Services costs are 45% higher than Sutherland Shire. Marsupial maintain the parks, life saving is partially privatised, URM collect garbage, while park surveillance, garbage collection, and civil works are all outsourced.

The result visible to the ratepayer. Teams of Council staff previously paid to deliver works now drive around in empty trucks acting as contract managers of the outsourced workers. The optics are Council workers driving around – contractors doing the work on site and both being paid for the same job.

In short, Council appears to have largely retained its funding of in-house works delivery staff capacity but have increasingly outsourced actual delivery. Without a matching reduction of the in-house staff resources, the outsourcing partially duplicates in-house costs and is inherently wasteful.

With civil works delivered through outsourcing rather than utilisation of existing in-house capacity, Council has been maximally exposed to construction cost inflation which could have been contained through in-house delivery.

4. <u>Diverting funds from priority works to grant co-contributions where the grant program is not necessarily for projects that are a priority for Council.</u>

The Council web site indicates that many of the proliferating projects are funded through grants. My experience in observing many grant assessment processes is that Northern beaches features as a grant applicant more than any other council.

However, many grants require up to 50% Council co-contribution and are for "nice to have projects" that Council may not otherwise prioritise and other Councils do not apply for. The effect is Council is likely diverting funds from core work such as road maintenance to make co-contributions to grant funded luxury items such as boat ramp upgrades at Narrabeen Lagoon where it is too shallow to launch a boat and the Lagoon has another 3 operating ramps.

While a project such as the Narrabeen Lagoon boat ramp may represent value for money for Council in the sense that the project costs are partially funded from sources other than ratepayers, the issue remains that the part of the costs that are borne by Council do not represent investment in priority projects.

The reliance on grant funding for projects with Council co-contributions distorts the prioritisation of project funds away from essential works and comes with significant opportunity costs. Essential works that are not eligible for grant funding may lose funding to co-contributions for non-essential works that are eligible under a grant program. The grant co-contribution approach may permit a larger number of projects to be undertaken by Council but can simultaneously reduce the funding available for essential works.

5. Failing to pivot and reorder spending priorities as conditions change.

As noted above, following amalgamation and receipt of grant monies the Council employed a large number of project managers and embarked on a pipeline of outsourced works that may be "nice to have" but are not of an essential nature. At the same time there were years of La Nina events occurring leading to significant road damage and other storm and rain damage as noted by Council in the letter to residents as part of this consultation process.

These are the same weather events experienced by Sutherland Shire without the same funding problems arising at that Council.

What was notable during this period was that as the rain and storm damage became ever more obvious and urgent, Council continued to allocate resources to the pipeline of nice to have projects, and did not pivot to investment in deteriorating infrastructure.

For example, projects such as table top speed hump pedestrian crossings, centre line re-alignment, red colouring on some intersections, complete reconstruction of sections of guttering often less than a metre long, commencement of a Warriewood community Centre and replacement of footpaths with slightly wider ones are all occurring adjacent to roads that are collapsing and are not being repaired.

While liabilities from deteriorating essential asset maintenance and repair costs have been mounting, expenditure appears to be locked into other less pressing projects, with Council unable to pivot to the emerging priorities. The result is the liability on essential infrastructure has ballooned as repairs have not occurred while funds are expended on lower priority issues.

6. Gold plating basic works as budgets become tighter.

Many Council projects appear to be over designed, often with features that have little intrinsic value. For example, the suburban intersection of Alfred and Carawa roads had a roundabout for years but could have benefited from a crosswalk or wombat crossing. Council has built in the space of one and a half blocks four new speed humps (three are table top with red coloured cross walks), installed two wombat crossings, installed over 40 signs, rebuilt the roundabout gutters with complex double height structures (that do not allow the buses to clear them), realigned the centre line, built traffic calming structures, installed stop signs on t-intersection side streets, built a small retaining wall, built a tiny spike grass garden (that will require ongoing maintenance) and extensively rebuilt the footpaths. A couple of crosswalk signs and painted crosswalks would have achieved the same outcome at a fraction of the price.

There are multiple examples across the LGA of gold plating, another being the toilets at Collaroy Pool which has involved rebuilding the hillside, building a lookout on top of the toilets next to the existing grass lookout, installation of ramps and a staircase, stainless steel banisters with concealed lighting, and installation of large external design features that serve no practical value. The toilet block at Narrabeen bus stop is also a massive two story structure for no obvious reason.

Expensive post and stainless steel rail fences have been installed to replace existing simple fences or rows of posts, or where fences never existed at playing fields and parks, often solving no clear problems but with a premium cost fencing option.

The local media indicates Council was long aware of the looming structural financial constraints yet have continued to deliver gold plated projects where a more cost-efficient solution was available.

7. Allowing Council's scope of activities to expand into very low value and questionable areas that appear to be almost all cost and no benefit.

Council has undertaken an increasing number of relatively low cost but arguably lower benefit activities that are peripheral to core responsibilities and which are cumulatively difficult to justify knowing the deteriorating financial situation. These include:

- a. Slogan signage throughout parks with no conceivable mechanism for achieving a positive outcome, such as "Be beach aware", "Know what to do if you are in trouble", "Fight the bite", "Take care be track aware", "Park tracks are busy", and "Know the e-bike code". The small Deep Creek car park alone has over sixty Council signs.
- Purchase of electric vehicles with the associated designing, commissioning and implementing of decals and artwork telling ratepayers that Council has bought these EV's.
- c. Designing, commissioning and implementing replacement of (almost) all street name signs and asset signs with new logos.
- d. Designing, commissioning and implementing billboard sized signs on garbage trucks with artwork and messages such as ocean plastics will outweigh fish (something the study author denied on the BBC) or that Council does not approve of domestic violence (a position that is already normal).

e. Payment to to encourage Council to declare a climate emergency despite him being removed from his position by the PM.

While each of the fringe scope expenses such as these are individually trivial as a percent of budget, in totality they may well represent material uncontrolled expenditure at the time Council finances were deteriorating. At the very least, these expenditures indicate a looseness of Council financial controls at a time where finances were in trouble.

Author name: R. Watson

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We request IPART rejects Northern Beaches Council request for increased rates by way of a special variation. Option 1 i.e. Do not increase rates - in the councils survey in regard to the special variation, was chosen by the majority of respondents. Councils own document Community and Stakeholder Engagement Report, submitted to IPART as part of their application, demonstrates that this option was preferred, which is do not increase rates by way of a special variation. The document instead labels this option as reduce services, which gives a negative connotation to this option. Despite the survey result, Council is still attempting to act against the clear majority of respondents and pushing forward with reckless increases to rates. We note that the survey result document groups together the options and community sentiments that lead to an increase in rates. The survey analysis uses this method to give a result of what the council prefers, which is that most ratepayers would be happy to pay more, not the simple and true result from choosing an option. This appears to be a case of a study being carried out to arrive at the preferred result, not a true result. This survey would have been carried out at great cost to ratepayers, including the use of third-party consultants and yet the result has been ignored. This does not include the obvious amount of time that multiple staff have spent on this submission, again at ratepayers cost. This demonstrates the wasteful nature of this council. Council time and ratepayers funds would have been better spent on developing efficiency improvements, as is the norm in the private sector and most of the public sector. The Minutes of the Extraordinary Northern Beaches Council Meeting held on Tuesday 28 January 2025, was provided by Council as part of this application to IPART. Despite Option 3 being the third most popular option, according to survey results, this option was voted by councillors to be submitted to IPART. The actual motion to apply to IPART for a permanent increase in rates far beyond the rates peg, was only carried by 8 votes to 7. This is clearly not a resounding majority and shows that some, but not all councillors are determined to push this increase in rates through the system by any means available. Council should understand that the planned increase in residents, through densification of population and thus an increase in ratepayers, will provide them with more income. They are trying to double dip by increasing rates along with a higher numerical number of ratepayers. Referencing again the document submitted to IPART - Community and Stakeholder Engagement Report, the results detail show many fellow ratepayers are making the same comments as we have. If the amalgamation of Council has not been successful due to their mismanagement, Council should now de-amalgamate. What we have seen from this amalgamated Council is the appointment of an increasing number of highly paid Executive Management, with their associated expenses. This is not what you would expect to see in the current financial environment. In the private sector, managers incur salary freezes and take on additional responsibilities during adverse periods of operation, rather than simply appoint more managers. It is clear that Council needs to review their expenditure and operations first, rather than just demand even more money from rate-payers who have already suffered rate increases in excess of CPI for years now. Councils offer to defer struggling rate payments benefits no one, as eventually these excessive increases will still need to be paid by the ratepayers. We, like many ratepayers are already stretched financially and cannot afford to fund Councils inability to manage their resources. We are all suffering from a cost-of-living crisis and we all have to be prepared to further tighten our finances in order to survive in this financial environment. The Northern Beaches Council is no different to anybody else in in this regard. We also see that Northern Beaches Council embarks on many vanity and non-critical projects, rather than what ratepayers actually NEED. Examples of Councils nice-to-do projects are: rebuilding Ted Blackwood Centre, footpaths in back streets that duplicate existing assets, regular Food Night Markets (with pop-up stalls), which cannibalise sales from our local retailers. Council needs to better support local businesses and ratepayers. This means reviewing your own internal operations via an independent audit, with a view to drastically reducing non-core staffing, and removing the vanity projects and non-essential community engagement type programs from your portfolio. Northern Beaches Council has failed to provide sufficient detail on exactly what this proposed increased expenditure is expected to fund and so, no reasonable person could support any option other than no increase in rates or increase via a special variation.

Author name: R. White

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission to IPART re SRV request made by Northern Beaches Council (NBC) NBC has NOT demonstrated a need for additional income via a Special rate Variation (SRV). In the 5 years 2020/21 to 2024/25 NBC received Capital Grants averaging \$33.2m per year but for the 25/26 to 33/34 period has forecast only an average of \$13.0m per year a reduction of \$20.2m per year. \$182m less than experience would indicate. This \$182m would solve all of Councils funding problems. Abbreviations etc: LTFP = Long term Financial Plan 2024-2034 February 2025 Update LINK DP = Delivery Program 2024-2028 and Operational Plan & Budget 2024/25 Amended 28 January 2025 LINK AMP = Asset Management Plan LINK AMR = Asset Maintenance Ratio see Appendix 2 BIRR = Building & Infrastructure Renewal Ratio See Appendix 1 OPR = Operating Performance Ratio See Appendix 3. OLG = Office of Local Government, a NSW State Government body. Councils LTFP forecasts that without an SRV, income from Rates and Annual Charges will total \$3,009m for the ten years. However, as this year, 2024-25 is almost 3/4 spent it is the following 9 years which are relevant as it is those years to which Councils SRV would apply (and thereafter) and for which the pre-SRV forecast income from Rates &c is \$2,750m. The LTFP forecasts an accumulated deficit of \$15.4m over the next 9 years and if Council were to also seek to recover this years forecast \$5m loss then there could be a \$20.7m problem to be addressed. I note, too, that certain Performance Ratios are shown on pages 61-62 of the LTFP and include OLG Benchmarks. The Operating Performance Ratio problem is discussed above and the only other unsatisfactory performance measures are (a) Building and Infrastructure and (b) Asset Maintenance. Summary: Shortfall OPR -Operating Performance \$20.7m See Note below re absence of operational efficiencies BIRR - Building & Infrastructure 45.8m AMR - Asset Maintenance \$16.9m \$83.4m Unexplained reduction in Capital Grants \$181.8m Otherwise expected Surplus \$98.4m Note: The OPR assumes zero efficiencies arising from the huge investment in a new computer system and a huge reduction in Capital Grants. This is unreasonable and an investment of this nature would only have proceeded on the basis that it delivered economies. I close by reiterating that Council has NOT demonstrated a need for additional Rate income. Appendix 1 - Building and Infrastructure Renewals Ratio (BIRR) Council explains this ratio as the rate at which these assets are being renewed against the rate at which they are depreciating. It then goes on to show 8 (of the 9 future) years with their underperformance, viz: 25/26 26/27 27/28 28/29 29/30 30/31 31/32 32/33 33/34 TOTAL Shortfall - 6.0% 9.2% 8.1% 9.2% 11.2% 11.0% 12.8% 13.6% Page 68 of Councils Asset Management Plan (AMP) shows the following Depreciation provisions: Depcn 39.8m 41.6m 42.9m 44.3m 45.6m 47.0m 48.4m 49.9m 51.4m We can therefore calculate the \$ shortfall Shortfall - 2.7m 4.3m 3.9m 4.6m 5.9m 6.0m 7.3m 8.1m 45.8m Appendix 2 - Asset Maintenance Ratio (AMR) This is explained as (this) ratio compares actual versus required annual asset maintenance. The LTFP shows the following maintenance shortfall etc: 25/26 Page 68 of Councils Asset Management Plan (AMP) shows the following Maintenance expense: Maintce 24.3m 25.1m 25.8m 26.4m 27.2m 28.0m 28.7m 29.5m 30.3m And again, we can calculate the \$ shortfall Shortfall 1.7m 1.7m 1.8m 1.8m 1.9m 2.0m 2.0m 2.1m 16.9m Appendix 3 Operating Performance Ratio: (this) measures the extent to which a council has succeeded in containing operating expenditure within operating revenue. -oOo-

Submission to IPART re SRV request made by Northern Beaches Council ("NBC")

NBC has NOT demonstrated a need for additional income via a Special rate Variation ("SRV").

In the 5 years 2020/21 to 2024/25 NBC received Capital Grants averaging \$33.2m per year but for the 25/26 to 33/34 period has forecast only an average of \$13.0m per year – a reduction of \$20.2m per year. **\$182m less than experience would indicate**. This \$182m would solve all of Council's funding problems.

Abbreviations etc:

LTFP = Long term Financial Plan 2024-2034 February 2025 Update LINK

DP = Delivery Program 2024-2028 and Operational Plan & Budget 2024/25 Amended 28 January 2025 LINK

AMP = Asset Management Plan LINK

AMR = Asset Maintenance Ratio – see Appendix 2

BIRR = Building & Infrastructure Renewal Ratio - See Appendix 1

OPR = Operating Performance Ratio – See Appendix 3.

OLG = Office of Local Government, a NSW State Government body.

Council's LTFP forecasts that without an SRV, income from "Rates and Annual Charges" will total \$3,009m for the ten years.

However, as this year, 2024-25 is almost 3/4 spent it is the *following* 9 years which are relevant – <u>as it is those</u> years to which Council's SRV would apply (and thereafter) – and for which the pre-SRV forecast income from Rates &c is \$2,750m.

The LTFP forecasts an accumulated deficit of \$15.4m over the next 9 years and if Council were to also seek to recover this year's forecast \$5m loss then there could be a \$20.7m problem to be addressed.

I note, too, that certain Performance Ratios are shown on pages 61-62 of the LTFP and include OLG Benchmarks.

The Operating Performance Ratio problem is discussed above and the only other unsatisfactory performance measures are (a) Building and Infrastructure and (b) Asset Maintenance.

<u>Summary</u> :	<u>Shortfall</u>	
OPR - Operating Performance	\$20.7m	See Note below re absence of operational efficiencies
BIRR - Building & Infrastructure	45.8m	
AMR - Asset Maintenance	\$ <u>16.9</u> m	
	\$83.4m	
Unexplained reduction in Capital Grants	\$ <u>181.8</u> m	
Otherwise expected Surplus	\$98.4m	

<u>Note:</u> The OPR *assumes zero efficiencies* arising from the huge investment in a new computer system and a huge reduction in Capital Grants. This is unreasonable and an investment of this nature would only have proceeded on the basis that it delivered economies.

I close by reiterating that Council has NOT demonstrated a need for additional Rate income.

Appendix 1 - Building and Infrastructure Renewals Ratio ("BIRR")

Council explains this ratio as "... the rate at which these assets are being <u>renewed</u> against the rate at which they are <u>depreciating</u>." It then goes on to show 8 (of the 9 future) years with their under-performance, viz:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	-	6.0%	9.2%	8.1%	9.2%	11.2%	11.0%	12.8%	13.6%	
Page 68 of Council's Asset Management Plan ("AMP") shows the following Depreciation provisions:									S:	
Dep'cn	39.8m	41.6m	42.9m	44.3m	45.6m	47.0m	48.4m	49.9m	51.4m	
We can therefore calculate the \$ shortfall										
Shortfall	-	2.7m	4.3m	3.9m	4.6m	5.9m	6.0m	7.3m	8.1m	45.8m

Appendix 2 - Asset Maintenance Ratio ("AMR")

This is explained as "(this) ratio compares <u>actual</u> versus <u>required</u> annual asset maintenance."

The LTFP shows the following maintenance shortfall etc:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	6.5%	6.5%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	
Page 68 of Council's Asset Management Plan ("AMP") shows the following Maintenance expense:										
Maint'ce	24.3m	25.1m	25.8m	26.4m	27.2m	28.0m	28.7m	29.5m	30.3m	
And again, we can calculate the \$ shortfall										
Shortfall	1.7m	1.7m	1.8m	1.8m	1.9m	1.9m	2.0m	2.0m	2.1m	16.9m

<u>Appendix 3 – Operating Performance Ratio</u>: "(this) measures the extent to which a council has succeeded in containing operating expenditure within operating revenue."

Author name: R. Zillman

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council should be doing quite well with the way the rates are increasing. With the average regular increase plus the three year increase of land value. The council income would have increased dramatically over the years. Our land value has increased over the past twenty years by 1500%. I know all land values have not increased by that amount but they would have increased by a large amount. Therefore the council income would have increased by a large percentage so the council should be able to maintain the current services with their income.

Author name: S. Arthurson

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART, I write to you about the current rate rises that Northern Beaches council is proposing; 1. In recent years available financials 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 Council has not demonstrated a deficit in Cashflows. So why do they need the money? 2. The council has grown costs on average 3.3% p.a. over a 10 year period including amalgamation savings against a CPI of 2.7%. Council are using inflation over COVID period only to justify the rate increase without looking at a longer time frame where rates were above CPI. 3. Corporate expenses of \$62M in 2024 represent 15% of expense budget. Council are using reallocation of overhead to understate the actual overhead reported as 7%. This is 15c for every dollar of spend and is way to large and savings here need to be explored. 4. Corporate FTEs are 1:5 ratio to non corporate FTEs. This is higher than the 1:10 ratio in the council run child care centres and is another example of an overstaffed head office. 5. Council approved 3 years of 8% salary increases when revenue can only increase legally at 3.8% rate peg. This is incompetent. Council has a responsibility to deliver a balanced budget and live within its means just like every other household on the Northern Beaches. The Rate Peg is a protection to the residents of Northern Beaches against monopolistic price increases (we cannot choose another council like most other purchase decisions to a households budget). Council is stating that the rate peg is the limiting factor here, but in fact it is our protection. The community engagement was very one sided. I am a financial analyst of 25 years and was willing to volunteer my time to do a full community side analysis and the council was not cooperative at all. I had to use GIPA to get below the high level information they provided and this was refused under To do so would take many hours and we are of the view that the resources required will result in unreasonable additional costs. For this reason, this additional information will not be produced. Kind Regards,

Author name: S. Bickford

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am not opposed to rates rises. I values the work council does and recognise the increasing costs of everything that you do. However, parking policies, permits and fees need a huge overhaul. Parking space is a hugely valuable asset that is given away largely for free. But providing parking is far from free. Underpricing parking pushes up rates (someone has to pay for it). And or course, it encourages driving over more sustainable transport options. The availability of free parking is a key determinant in the decision to drive. Council could price it with a bit more nuance, collect more revenue and nudge people to use other transport. And maybe even make some progress towards your target of reducing car trips by 30% by 2038, as set out in the Move strategy. Unfortunately, there seems to be little happening to support such a reduction. Beach permits The NSW Government has requested that Northern Beaches Council offers beach permits to ratepayers and tenant under equal terms. This - combined with the current scrutiny over rates and income - provides an ideal opportunity to reevaluate the beach permit system. How about removing 'free' beach permits from the rates altogether? It is very annoying to pay for two permits that I don't need or want in my rates. They are not 'free'. 43% of NB households have 1 or no car. In some suburbs that is much higher - Manly 67%, Balgowlah 57%, Dee Why 62%. Why hand out 2 permits? Council could cut a big chunk off the rates, and then sell permits to people who actually need them. All residents would be eligible, and non-residents could apply and pay more. A cut-price Mon-Fri only option could be offered. Permits are linked to registration. Waverley has addressed this: https://www.waverley.nsw.gov.au/residents/parking/permits Even at \$1000 a year, non residents who come regularly to exercise at the beach would be happy to buy a permit and improve council cashflow. At then moment they buy underpriced permits on the black market with no benefit to council. The current system is inflexible, and doesn't make the best or fairest use of one of Council's most valuable assets - parking space at the beach. Council could end up with more revenue overall - and more people will be incentivised to get the beach by bus, bike and foot. It should at least be modelled. Resident permits I know that some work has been done recently to revamp the resident permit system to take some permits out of circulation and ease pressure on street parking. However, I was shocked when I checked the application process recently and saw that it still costs a grand total of \$52 to park your car for a year on 20 sq.m of prime Manly real estate. This seems crazy. In the City of Sydney, the first permit is \$84 and you have to prove that you have no off-street parking. In my old neighbourhood in London, it costs about \$200 per year. Hackney does a good job of explaining the pricing rationale to the community. https://hackney.gov.uk/why-wecharge-for-parking This would still be a tiny proportion of the cost of owning a car and a fraction of the market value of parking space in Manly. Council's main lever to manage car dependency, congested streets and unnecessary car ownership is through parking fees and controls but I see little being done to use this. I realise that there are rules about what parking fees can be used for but there must be scope to collect a lot more revenue from permits and ring-fencing the money to fund for example projects in the Manly Place Plan, contribute to cost of Hop, Skip and Jump services etc. If it's framed as a central Manly transport levy, resistance could be overcome as local residents get a direct benefit from the bus service on their doorstep. How many resident permits are issued each year at present? I have a figure of 7,000 in mind but may be completely wrong. At \$100 a year, there would be \$700,000 in the coffers for placemaking and transport initiatives. Then repeat in Dee Why. Other Northern Beaches residents do not pay for parking permits - which can help justify why they don't get a community bus. Again, it should be modelled. Council carparks The 4 carparks in Manly should have fees reviewed. A much fairer sliding scale should encourage more use and more income. I can't see why 2 hours of such valuable space is free. A small fee for everyone would generate a lot of income and even out usage patterns

Author name: S. Carroll

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

This proposed rate rise is ridiculous. Why waste even more money polling residents to then completely ignore what the majority voted for?! Why should we have to pay extra for councils incompetent management of their budget?

Author name: S. Cummins

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Increasing our council rates by such a large % at a time when most are struggling to pay bills and afford to feed their families is criminal. Other cost cutting measures should be considered and would be supported by the community. Some services could be reduced if not delivering value but please dont put rates up as it will force some below the poverty line

IPART Submission prepared by Stuart Gold

Date 17 March 2025

Dear IPART,

I am writing to you regarding the Northern Beaches Council – "Special Variation to Rates" proposal, 39.6% rate increase over 3 years.

I request IPART reject the proposal in full. The proposal is ill-conceived, unjustified and can be considered at a minimum flawed and potentially deliberatively misleading and deceptive, comments are below.

NBC did not demonstrate the need for the additional income

NBC has \$200 million invested and has achieved a budget surplus every year since amalgamation. The proposed 39.6% rate hike is excessive to Council operating requirements. In essence NBC is seeking an aggregate \$502.7 million in rate derived income over a 10 year period, to offset a forecast operating deficit of \$20.3 million. This operating deficit could easily be reduced by removing unnecessary and unwarranted services from its budget and reducing staffing beyond what is currently necessary.

Each year since 21/22 the actual Operating Surplus exceeds the budgeted amount in a positive manner as follows:

- 2021/22 Budget \$56.328M. The Actual final figure was \$61.630M. A positive variance of \$5.302M
- 2022/23 Budget \$38.559M. The actual final figure was \$51.693M. A positive variance of \$13.134M
- 2023/24 Budget \$32.695M. The actual final figure was \$44.148M. A positive variance of \$11.453M

Over the last 3 year period council exceed its budgeted profit by \$29.9M.

The majority of NBC residents voted for a no rate increase beyond the IPART peg rate. People indicated they would prefer a cut in services, than to have to sustain additional unnecessary expenditure on their rates. There are many non-essential services provided by Council, some of which are duplicated by state and federal government programs. Council did not consider cutting these non-essential services as part of a review into reducing Council expenditure, instead it went for the easy option of promoting an unnecessary rate hike.

At its 20 November 2024 meeting Cr. De Luca put forward a proposal that the Council CEO furnish the Councillors with a report detailing where cost cutting could be undertaken. Unfortunately, the motion by Cr. De Luca was voted down by a slim minority of one vote. No SV rate hike should ever be considered, without first

conducting an internal review of unnecessary spending and review of potential saving through a restructure of staffing costs and overheads. The Council spends \$3.3 million on staff motor vehicles alone and the CEO did not even consider how novated leasing or alternatives to provision of staff vehicles could reduce Council expenses, as one example.

If there are insufficient funds within the on-going budget for example to fix the Warringah Aquatic Centre, a SV could be issued for that particular purpose, just as any other Body Corporate operates when needing to fund an extraordinary item, outside of the available budget. But this should be a last resort option, increasing charges for the facility and cost saving measures should be explored prior to this extreme measure being mooted.

A forensic, independent audit should be undertaken of Council non-essential services and cost saving measures (including staffing) prior to any further action being taken.

NBC did not provide evidence that the community was aware of the need for and extent of the proposed rate rise

Consultation Process

The consultation program was run between 18 November 2024 and 12 January 2025. This is traditionally and widely known as the "holiday season". During this time people are readying themselves for Christmas, attending Christmas parties, preparing for their holidays, enjoying New Year eves parties, and going on holidays. This is the worst time to conduct a community consultation program. People are least likely to want to be engaged in submission writing over this period, as they want to relax after a busy and stressful year.

The consultation process was ill conceived and fundamentally flawed, not providing adequate opportunity for options to be considered other than four "pre-determined" Council options.

Many people would have been afraid to select Option 1, as this option stated there would be "cuts to services" in selecting this option. Although the specific cuts to services were never explained, thus, this was seen as a scaremongering option.

There was no option to improve Council operational efficiencies or services or remove services that are superfluous, unnecessary, unsustainable or duplicative with State and Federal government offerings.

There was no mention of slimming down Senior Management positions or any other options for creating a leaner, more efficient Council.

CEO Letter

The letter sent out to ratepayers from CEO Scott Phillips dated 20/11/24 was misleading and unnecessarily alarming.

The letter provided no justification as to why the current operating budget was insufficient and not sustainable. 2024 income was \$441,728,000, up on 2023 which was \$425,443,000, 2024 saw an operating surplus of \$44.1M

The letter implied that Council was under financial stress, which is just not the case.

The letter stated that the current trajectory did not provide enough funding to achieve the community's priorities. The letter failed to state what those priorities were and who determines the priorities, nor did it state what priorities will not be met.

The letter stated that if the Special Variation is not implemented cuts to services would result, but failed to specify what services will be cut.

The letter failed to detail how Council can become more efficient and provide an alternative to rate increases by removing waste and unnecessary services, improving its fiscal management and operational efficiency.

Whilst the letter proposed four options it did not state the Councils preferred option, or provide any rationale for that choice! It clearly did not provide evidence that the community was aware of the need for and extent of the proposed rate rise.

The "learn more and have your say" QR code on the letter is foreign to many people. I for one do not know how to use/access a QR code and did not enter any place requiring one during Covid. I know that my 91 year old father who does not own a mobile phone, (who has paid Council rates for over 60 years) had no chance of "learning more" via the letter.

The letter concluded saying "We know our community wants us to do more - from mowing the grass to building new playgrounds, repairing our roads and fixing our storm water system to protect our environment". If lawn mowing, repairing roads and maintaining playgrounds is not fundamental to Council business, I don't know what is, a and Council is in serious breach of its obligations if it can not manage to maintain those services with a \$500M budget!

"Have Your Say" Submission Form

The "Have your say" electronic submission form was biased and misleading.

Option 1 stated "Increased maintenance backlog and cuts to services". This Option provided no explanation as to what services will be cut. If Council can not explain what services will be cut then this option can only be described as scaremongering.

The Option did not consider the ways in which Council can better manage its budget in order to contain Council expenditure within the IPART "peg rate". This option should

include reducing expenditure on non-core Council business. It should include a review of expenditure on salaries (particularly the large number of senior positions within Council and associated on-costs).

Nobody wants to reduce expenditure on the council's traditional core responsibilities of roads, footpaths, parks, sporting fields, beaches, pools, libraries, garbage waste and water ways etc. but people do not want their money spent on unnecessary or fringe services.

Options 2-4 were not fully explained, however, failed to explore alternative funding models such as public/private partnerships, sponsorship, philanthropy and State and Federal Government grant and funding programs.

In summary, the consultation process restricted feedback to service levels tied directly to rate hikes, excluding alternative approaches such as cost-cutting and efficiency models. As such the Consultation process was biased towards a preferred Council outcome and did not provide evidence to the community of the need for and extent of the proposed rate rise.

NBC did not establish that the impact on affected ratepayers was reasonable

Council engaged (colluded with) consultancy firm Morrison Low to try and show that the proposed rate hike was acceptable and a reasonable burden for ratepayers to bear. Instead of assessing willingness to pay (which would highlight a very strong reluctance within the community, particularly with the current cost-of-living crisis) Morrison Low opted for "capacity to pay". Morrison Low provided a data range favourable to its purposes a time period from 2017/18 to 2022/23, showing household net savings as 24%, which could be interpreted as available cash. When the same analysis is undertaken over the period 2020/21 to 2022/23 however, net savings are shown to be drastically underwater at minus \$14,966!

In undertaking my own discussions with hundreds of Northern Beaches community members about the proposed 40% rate hike not one person was enthused or considered it to be a good idea. Many people claimed to be struggling under the current cost of living crisis. The overwhelming response from people was that it was unreasonable and unwarranted and that Council should look for savings within, before adding an additional burden to dwindling family budgets. Perhaps if more Councillors took an interest in their constituents' views, they too would quickly have identified that it was a very bad idea.

The 23/24 Annual Report for Lifeline Northern Beaches states that financial counselling services are up 33% on last year, a 64% growth in new clients seeking financial counselling and that - "The financial landscape in FY 23/24 has been especially tough

for many Australians. Suicide Prevention Australia's quarterly surveys show that "Cost of Living and Personal Debt" are leading to record levels of suicidal distress".

NBC did not exhibit, approved and adopted relevant planning documents

Council made no effort to provide a summary of relevant planning documents as part of its proposal for a SRV. Although planning documents were available on the Council website, the documents mainly were not easily read or assimilated by the public and included thousands of pages of jargon and bureaucratic language. At best it could be said that NBC followed the IPART requirement, but not in a manner that was accessible or easily digestible by the general public or in the spirit of genuine or appropriate consultation.

Productivity improvements and cost containment strategies

It seems there is substantial room for improvement at NBC. Council has failed to itemise the scope and cost of all unnecessary programs, that is, anything that is not core business. Councillors did not agree to the motion by Cr. De Luca requiring the CEO to furnish a report detailing potential cost savings at its 20 November 2024 council meeting.

Despite cost savings and economies of scale benefits being touted prior to amalgamation, these benefits seem to have not materialised. More than 63 positions have been added to Council in the period 2019/20 to 2024/25. Additionally, there appears to be no attempt to rationalise property through disposal, leasing or public/private partnerships. Economic Development, Events and Engagement Services have blown out 31% since amalgamation and Community, Arts and Culture Services have increased by 20%. These are two areas of service delivery that can only be described as non-core and many community members would like to see these offerings abolished.

Up until 28/2/25 I worked for a large Government organisation as a public servant. The Group I worked for provides services very similar to NBC.

These include -

- service delivery
- development, maintenance and management of infrastructure
- property management
- planning
- environmental management
- program management and governance
- data systems and security.

A high level comparative analysis is provided in the tables below.

In summary, my former employer has -

- a budget 14 times larger than Council's to manage
- assets worth 11 times more than Council's to manage
- a land area that is 410 times bigger than Council's to manage

And yet Council has around the same number of senior positions as my former employer (111 vs 113) with NBC salaries costing an additional \$5M per year to maintain.

Based on this, I consider there is substantial room for Council to rationalise staffing levels and associated on-costs (particularly in the senior ranks). However, Council has refused to go there!

Council should have engaged an experienced and independent forensic auditor to undertake an audit of Council programs, positions and non-core expenditure, prior to seeking a Special Variation.

Below I provide a comparative table of the key elements between NBC and My Group.

Element	NBC	My Group
Budget	\$524M	\$7B
Assets under Mgt	\$3.45B	\$38.2B
Land area under Mgt	9,277 ha	3,800,000 ha
Total staff numbers	1,300	2,000

Now let's look at senior staffing equivalents.

NBC		My Group			
Staffing	Number	Salaries	Staffing	Number	Salaries
CEO	1	\$556K	Ass Sec	1	\$488K
Directors	5	\$414K	1 st Ass Sec	4	\$354K
Executive Managers	23	\$287K	Ass Sec	17	\$257K
Managers	82	\$195K	Directors	91	\$150K
Total	111	\$25.2M		113	\$19.9M

In summary, Council has around the same number of senior positions as My Group (111 vs 113). However, NBC senior level salaries cost an additional \$5M per year to maintain.

Finally, I would like to thank IPART staff in assisting with answering questions in relation to the submission process and for affording the Northern Beaches community an additional week to provide a submission to the NBC Special Variation proposal.

Author name: S. Gregg

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

1. Need for additional income. The Northern Beaches Council does not require additional income. Last budget year the Northern Beaches Council announced a 49 million profit. The amalgamation of Councils was projected to save millions for the Council and rate payers. Restructure the Council administration too many senior managers on excessive incomes. Council is wasting rate payers money on projects which takes away from delivering their essential services. NBC has not proved to the community where they have found and implemented efficiencies and cost containment strategies. NBC has not addressed the monetary impact of a 40% rate increase on ratepayers. Scrap IPARTs arbitrary annual cap that does not keep up with inflation. Enable Council to be able to make reasonable, incremental, evidence-based rate increases to cover their actual costs. Enable Councils to set their own rate increases that reflect their actual costs. Otherwise stick to Option 1 maintain current services. Tax and spend is not the solution. 2. Majority of the NB Community was unaware of a forced 40% rate increase. NBC blind-sided the community by only sending a letter to residents towards the end of last years holiday season, when people had too many other issues on their minds. Devious timing and during a cost-of-living crisis. Lack of community consultation. Insufficient time limit for resident submissions. 3. Forty percent rate rise unreasonable, over inflated, and unaffordable for most rate payers.

Author name: S. Hemsworth

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a long term rate payer in the Northern Beaches council area I am absolutely against the unprecedented rate rise. Council is wasteful and pay a lot more to high level staff than is required. Rather than just raise rates the council should look at cost savings and how to be more effective. The amalgamation was supposed to have achieved this and should have so the fact cost savings are not apparent show the council is not being effective in managing our money. Please do not approve this.

Author name: S. Higgins

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to formally oppose the proposed 40% increase in council tax. At a time when households are already struggling with the rising cost of living, this increase would place an unbearable financial strain on residents. We are currently experiencing a period of economic recession, with inflation driving up the cost of essentials such as food, fuel, and energy. Many families are already having to make difficult choices between heating their homes and putting food on the table. Increasing council tax by such an extreme margin would further exacerbate financial hardship for countless residents, particularly those on fixed incomes, low wages, or facing job insecurity. While we understand the need for councils to fund essential services, a 40% increase is excessive and unrealistic. Many residents simply cannot absorb such a significant rise in their outgoings. Instead of imposing this burden on taxpayers, alternative solutions should be considered, such as: Reviewing council expenditures and identifying areas where efficiency savings can be made. Seeking additional funding from central government. Phasing in any necessary increases more gradually over a longer period to reduce financial shock. This increase risks pushing more households into financial distress, increasing reliance on welfare support, and ultimately harming the local economy as people have less disposable income to spend in the community. I strongly urge the council to reconsider this proposal and explore fairer, more sustainable alternatives.

Author name: S. Irwin

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council has failed to satisfy Criteria 1, 2 and 3 for a Special Variation and has demonstrated a reluctance to adopt financial management solutions as promised when the three council areas were amalgamated. More details are provided in the attachment.

INTRODUCTION

In the IPART 2016 review of the NSW Government rating System, your recommendations were to "allow councils to collect revenue more efficiently and fairly from ratepayers." Northern Beaches Council (NBC) does not comply with your objective and has implemented a rate structure which is inflexible and unfair and is planning to continue with this structure if granted a Special Variation (SV).

Criterium 1: Council must demonstrate the need for the additional income.

The NBC has produced voluminous reports, statistics and plans but the financial position is based on the continuation of a bloated and inefficient structure rather than implementing meaningful improvements.

The NBC was created to bring greater efficiency to the workings of the previous three councils but the benefits are marginal at best. Ratepayers were promised a significant reduction in staff levels as a result of the merging of the councils but this has not eventuated to the extent promised. Reports of the high remuneration of so many managerial positions do not align with the objective of a lower cost structure.

The delays in major projects undertaken by the NBC do not give the impression of professional project management. One typical example is the amenities block at Shelly Beach which must have taken two years to complete.

Criterium 2: Council must provide evidence that the community is aware of the need for and extent of the proposed rate rise.

NBC flooded the community with words and figures which would overwhelm the typical ratepayer and did more to confuse than to inform. The council decided, without any community involvement, to select four options for the SV.

The wording of the proposals was designed, not to inform, but to scare ratepayers. Option 1 was defined as "Reduce Services" but it was not stated what these reductions would entail. The choice of words would influence ratepayers to select one of the other options even though there was no real detail on what would be provided (or reduced). Each option showed the cost increase for the <u>average</u> ratepayer. However, the average includes those on the minimum rate and is much lower than the increase applied to those on ad valorum rates. Although there was an option to seek advice on the specific rates increase for each property, the low average figure quoted would not trigger a response to do that for many ratepayers.

The council provided briefing sessions which, from experience, were very poorly attended, perhaps because the extent of the increases was not appreciated due to the simplistic average figures. At one briefing session I asked why the Council did not state figures for ad valorum ratepayers in different areas but the response was that IPART did not allow the use of anything other than average figures in documentation to ratepayers (apparently untrue).

Voting by ratepayers on the four options appeared to have no influence on the NBC decision to select Option 3. It was certainly not endorsed by those who voted and one wonders why community consultation was undertaken when the results were discarded.

Criterium 3: Council must establish that impact on affected ratepayers is reasonable

The impact is unreasonable on many ratepayers with high UCV properties. The basis for rates was set unfairly during harmonisation and the proposed SV is based on this unfair base. The SV request by the NBC only seeks a simple percentage increase but the method by which the rates are applied should be taken into account by IPART in its deliberations. It is appreciated that IPART does not assess or set the rates for services but the NBC request is calculated on the assumption that the rates structure will remain and hence such a structure has significance in the approval process.

I note the comments of the NSW Government's June 2020 response to IPART's recommendations that it supports more flexibility in setting rates. It noted "the view of some stakeholders that they are paying higher rates than they should, with councils effectively using them as a 'golden goose'." This is exactly what NBC has done when establishing the rate structure. Under harmonisation they increased the ad valorum percentage by 26% for the previous Manly Council area which allowed them to lower it (and the minimum rate) in other areas. Fundamentally this creates cross subsidisation and this was in spite of ad valorum ratepayers in Manly already paying more than those in the other areas. Now they are being asked to contribute about 40% more – an increase of 66%.

There is a huge disparity in UCV across the NBC area and the council considered, but deliberately did not adopt, the concept of a base amount to which an ad valorem amount is added as allowed under the Local Government Act 1993. The base value option would have provided more equity in the services received. Furthermore, the decision under harmonisation to reduce the minimum rate in the previous Warringah Council area has contributed to the financial position NBC are now experiencing.

The NBC claims that ratepayers can afford the increases. They claim that because 34% of ratepayers own their own homes, they have a higher capacity to pay. This conclusion is not

supportable. There are many ratepayers who own their homes but they are retired with limited income. (My street has 45% of residents in that situation). Also, surveys which asked if one would be willing to pay for increased services are questionable because costs were not disclosed. NBC has stated that the proposed rates would increase even for no increase in services (Option 2) and I doubt many ratepayers would find this acceptable.

Criteria 4 and 5 are the responsibility of the NBC.

CONCLUSION

The Northern Beaches Council has failed to satisfy Criteria 1, 2 and 3 for a Special Variation and has demonstrated a reluctance to adopt financial management solutions as promised when the three council areas were amalgamated.

Author name: S. Levy

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Prior to increasing rates by so much Council should have looked and assessed and seriously cut their own operating costs - especially salaries. They should not have commissioned a survey of residents then totally ignored the results. Another example of wasteful expenditure. Please do not authorise such a steep rate rise without justification

Author name: S. Mitchell

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hi, Attached is my submission to the Northern Beaches council when they asked for feedback. My feedback is that council should review their expenditure before simply applying such a significant increase on ratepayers - something, I see that Kuring-gai council is seeking to do through the appointment of an external auditor. I would urge the council to share such a review with the community to tailor services to meet expectations and strike a balance between rate increases AND cost control - something so far, the council has been deaf to.

Author name: S. Stokes

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

I disagree with councils increase in rates. Council mismanaged rate payers funds. Council are inefficient with spending.

Council has 49 million dollars in the bank so why the rate increase.? Council should be audited on spending our money as so many projects are simply a total waste of money, rate payers are furious we are to be charged greater rates due to councils inefficient management of our money

Author name: S. Taylor

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A core responsibility of IPART is to prevent monopolies charging monopoly rents as this Council is seeking to do here. The financial reports year ended 30 June 2024 show a financially robust Council and nowhere in its 204 page Annual Report is there any mention of any funding crisis. In 2024 the Council reported an operating profit of \$44.1 million and a net cash increase of \$17.3 million, no debt and cash and investments of \$200.2 million. Over the 4 years 2021 to 2024, Council's net assets have increased \$656 million. These financial results show the Council's 39.6% rate increase is without merit, at a time where cost of living for many is crisis levels. Please reject this Council's tone deaf empire building exercise at the expense of its ratepayers. Thank you for the opportunity to make this submission.

Northern Beaches Council

Summary results

Income Statement	2024	2023	2022	2021
Income	\$441.7m	\$425.4m	\$408.1m	\$365.8m
Operating expenses	\$397.6m	\$373.8m	\$346.4m	\$365.7m
Net operating result for the year	\$44.1m	\$51.7m	\$61.6m	\$0.1m
Result excl capital grants & contributions	\$14.9m	\$17.8m	\$17.7m	(\$26.5m)
Capital expenditure	2024	2023	2022	2021
New capital works	\$29.9m	\$41.7m	\$44.2m	\$33.8m
Capital renewal works	\$43.4m	\$40.3m	\$32.7m	\$39.4m
Non-cash asset dedications	\$0.2m	\$0.8m	-	\$0.8m
Total capital expenditure	\$73.5m	\$82.9m	\$76.9m	\$73.9m
Loan repayments	2024	2023	2022	2021
Total loan repayments	\$3.4m	\$4.8m	\$5.0m	\$5.1m
Cash and investments	2024	2023	2022	2021
Externally restricted	\$62.0m	\$53.1m	\$41.5m	\$30.8m
Internally allocated	\$88.6m	\$90.8m	\$80.2m	\$83.4m
Unrestricted	\$49.7m	\$38.9m	\$36.4m	\$33.0m
Total cash and investments	\$200.2m	\$182.9m	\$158.1m	\$147.2m
Cashflows	2024	2023	2022	2021
Net cash from operating activities	\$92.8m	\$110.7m	\$90.2m	\$74.6m
Net cash from investing activities*	(\$70.8m)	(\$79.8m)	(\$73.0m)	(\$75.2m)
Net cash from financing activities	(\$4.7m)	(\$6.1m)	(\$6.3m)	(\$6.5m)
Net incr / (decr) in cash & investments	\$17.3m	\$24.8m	\$10.8m	(\$7.1m)
* Excludes purchase and sale of investments				
Financial Position	2024	2023	2022	2021
Total assets	\$5,888.9m	\$5,636.4m	\$5,421.0m	\$5,245.2m
Total liabilities	\$186.5m	\$187.3m	\$184.5m	\$198.6m
Net assets	\$5,702.4m	\$5,449.2m	\$5,236.5m	\$5,046.6m

From: Simon White

Sent: Friday, 14 March 2025 1:59 PM

To: IPART | Local Government

Subject: Strong Opposition to Council's Excessive Rate Increase Proposal – Northern Beaches

Council.

Independent Pricing and Regulatory Tribunal (IPART)

Dear IPART,

As a long-time local resident and ratepayer, I am deeply concerned and frustrated by Northern Beaches Council's proposal to increase rates by nearly 40% over the next three years. This is an outrageous and unfair burden on residents, especially seniors, pensioners, and self-funded retirees who have worked hard to stay in this community.

For decades, we have paid our rates, trusting that Council would manage its finances responsibly. Now, we are being asked to pay significantly more for services that are not improving—and in some cases, are getting worse.

Rates Must Be Kept in Check

A rate increase above inflation is completely unacceptable.

- Many of us are on fixed incomes and simply cannot afford such a steep rise in costs.
- Inflation is already making everyday living difficult—higher rates will only make things worse.
- The recent harmonisation process already saw rates increase by more than 20% for some. Now they want even more?
- Council needs to tighten its belt, just like households do when times are tough.
- If Council needs more funds, it should first look at cutting waste and unnecessary spending before coming to us for more money.

Cut the Waste Before Raising Rates

Before increasing rates, Council should look at its own spending habits. Ratepayers have had enough of wasteful and inefficient spending.

- Executive salaries are too high—why should ratepayers fund excessive pay for Council executives?
- Too much money is being spent on things that are not core services, like marketing, consultants, and niche projects that only benefit a few.
- There are too many managers and bureaucrats—streamlining Council's operations would save a significant amount of money.
- Events, arts, and cultural programs are nice, but they should not come before essential services like roads, footpaths, and rubbish collection.
- Council should stop taking on projects that should be funded by the State or Federal Government.

• More effort should be made to generate income from commercial assets rather than continually raising rates.

Services Are Declining While Rates Are Rising

Despite paying more, residents are not seeing improvements in the services that actually matter.

- Roads are in poor condition and not being repaired properly.
- Parks and public spaces are not maintained to the standard they used to be.
- Rubbish collection services have not improved, and in some cases, have worsened.
- The Council's focus seems to be on pet projects rather than core services.

Amalgamation Promised Savings - Where Are They?

We were promised that the forced amalgamation of councils would save money and lead to efficiencies. Instead, services have declined, and now we are being asked to pay even more.

- The merger has not delivered the promised cost savings.
- Services were better before the amalgamation.
- Council should conduct an independent audit to prove that it has achieved efficiencies before asking for more money.
- If Council cannot manage its finances properly, then perhaps a demerger should be considered.

Conclusion: No to This Rate Hike

This proposed rate increase is not reasonable, fair, or necessary. Council needs to do more to live within its means before demanding more from ratepayers. I urge IPART to reject this excessive rate increase and require Council to manage its budget responsibly, just as households must do.

Sincerely,

Simon White

Author name: T. Burns

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

There is one simple reason why Northern Beaches Council is claiming such a significant increase, and that is their recent realisation that they have failed over many years in their primary obligation to maintain assets for the community. 3 councils were combined to minimise costs and increase efficiencies, however the opposite has happened. Salaries are higher than when 3 separate councils operated, there is significant waste on unnecessary expenses - such as massive vehicle fleets - and what must be considered is not approval of the requested increase but comprehensive audit not only of services and expenses, an audit of management competency is an imperative. Council must be run by competent business professionals focused on cost-efficient solutions and not on wanton spending without accountability!! The public relies on your reasonable assessment of these applications focused on community needs and expectations, and not on spurious spending and incompetence that has been demonstrated year on year during the current managements tenure. I implore the panel to reject this money-grab and force Northern Beaches Council to be accountable for their performance.

Author name: T. Mulhearn

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council set out a proposal to support their request to permanently increase the rates by 4 different levels. None was effectively communicated in a way that ratepayers could understand the need for the increase. The response from ratepayers was that more than half said the rates should not be increased by more than the 3.8% IPART limit. Council completely ignored ratepayer feedback and have now requested of IPART an additional 40% permanent increase. The proposals did not take into account the huge increase in rates the council has received as a result on many NSW Valuer General significant increases in valuations over the last 10 years. And the IPART 3.8% annual increase is over and above that. I have assumed that these continual rate receipt increases has been mismanaged. The reasons provided by the council to ratepayers was vague and unsupported. Let's hope that IPART demands accurate and supported facts from council when reviewing its proposal. I have heard that the Council has given its mayor, councilors, General Manager and senior managers increased remuneration well above the CPI levels. I can't see this as reasonable given its mismanagement of rates so that it now needs a permanent 40% increase to pay these extraordinary pay salary increases. If we, the ratepayers, were provided with reasonable facts and supported facts, then we may have been conducive to a rate increase request. I for one am open to that. I seriously hope they are providing IPART a much more detailed proposal. And I request that IPART investigate the accuracy of the figures quotes in their proposal to IPART. Unless there is reasonable arguments for increasing our rates, it is just inflationary and makes our economic predicament ongoing i.e. continuing without productivity increase. That hurts us all but particularly young families getting into or recently entering the housing market, and people who do not receive pay increases, such as self funded retirees (that's me).

Author name: W. Bogart

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Before we jump and increase the rates, lets first do some due diligence and tighten up the current expense statement. There has to be obvious cuts that will reduce the rate increase. We cant just keep increasing rates for a council whose spending is out of control.

Author name: w. Taylor

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches council ignore roads and footpaths in preference to building highly expensive surf clubs, walking tracks, libraries, unnecessary retaining walls on private property and anywhere else all of which or mostly ae not required. The leaders in this council are fully focussed on looking good" and gaining personal recognition using public money not theirs?

Author name: W. Tonkin

Date of submission: Sunday, 9 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Probably 2 incidents of council wasting money that I've personally seen are: 1: There was a vacant block of land at Collaroy that was used to store and manage material for the beachfront reinforcement after storms caused residential erosion. After it ended 6-9 months or so ago, the land was re-turfed at an area of about a couple of thousand square metres. Last month, they were back and covered the whole area with gravel and trucks, diggers and rock material. I consider this a gross waste of material, labour etc, in laying of the turf in the first place, all of which costs residents money. 2: The other was the re-surfacing of St. Mathews Farm playing fields. Rather than do a top dressing exercise, they proceeded to rip up the grass field, leaving the topsoil exposed to the westerly winds. These winds proceeded to cover nearby businesses with topsoil over numerous days. The new turf was laid, unfortunately it was the wrong type and had to be replaced. The wind came again and so did the sandstorm. Sorry but I can't imagine the type of people our council employs but then again, this Council is run by a bunch of incompetent, overpaid and ineffective bureauracrats.



20 March 2025

Independent Pricing and Regulatory Tribunal 2-24 Rawson Place Sydney NSW 2000

Re: Northern Beaches Council Special Rate Variation

Dear Members of the Independent Pricing and Regulatory Tribunal (IPART),

I write on behalf of the residents of Warringah, many of whom have raised concerns regarding Northern Beaches Council's application for a Special Rate Variation (SRV) of 39.6% over three years. This proposed increase comes at a time of sustained cost-of-living pressures and must be carefully assessed in light of community impact and the requirements under the Integrated Planning and Reporting (IP&R) framework.

Community engagement and awareness

The Guidelines for Special Variation Applications highlight the need for councils to undertake extensive and genuine community engagement, particularly regarding residents' willingness and capacity to pay. Many constituents have told me they were not fully aware of the scope or detail of the proposed increase, suggesting that the consultation process may not have met the standard expected under the Guidelines.

It is vital that the Council clearly demonstrates that it has informed and involved the community in its decision-making and financial planning—particularly within its adopted Community Strategic Plan, Delivery Program and Long-Term Financial Plan.

Assessment of financial need and efficiency

IPART requires councils to establish that a rate variation is necessary, after all alternative funding options and cost-efficiency measures have been considered. I urge IPART to ensure that Northern Beaches Council has adequately explored internal expenditure reviews, cost reductions and service prioritisation before requesting this substantial increase.

The NSW Audit Office and IPART have both previously emphasised the importance of aligning expenditure growth with long-term revenue growth. A detailed explanation of how this variation is essential to the Council's financial sustainability, and how it fits within the Resourcing Strategy, must be made transparent.

Impact on ratepayers and community equity

The Northern Beaches community includes a diverse range of households—from retirees and single-income families to small business owners and renters. Many are already experiencing financial hardship, and this rate increase will disproportionately affect those with the least capacity to absorb it.

I urge IPART to apply rigorous scrutiny to the equity impacts of this variation. It must be demonstrated that the proposed increase will not create undue hardship and that any changes to the rating structure are justifiable under the principles of fairness and affordability.

In line with the Special Variation Guidelines and IPART's assessment criteria, I respectfully ask that the following areas be thoroughly assessed:

- Whether the proposed SRV is clearly integrated into Council's adopted IP&R documents;
- Whether community engagement has been sufficiently robust, accessible and transparent;

- Whether internal cost-efficiency measures and alternative revenue options have been exhausted;
- Whether the increase is equitable and reasonable, considering the current economic climate and residents' capacity to pay.

Thank you for your careful consideration of this matter. I remain committed to working with all levels of government to ensure sustainable funding pathways for local councils that do not come at the expense of community wellbeing.

Zali Steggall OAM, MP Federal Member for Warringah Author name: J. Ford

Date of submission: Monday, 24 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I live in Dee Why as a residential rate payer. I wish bring two specifics to your attention: 1) When Council presented the survey results (including to the Councillors about to vote on the variation), an additional column was inserted throughout the report. This combined three other columns in an attempt to fake support for the variation (option 3), which was actually resoundingly rejected by 83% of respondents, and supported by only 11%, +6% for the higher option. Inserting this extra column created an obvious huge bias in the reported results. Who added this column and created this bias? And given the clear motivation to skew the genuine results in favour of variation, should this render the subsequent vote and request for the variation invalid, given it could have swayed Councillors with this misinformation? 2) Management wages are out of control in NBC. A CEO on \$550k, four directors each on \$400k+ average, 22.9 Executive Managers on an average of \$288k each, and 82 managers averaging \$195k each. I don't know what you guys earn at IPART, but these seem just crazy measured against real world salaries or government awards. Until managerial wages are addressed and reduced, no claims of attempted savings by NBC should be accepted. Perhaps these managerial wages should all be reduced by whatever upward rates variation they request? Many thanks.

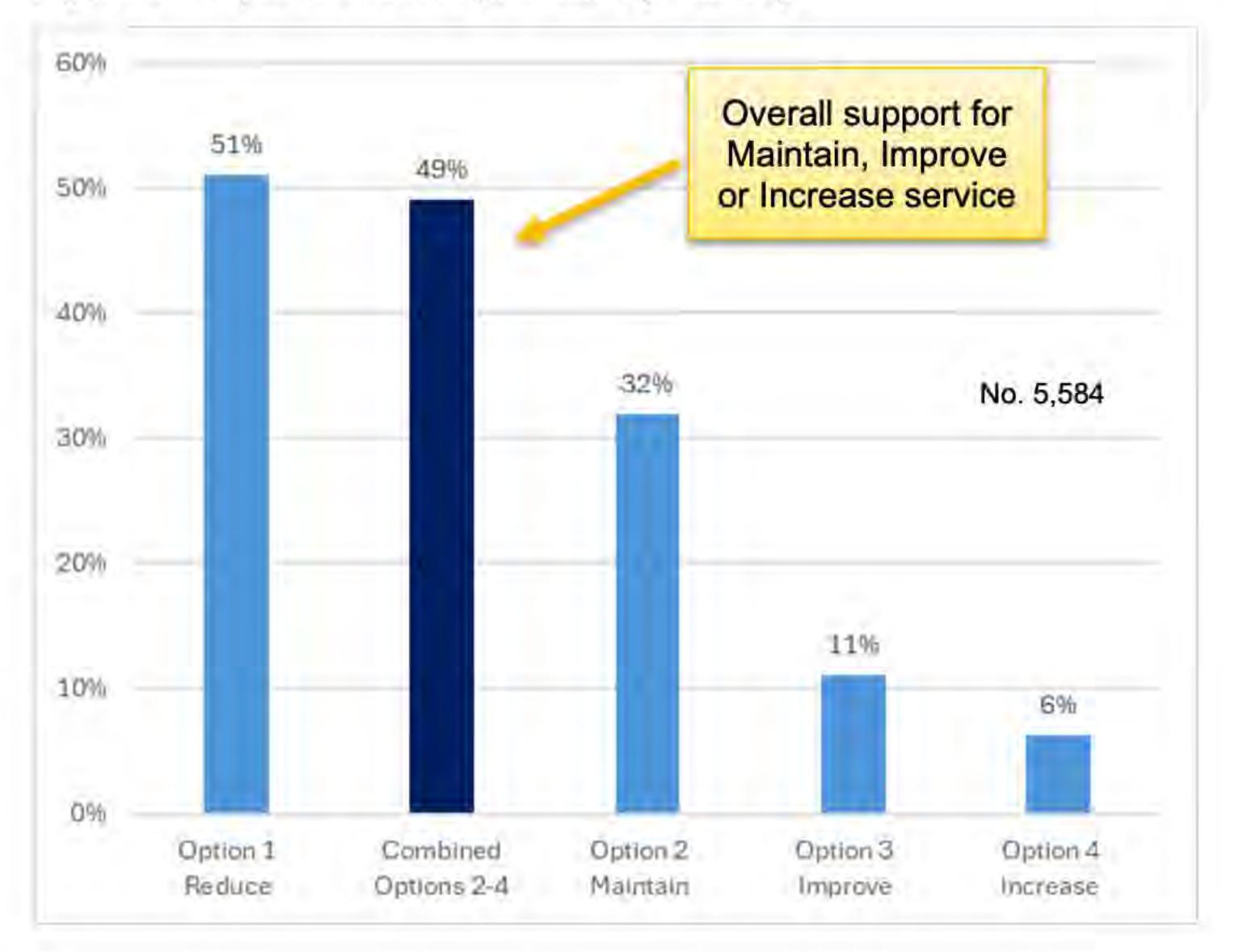
Management level	2024/25 Budget	FTE
CEO	\$556,361	1.0
Directors	\$2,071,145	5.0
Executive Managers	\$6,606,678	22.9
Managers	\$15,970,078	81.7
TOTAL	\$25,204,262	110.6

7.5 Opt in survey - Rank the options in order of preference

The preference ranking question on the feedback form online and in hard copy allowed respondents to choose each of the 4 options in order of preference, with 1 the most preferred and 4 the least preferred. Respondent were not required to rank all options.

A total of 5,584 respondents nominated a first preference and 4,811 respondents ranked all options. The graph below shows 1st preference of respondents. Support for the combined options of Maintain, Improve and Increase service is at 49% balanced against support for Reduce service.

Figure 5 - 1st preference in opt-in survey - survey



Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I totally disagree with Northern Beaches Councils decision to raise rates well above IPARTS recommended increase. This council has been unashamedly wasting money on unnecessary projects during its tenure. We have had first hand experience with council staff in our street wanting to install a dangerous cycle way and our dealings with them were very frustrating. They have not been transparent and they have blatantly lied to us during the whole process. They avoid returning emails and calls and they actually considered a petition with up to 1000 names on it to be only one submission. Their wastage is mind blowing at a time when infrastructure is being neglected.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object to the huge increase in rates proposed by the Northern Beaches Council. I feel this increase shows Council is incompetent and has mismanaged funds. They need to be held accountable, especially for the wrong decisions they have made which then need to be rectified (eg. speed bumps along the beachfront put in and then removed) and their wastage on non-essential services. They are certainly not worth their enormous salary packages. Rate payers were promised the amalgamation of councils would be more cost effective. As a pensioner I am very concerned about such an increase. If this was any other "business" there would be a no-confidence vote and the entire board fired.

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a resident and ratepayer in Northern Beaches Council and I am opposed to the Special Variation. In a recent survey 51% of ratepayers backed the option for no rate variation, however Northern Beaches Council decided to request IPART to permanently increase rates by 39.6%, an option supported by only 11% of ratepayers. This shows a total disregard for taxpayers views and indicates that the request for ratepayers feedback was simply a farce and box ticking exercise, and was a complete waste of ratepayers money. Northern Beaches Council has 111 executives, at a cost of over \$25 million plus \$3.3 million for their vehicles. Northern Beaches Council employs an extraordinary 1800 staff at a cost of nearly \$170 million a year, accounting for over 40% of its annual budget for 2023/24. The Northern Beaches Council annual report for 2023/24 revealed its four senior staff members, excluding the CEO Mr Phillips (who is reported to earn \$569,669), earned a combined \$2,846,877. Those figures expose the Northern Beaches Council as having paid its top executives more than almost any other council in Sydney's metropolitan area. The NB Annual Report 2023-2024 states that wages and salary increased by nearly 9% from 2023 to 2024, even though the 2024 award increase was just 4.5%. This is nearly double the award. Superannuation costs for the same period increased by 20%. Total employee expenses increased by 9%. Council did not provide any justification for these cost blowouts. Only high level summaries were provided by council when they put their 4 options out for community feedback. Council provided no detail related to which services they intended to cut and only provided summary information related to cost blowouts. There was little or no detail on any past savings or on future savings they were endeavouring to make. The lack of detail provided made it very hard for ratepayers to make informed decisions. Council needs to be more transparent and accountable to ratepayers and provide detail/breakdown on salaries for executives, council workers and consultancy firms, and provide reasons for any increases or cost blowouts. Council grants and festivals need to be cut back where possible, if the council finances are under strain. The council amalgamation was meant to result in cost savings to rate payers and not massive increases like that currently being requested.

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hello, here is my submission to IPART. I am advised that WHEN you prepare your submission, BE aware that IPART will NOT consider discussions on: Councils Fiscal mismanagement Consistent failed projects Rate payer opinions Opinions of Councils project prioritisation Informing the rate payers in timely manner Councils business processes are deceptive IPART will consider rate payer submissions that focus on The lack of awareness of ratepayer on the general issues. Answer: in the last financial report there is no mention of a deficit or financial issue. The budget issues and awareness of council plans of what services could be cut and what services will be increase with a proposed rate rise. Not mentioned, just scare tactics that we will loose basic services. The lack of information on councils IPART submission for the need for higher rates (the council submission) and their ability to explain the submission clearly. Not explained for articulated clearly. Rate payers understanding of the councils Morrison Low report on a capacity to pay report (that did not consider the asset rich /cash flow poor aspect of rate payers) and any other evidence they used the rate payers understanding of the fragmented approach to the Councils sustainable financial strategy since amalgamation the ratepayer understanding of the reporting of Councils history of productivity improvements in detail, when they do not event track their projects effectively to be able to answer questions taken in notice. . I have listened to many hours of Northern Beaches Council meetings over several sessions. I have attended one and presented at one. (3 Minutes only). It is clear that the CEO who was sourced as a professional expert couldnt answer or wouldnt answer simple information. If these highly paid experts are so efficient why have they been unable to think Outside of the square and come up with effective solutions. KPIs should have been met by such high performing individuals. Clearly they are not doing well and no one is noticing. Cr Vincent de Luca called for motions and mostly have been voted in as they are sensible as they are logical deep dive questions. We as rate payers should not have to listen to hours of gas lighting and dissension and arguments. We have had between 100 -200 rate payers in the audience of each fortnightly meeting. We are ashamed of and clearly have lost faith in our council. We need this extra year to do a deep dive, forensic audit, and have that fully investigated. Salaries and defined benefit pensions and perks need to be looked into before they go to the rate payer asking us to put our hand in our pockets. Its disgraceful. Ps if there is a systemic problem with several councils I think IPART needs to look at the success of mega councils and indiscriminate pending without consequence. If you cant measure it - you cant improve it.

Date of submission: Saturday, 1 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The NB council should not be allowed to increase our rates by such an onerous amount (nearly 40%), especially in the current economic climate. In voting for this substantial increase, the NBC is ignoring the results of its own survey - which clearly indicates that residents are against such a high rate rise. Instead of approving this increase, the NBC should be directed to enact an internal review of potential cost cuts, included the salaries of its employees, which appear to be very high. Some form of increase is clearly needed to address the financial shortfall, however a nearly 40% increase is clearly not fair or equitable.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We were given very little notice about this proposal - just before Christmas 2024. There was also only a short time frame to respond which I think was very inadequate notice. The Council totally ignored the fact that over 50% of respondents did not want the increase but they went ahead anyway. It seemed like the consultation process was just to tick a box and I could not understand why the majority was totally ignored when they made their decision. They provided no information on what services would be lost if the rate rise wasnt granted. There may have been a trade off where residents were happy to not have some services at the expense of not paying an exorbitant increase. The report about affordability to pay might have had impressive figures and data on the different areas but it did not show any examples of actual residents ie. people who are already struggling to meet increased housing and cost of living expenses or self funded retirees and pensioners who like myself are no longer working and have no ability to earn extra income yet still have to meet the rising costs. I am more than a percentage or number on a chart! Having lived in my home for 64 years I have all my social and medical services in the area but if the rates are increased I will most likely have to leave the area and at my age the thought of this is devastating and already impacting on my health and well-being.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Unfair rate rise for northern beaches during a cost of living crisis. Very high senior people in council with large salaries, and

no real proof of what the rate rise will give back.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council have become a self serving behemoth that cares not for the rate payers but for their own personal gain. There needs to be an independent financial investigation into the spending of the Council before any additional funds are trusted to their control. The services should be priority, not excess on electric cars and cars for expensive cars for councillors as with exorbitant pay packages. Please take an in depth review of this and make the Council live within its means before granting any Special Variantion.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Context: Ive lived here my whole life, worked very hard, husband and I are in our 30s, just scraped through to buy/build a house here (without bank of mum and dad) all the while most of our friends that grew up here have moved away due to cost of living pressures and now you want to introduce a massive special levy.. please consider the next generation and not just the older generations that all own their houses outright. At this rate the northern beaches will end up with only an aging population with none of the younger generation sticking around literally to clean up your mess. When the older generation sell their houses to downsize the younger generation wont be able to afford the houses due all the little extras like huge council fees that come along with it. All of the properties will go to developers. - Council CEOs should not be paid more than government politicians or government school principals. - Salary should be a set amount with nil hidden special bonuses. You expect a portion of the special variation paid by residents to cover your individual special bonuses. - Less spent on new software designed to make their extremely high paying desk jobs easier leaving less to spend on utility services (fixing/making roads safer, flakey bin services, well overdue fixing of storm water pipes under Pittwater road in Dee Why etc) - Less expenditures on anything done by an extremely expensive architect. Locals dont care about a pretty/useless features placed on a headland they care about is there a footpath/accessibility. Thats it! - Focus more on services not on how something looks architectually pretty. - We need trains! Honestly even if council doesnt control this it still needs to support plans regarding this. The only way Id be happy paying a special variation is if northern beaches was getting a train. This is now getting catastrophic.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top). It is absolutely absurd that the council voted for the rate rises despite the local residents choosing not to have this in the survey before the vote. 40% is outrageous. Basically 12 years of forecasted CPI in one hit.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I own a very small apartment on the northern beaches, and for this privilege I work six days a week, including evenings and Saturdays, to pay my mortgage and bills. I often leave the supermarket without items I need and I have no family to fall back on. There simply is no more money that I could find to retain my home should there be an increase. Whilst Ive been a home owner in the beaches there have been numerous decisions made by the council, that have had to be reversed due to them not being well thought out or completely impractical. And, as a rate payer, I have paid, for those mistakes. Where is the ownership from the council members about these stuff ups with our money? These council members get paid so much money, they are completely out of touch with the real struggle of maintaining a mortgage, no matter how large or small, for the little people doing an honest days work. If these council members think that there is nothing wrong with a (nearly 40%) jump in our rates, then they should not be holding these positions. I work so hard I dont get a long nights sleep, and less so now, worrying what will happen to my home, and indeed me, if this rate rise goes ahead.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose this dramatic rate rise as 1, the council took no notice of the survey, 2, we are in a very real cost of living crisis and 3, the council have been spending money on the most inconsequential programmes and often either against ratepayers wishes nor to ratepayers gain. By aside, the council meetings have descended into authoritarian rule and a lack of class amongst some councillors. We need to get back to basics, fix all the pot holes for a start. Thank you

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

Please do not go ahead with the rate increase. That is such a high jump from what we are already paying, and during these times of financial hardships, it will only make it worse for so many people. Have some sympathy please.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a concerned northern beaches ratepayer. This council wastes so much money on activities that should not be the purview of local councils that we ratepayers do not get a say in. The wastage is unbelievable such as branding on every vehicle rather than a vinyl sign which would suffice to indicate council vehicle...this is a tiny example of the waste they want us to pay for. The. Eco of council warning the same as the prime minister would not be such an issue if the productivity was well managed. Cost of living means this area will become unaffordable for so many if this rate rise is allowed to go ahead. The rate payers spoke against it in the community feedback and this has been wholly ignored. We need ipart to act in the interest of the majority, who have stated their opposition to this grab for more funds to waste even more on.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top). I do not agree with this excessive increase. There should be an investigation into Council regarding its financial management.

Regards,

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches council should be denied their request for a 39.6% rate rise, and instead be reviewed for blatant misspending, and be queried on what cost cutting measures were put on the table before forcing this on tax payers (suggest looking at salaries, cars and of course ridiculous spending on unnecessary and poorly planned buildings). The greed of these people during a cost of living crisis is shameful.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A nearly 40% rate rise is an outrageous hike. There should be a detailed independent review of spending with cuts across the board, including salaries and travel costs - Some of these salaries are ridiculously high. There's a cost of living crisis going on.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

An increase in council rates of 39% during a cost of living crisis is insane as most of us simply cant afford to pay it.. Where is this extra money supposed to come from when we are all paying extra for lifes necessities.. I as a single Parent if 2 school going children who hasnt had a pay rise last year certainly cant afford it.. I propose council look at savings in obvious areas of council excess, like staff remuneration, car lease, wages, wastage & council contracts for services ..! Either ways, I simply cannot afford to pay anything extra this year other than an increase in line with inflation, ie 4.5 %...

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Rate increase should be not more than 15%, as the result of the survey. Council can save costs in wages and staffing. Doesn't

take 6 people to fill one pot hole.

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Tribunal For the Northern Beaches Council request to increase rates by 40%, after years of inflation and rising bills and costs at home and high interest rates, people including ourselves are feeling the hit. To ask residents to pay 40% more is not reasonable and will put a lot of people in increased hardship. We don't require additional services which is how council is justifying such a big increase and if you put the vote to the electorate I am confident this motion would be voted down. We only require maintained services and understand the costs will increase due to inflation - but no council can fairly justify a 40% increase to rates. What makes this worse is I see a lot of waste by the council and see and hear very little effort by them to improve management of costs and prioritise essential projects to avoid having to ask resident to pay more. A recent and very local example is council just a few months ago paid a contractor to plant 3 new trees approximately 2m tall in our street - a street that already has several large trees, in an area where we are surrounded by bush and trees and vegetation. Those trees I would assume would cost at least \$500 each (2m high plants) to buy and have the contractor plant - probably more, costing probably \$2,000 plus to plant trees in an area they are not needed. Recently in Allambie they ran two food festivals on the oval - while it's nice to have the events, if the council is struggling for money I am sure residents would prefer they prioritise essential services and don't pay rate payer money out for festivals. The community festivals and events are nice to have - but if the council needs to increase rates by 40%, they should be reviewing the social events and deciding which ones to remove if they can't afford them. What proof is there that they have tried to cut and manage costs and prioritise projects to essentials before asking for such a steep increase in rates? I hope the tribunal sees common sense that 40% is a huge increase, and that something more in line with inflation (10-20% based on the multiple years this would cover) is still a big increase but more justifiable and would have a lower impact on residents already struggling after years of inflation, high insurance costs, and high mortgage rates. Best Regards

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object in the strongest possible terms to the proposed "Special Variation" rate rise by Northern Beaches Council. There have been many noted instances of spending mismanagement by Northern Beaches council, however the main concern is the exorbitant cost of staff salaries quoted at \$160,000,000 per annum, not to mention associated internal spending (motor vehicles / overseas trips etc.) the cost and number of management staff is outrageous with the CEO of council earning more than the Premier or any member of of the New South Wales parliament. Huge savings could be effected if internal costs were reduced to a more realistic amount negating the need for a "Special" rates rise above the quoted 3.8% Rate Peg which should be more than adequate considering councils income quoted (now) at more than \$5,000,000

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This is an outrageous rate increase. The NBC needs to reign in wasteful spending on unnecessary and ill considered projects, such as the ridiculous 3D Zebra Crossings, and actively reduce their breathtakingly large wages. It is time for sensible and purposeful local government on the Northern Beaches.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Since 2021 the rates on my family home have already increased 52.9% (including waste and storm water charges). This increase amounts to thousands of dollars and has already had a significant financial impact. Northern Beaches Council proposes a further cumulative total increase of 29% above the rate peg, and 39.6% including the rate peg (not including waste and storm water charges). I do not believe this rise is reasonable, especially given the significant increases of previous years. Northern Beaches Council cites rising inflation and the loss of income from the pandemic as reasons for the proposed increase. It is reasonable to accept, however, that the rate increases of the last four years would be sufficient to address any financial sustainability issues council may be experiencing. Residents have also been left wondering why council is blaming the Covid pandemic four years after the fact. It is also concerning that council has blatantly ignored community feedback to adopt a lower rate of increase, instead pushing for the higher returns requested by council employees. I do not believe council has established that the impact on affected ratepayers is reasonable. Nor is this an isolated incident; since the amalgamation of councils on the Northern Beaches, the resulting body has a track record of failing to consult the community ahead of commencing works. For the above reasons, I do not agree with the proposed special variation application.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The survey sent out by the council wanted ratepayers to vote for a rate rise above the rate peg. The survey was questionable and deceptive in how it was set out, so as to have ratepayers to choose the higher rate rise option; this would be considered unreasonable and improper motives. The consultation process to ratepayers lacked creditability as to why a rate rise was needed The survey from the ratepayers votes indicated not to raise rates; this was ignored by Council whom went ahead requesting a 39.6% rate rise against ratepayers sentiments. The NSW Auditor General has audited Council with no adverse findings regarding Councils liquidity and the Audit risk committee never raised any concerns. The Council has \$200 million of ratepayers funds invested earning interest and \$5.6 billion in assets and ongoing income. In previous Council meetings it confirmed how well finances where to pass the budget. The Council has met the Office of local government benchmark bar two, in previous years 39% of Council expenditure is spent on salaries with 111 managers and CEO earning a total of \$ 25 million plus additional benefits and privileges. Excessive expenditure on projects, not being value for money or required by ratepayers, some a total waste of ratepayers contributions. Council has property and land portfolios of hundreds of millions of dollars. In the Council meeting 28/01/2025 the Council financial officer was indicating excessive liabilities the Council had to meet, however under questioning the figures indicated where considered deceptive and exaggerated, again indicating improper motives. In two Council meetings 25 June 2024 and January 28 2025 there was a motion for potential cost savings the motions were defeated on both counts indicating councils lack of wiliness to save on their excessive spending. The Council does not need additional funds above the rate peg to deliver the ratepayers services. The Council needs to reduce staff numbers and operating costs to deliver value for money requirements to the ratepayers. If an unnecessary rate rise goes ahead it will be adversely detrimental to the community as a whole and add to the present cost of living crisis.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In undertaking community consultation council used survey bias to skew the results. Then, when the results didn't suit their purpose they chose to ignore them relying upon an earlier survey which was more friendly to their predetermined outcomes. When challenged, some councillors chose to argue that only a small proportion of ratepayers were represented. I believe they chose the holiday period to get a low response rate and in addition it was reported that the actual response was considerably greater than usual. Council is purely focused on a money grab and has not sought to justify the proposed spending. Even worse, they have not demonstrated any substantial savings from amalgamation or provided details of savings to justify the need for an increase. I understand that the role of IPART is only to deliberate on the proposed increase. However, in addition to recommending that it be rejected, I ask that our feedback be forwarded to the department of local government. They may then realise that this council does not represent it constituents and only itself.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Ipart, Please don't allow this I increase for the northern beaches council. They should look at cost savings first if there is a budgeting issue. This council has wasted money on massive sculptures, Hugh sandstone blocks walls in freshwater Beach alone. The merger of the three local council was promised to reduce costs, not increase them. People are struggling with cost of living pressures at the moment, this will be crippling. Regards

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not believe that Northern Beaches Council has adequately explored the potential to realise savings within the current budget. Rather have chosen to simply impose higher costs on residents after surveying residents and receiving a clear answer that rate rises were not preferred. Council continue to focus on works that could be forgone or delayed such as moving kerbs and implementing roundabouts that dont appear to have been required or of high priority to resolve if considered against the backdrop of strained finances for the electorate. Further, council seems to waste money on things like having vinyl wraps and branding placed on all council vehicles. I cant see how this represents any value to rate payers at all. I have no doubt if there is visible waste such as this, there will be significantly more that is not so visible.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

To whom it may concern, The NB council should not be allowed to increase our rates by such an onerous amount (nearly 40%), especially in the current economic climate. In voting for this substantial increase, the NBC is ignoring the results of its own survey - which clearly indicates that residents are against such a high rate rise. Instead of approving this increase, the NBC should be directed to enact an internal review of potential cost cuts, included the salaries of its employees, which appear to be very high. Some form of increase is clearly needed to address the financial shortfall, however a nearly 40% increase is neither fair nor equitable.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly oppose the Northern Beaches Council's proposed Special Rate Variation (SRV) of up to 39.6% over three years. This rate hike disregards the community's expressed opposition during recent consultations, where a majority (51%) supported a lower increase of 10.7%. The proposal contradicts the outcome of the community referendum, undermining democratic principles. The financial burden on residents and businesses is excessive, with an average annual increase of \$673 for households and \$1,611 for businesses. At a time when many are already struggling with rising living costs, this increase is unjustifiable. The Council cites inflation and revenue challenges as justification, yet its own financial management raises concerns. Staff costs have increased from \$120 million in 2016 to \$159 million in 2024an average annual rise of 3.5%, exceeding the 2.5% wage growth rate. Instead of imposing substantial rate hikes, the Council should first explore cost-saving measures and alternative revenue sources. Before approving any increase, I urge IPART to require: 1. An Independent Financial Audit to identify inefficiencies and cost-saving opportunities. 2. More Transparent Community Consultation to ensure residents concerns are genuinely considered. 3. Exploration of Alternative Revenue Streams such as grants, partnerships, and asset monetisation. This proposed rate hike is unjust, unsustainable, and fails to respect the community's clear opposition. I urge IPART to reject the Council's application and demand more responsible financial management.

I am writing to express my concerns regarding the Northern Beaches Council's (NBC) proposed Special Variation rate hike. The Council has not provided adequate justification for the need for additional funds, especially considering the amalgamation of councils that was intended to deliver cost savings and efficiencies. When the amalgamation took place, residents were promised reduced costs and streamlined services, but it remains unclear where these savings have gone. If NBC is now claiming the need for extra revenue, they must be transparent about how these funds will be allocated and demonstrate that the increase is truly necessary, particularly given the financial benefits that were anticipated from the merger.

Moreover, the Mayor has publicly stated that the Council does not have a liquidity problem. The NBC currently has a budget surplus, with \$200 million invested. Given this, the question arises: why is the rate rise still necessary? If the Council is in such a strong financial position, it is difficult to understand why further financial strain is being placed on ratepayers. This lack of clarity only adds to the confusion and frustration surrounding the proposed rate increase.

The proposed 40% rate rise is significant and will put considerable strain on many households and businesses in the area. For many ratepayers, particularly those already struggling with the high cost of living, such an increase is unaffordable. Has the Council truly considered the impact this rate rise will have on the community, and whether it will disproportionately affect those already facing financial hardships? It is concerning that the Council seems to be pushing for a rate increase without fully considering how it will affect the everyday lives of residents.

A key area where savings could be made is staffing numbers. Has NBC reduced its staffing levels as a result of the amalgamation? The merger was meant to streamline services, and as a result, residents expected staffing levels to be adjusted accordingly. Yet, there has been insufficient information provided about whether staffing levels have been reduced or if the workforce has become more streamlined. It remains unclear how many positions have been eliminated or consolidated to reflect the promised efficiencies from the amalgamation.

Another major concern is staffing costs, particularly senior management salaries. Are these salaries reasonable compared to similar roles in the private sector? The Council could significantly reduce costs by addressing excessive executive salaries. Many councils, including NBC, are burdened with overpaid executives whose value to the community is questionable. If staffing reductions and salary cuts at the executive level were considered, it could result in significant savings that could be redirected towards essential services, rather than inflated salaries.

In addition, the Council has failed to demonstrate effective cost containment measures or address cost blow-outs, which could be further contributing to the financial shortfall. Has NBC

established a clear record of managing costs effectively, particularly with projects that have exceeded budgets? Without a register of cost blow-outs or a detailed strategy to prevent future overspending, it is difficult to have confidence that the Council can manage any additional funds efficiently. Effective cost containment must be a priority before requesting more funds from ratepayers.

Before seeking additional revenue from residents, NBC must explore all possible avenues for cost reduction. Reducing staffing levels, addressing excessive executive salaries, and implementing more effective cost containment strategies are essential steps. The Council should also consider the option of reducing or scaling back non-core services that do not directly benefit the community. These services could be deferred or restructured, with the focus remaining on core services that provide the most direct benefit to residents. If these issues have not been adequately addressed, the proposed rate increase cannot be justified.

Moreover, it is deeply concerning that the Council seems to be working against the community it serves. The special rate variation and the limited consultation process have eroded trust in the Council. By not adequately engaging with the community and limiting opportunities for public input, NBC has demonstrated a lack of respect for the people it serves. Councils should be working for the benefit of their communities, not treating residents with contempt by restricting access to decision-making processes. The special rate variation has significantly damaged public trust in the Council's ability to manage our funds sensibly and with the community's best interests in mind. Decisions about rates or funding must focus on essential services for the community, and should be made transparently, with genuine consultation and careful consideration of the impacts on residents.

Lastly, the timing of the consultation—right before the holiday season—limited public engagement, and many ratepayers were not properly informed about the details or necessity of the rate hike. Despite strong opposition from the community, the Council has proceeded with the rate increase, raising serious concerns about the legitimacy and transparency of the consultation process.

I urge IPART to carefully consider these concerns and assess whether the proposed rate hike is truly necessary. The community deserves to know whether staffing levels, executive salaries, and cost management practices have been properly reviewed before any additional funds are requested from ratepayers. Furthermore, it is essential that the Council listens to the people it serves and rebuilds the trust that has been damaged.

Thank you for considering my submission.

Sincerely,

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I have been a resident of Northern Beaches council area for 70+ years. I live in a house that I purchased 40 years ago that is on a narrow block of land near the beach. I own no other property and this is my sole place of residence. I am a pensioner who currently pays nearly \$3500 a year in council rates. A nearly 40% increase in rates over 3 years will make it almost impossible for me to remain in my home. Northern Beaches Council needs to reduce their expenditure so that residents are not forced out of their homes.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear all, I have voiced my concerns previously regarding the proposed rate rise and will summarise these as follows: 1. Northern Beaches Council (NBC) proposed through a survey with scant information to the community - the community was largely uninformed in this poorly devised survey. Feedback defeated the motion and NBC decided to ignore the community. 2. The only was to review the financial position of the council was to locate externally the financial reports of the council. The primary features of these include a significant increase in depreciation on assets in 2024 and an accumulated surplus. 3. No mention is made of pursuance of alternate strategies to address the book entries of depreciation eg. moving to leasing or complete disposal/rationalisation of assets. Other financial strategies including cessation of programs not attributed to permanent funding are not considered or mentioned. No discussion or mention is made of any reductions of services to achieve budget beyond a broad "we would have to reduce services". It appears the concept is so unpalatable to NBC that they cannot bring themselves to spell out what services, or have ignored the exercise altogether. 3. NBC has decided it seeks to continue spending despite a contracted inflationary economy, citing that residents can pay. They cannot - it is the council's role to propose savings strategies to achieve budget rather than simply to increase rates. In a half billion dollar organisation this is incredibly poor management. 4. At a minimum, NBC must provide a detailed options plan outlining to the community financial proposals describing how it would achieve budget. The community needs to be informed as to what it means to them before any proposal to increase rates can occur 5. Finally, I find it insulting that an organisation that gets guaranteed increased every rate increased every year plus further increases at valuation time cannot forecast and plan, including contingencies. NBC has largely kept spending increasingly, not planning for the cyclical economic downturns that occur. Significant further economic change will happen and this large organisation is clearly undertaking no further planning, or definitive action that lets increase rates. This is lazy business principals that does not represent the wishes of the community.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This is an outrage. The council needs to do a complete audit of expensive overheads (executive level and consultants) and review how they raise revenue. Unfortunately tough decisions needs to be made and that will include scaling back some services that this council doesnt seem to even want to consider because the residents have a propensity to pay.

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Unifying the councils on the northern beaches into a single entity was meant to provide a more efficient council. Instead mismanagement has lead to pot holed roads, blocked drains and flooding. Time to sack the council and put in a team that can deliver rather than asking for 40% increases to mask their incompetence

Date of submission: Monday, 3 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am strongly opposed to any increase in rates during a cost-of-living crisis. At a time when many households are struggling to make ends meet, an additional financial burden is both unjustified and deeply irresponsible. I cannot help but feel profoundly disillusioned with our elected council leaders, who failed to raise this issue during the last election, thereby denying the public the opportunity to voice their concerns through their vote. Instead, they have chosen to introduce this measure at a time when it is furthest from electoral scrutinya move that appears both strategic and deliberately evasive. I urge you to visit the Northern Beaches and witness firsthand the widespread frustration and deep sense of betrayal among the community. The level of anger and contempt surrounding this issue is palpable, and it is imperative that our leaders acknowledge and address the concerns of those they were elected to represent.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Since the amalgamation of the three previous councils it would appear that no cost benefits have been achieved. An open and detailed account of services and cost prior to amalgamation compared with expenditure for services currently provided needs to be supplied to rate payers so we can make a more informed decision on rate increases. An example of cost increases would be tip fees at Terry Hills previously free for rate payers for small loads now close to \$40 for a car boot load, why?

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am strongly against the increase. The council needs to manage the funds that they have and not overspend and then increase costs to cover their poor mismanagement of council rates. The current councillors need to be removed and new staff appointed in my view.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a Manly resident we have already been slugged with an unusual increase in rates over the level we were paying preamalgamation. The council amalgamation was meant to lead to efficiencies and benefits but with the proposed further increases it will be a major hit to ratepayers with council threatening to cut services if they don't get all the money they are asking for. Already it feels like services have been cut with the roads in a dreadful state, parking spaces cut for an ever increasing population in Manly for example, and no extra amenity for residents apart from a few extra bike lanes despite much higher rates. The council decision to ask for higher rates was apparently only 8 to 7 in favour, and the council is entirely unwilling to examine its own spending and exorbitant salaries, while we are expected to do all the belt tightening in our own household budgets to afford this non discretionary expense. No business succeeds by offering less service and demanding more money without trying to maximise efficiency internally. This council doesn't care because we have no choice but to pay for their largesse to themselves. Dismayed and disgusted.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A rate rise at this time could place undue financial strain on homeowners, particularly young families such as mine with mortgages. It is evident that households are already grappling with the rising cost of living, and an increase in council rates would escalate pressures on monthly mortgage payments, possibly leading to financial hardship and increased foreclosure rates. Stability and logic is needed to allow homeowners to manage their budgets and maintain their homes without the additional burden of higher interest rates. Other solutions must be explored and debated further with both local authorities and communities. It is simply untenable to proceed with this in the current environment.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a resident and rate payer in the Northern Beaches council area, I object to the variation application and associated over the top rate increase. The increase comes at a time of increased cost of living pressures for ratepayer who have worked hard to tighten their belts and live within their means. Our council however has lost the plot completely when it comes to budget and spending restraints opting to punish ratepayers instead of taking actions to address their spending. We have seen endless waste by our council, from 3D pedestrian crossings to traffic management islands being built and then removed. The council does not have a revenue problem it has a spending problem and it would do well to be forced to live within its means instead of looking for a top up to the gravy train at ratepayers expense. I urge that the variation is not granted leaving the council to have to do what all of us have had to do, live within our means.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This is absolutely outrageous. The council cant manage the budget or prioritise so they need unjustified rate rises. They spent fortune on a survey which they completely ignored. Of course everyone doesnt want a cut to their services, but ok with other services. Its a delicate balancing act and we pay these people extraordinarily high salaries to make the calls and prioritise between the different interest groups. These significant rates rises should be rejected and the council held to account.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In this current economic climate and cost of living crisis, I think its unjustified to raise council rates by this much.

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Independent Pricing and Regulatory Tribunal (IPART) Subject: Strong Opposition to Councils Excessive Rate Increase Proposal Northern Beaches Council. Dear IPART, As a long-time local resident and ratepayer, I am deeply concerned and frustrated by Northern Beaches Councils proposal to increase rates by nearly 40% over the next three years. This is an outrageous and unfair burden on residents, especially seniors, pensioners, and self-funded retirees who have worked hard to stay in this community. For decades, we have paid our rates, trusting that Council would manage its finances responsibly. Now, we are being asked to pay significantly more for services that are not improving and in some cases, are getting worse. Rates Must Be Kept in Check A rate increase above inflation is completely unacceptable. Many of us are on fixed incomes and simply cannot afford such a steep rise in costs. Inflation is already making everyday living difficulthigher rates will only make things worse. The recent harmonisation process already saw rates increase by more than 20% for some. Now they want even more? Council needs to tighten its belt, just like households do when times are tough. If Council needs more funds, it should first look at cutting waste and unnecessary spending before coming to us for more money. Cut the Waste Before Raising Rates Before increasing rates, Council should look at its own spending habits. Ratepayers have had enough of wasteful and inefficient spending. Executive salaries are too highwhy should ratepayers fund excessive pay for Council executives? Too much money is being spent on things that are not core services, like marketing, consultants, and niche projects that only benefit a few. There are too many managers and bureaucratsstreamlining Councils operations would save a significant amount of money. Events, arts, and cultural programs are nice, but they should not come before essential services like roads, footpaths, and rubbish collection. Council should stop taking on projects that should be funded by the State or Federal Government. More effort should be made to generate income from commercial assets rather than continually raising rates. Services Are Declining While Rates Are Rising Despite paying more, residents are not seeing improvements in the services that actually matter. Roads are in poor condition and not being repaired properly. Parks and public spaces are not maintained to the standard they used to be. Rubbish collection services have not improved, and in some cases, have worsened. The Councils focus seems to be on pet projects rather than core services. Amalgamation Promised Savings Where Are They? We were promised that the forced amalgamation of councils would save money and lead to efficiencies. Instead, services have declined, and now we are being asked to pay even more. The merger has not delivered the promised cost savings. Services were better before the amalgamation. Council should conduct an independent audit to prove that it has achieved efficiencies before asking for more money. If Council cannot manage its finances properly, then perhaps a demerger should be considered. Conclusion: No to This Rate Hike This proposed rate increase is not reasonable, fair, or necessary. Council needs to do more to live within its means before demanding more from ratepayers. I urge IPART to reject this excessive rate increase and require Council to manage its budget responsibly, just as households must do. Sincerely,

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to express my strong opposition to the latest proposed increase in council rates. For many years, rate increases have consistently exceeded inflation, placing an unjust financial burden on ratepayers. The council appears to be engaging in excessive and unnecessary spending, failing to manage its budget responsibly. Examples of wasteful expenditures include: The Queenscliff ramp, which cost millions of dollars to construct and was mostly funded by state government The Manly Dam trail, costing an outrageous \$2.6 million for a mere 400-metre walk, again mostly funded by state government The Freshwater playground, which came with an exorbitant price tag of \$600,000. The cost per square meter for these projects far exceeds what it costs to build a home, raising serious questions about financial oversight and accountability. Meanwhile, over-inflated staff wages at the management level add insult to injury. The CEOs salary, exceeding \$500,000, is a glaring example of excessive spending that does not reflect the financial realities faced by the community. These excessive costs will have a direct and detrimental impact on residents and businesses. Investors will inevitably pass on the increased rates to tenants, driving up rents and making housing even less affordable. At a time when many households are struggling with the rising cost of living, the council should be focusing on responsible financial management, not reckless spending. Local businesses are already suffering under the strain of excessive costs, including high rents, inflation, and operational expenses. Many small businesses are struggling to stay afloat, with the decreased visitation to the area and additional financial burdens imposed by council rate hikes will only push them closer to closure. Instead of supporting local economic growth, the councils actions are exacerbating financial pressures and making it harder for businesses to survive. Additionally, I take issue with the so-called public consultation process regarding this rate increase. The survey conducted was clearly a push poll, designed to manufacture consent rather than gather genuine community feedback. I, like many others, did not participate because there was no option to advocate for a reduction in wasteful spendinga glaring omission that speaks volumes about the councils disregard for public opinion. The council must learn to live within its means, just as residents and businesses are required to do. Instead of continually raising rates, I urge you to take a hard look at where money is being wasted and implement cost-cutting measures. Transparency and fiscal responsibility must be prioritized to restore public trust.

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Verbal Submission In the current financial situation, I would think that most ratepayers would be having problems of a financial nature and dont want to be treated as a cash cow to be milked with endless cost rises. I live in an ordinary old house (not a mansion), and lived here 88 years as a child and adult and I hope to spend what I might have left here. I get nothing from the council, apart form domestic waste removal I do not drive. My 2024-25 rate charge was \$3,201.12 which I think is high enough. I am not on hardship relief as I do not get a pension and am a self-funded retiree of limited means. The council has seen to ignore the responses to their own survey choosing to apply to IPART for option 3 for namely, a 39.6% increase over 3 years. Which only received 11% of respondents first preferences in the survey. Whereas option 1, rate peg only, received 51% of first preferences from respondents. The council might be in a better financial situation if they had spent wisely including not outlaying \$20 million for IT replacement.

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The 40% rate rise is totally unacceptable and not representative of the needs of the community. Northern Beaches Council needs a complete financial review and audit, waste needs to be stripped out, excessive executive salary reduced, diversity and equity programs cut. Council needs to focus on the business of serving the local communities needs and get the basic right. Sack the council and install an administrator ASAP

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission to IPART I am a resident and rate payer in the Northern Beaches for the last 34 years. I own two properties, one that I live in, the other is a commercial property. Im asking you to reject the Northern Beaches Council (NBC) submission for a SV of 39.6%. and list below my reasons why: NBC has done a poor consultation with the community. They picked the worse time of the year when people were away or busy at Xmas. NBC has ignored the community concerns through their consultation process. The main concern being that before they raise rates, they conduct a thorough review and do some belt tightening. NBC has not examined or reviewed all alternative options to a rate hike, like reducing non-core services and restructuring its workforce, such as reducing the number of senior management positions. It seems that Council rather than trying more efficient and cost effective, looks for the easy way which is simply to ask for money from rate payers. They have not demonstrated why they need additional income, and importantly where exactly it would be spent. The NBC is not cash poor, it has \$200M invested and receives hundreds of millions yearly. I do not believe NBC has a money problem, it has a spending problem. The NBC, in my view, needs to better a manager of public funds, it should restructure, reduce waste, and expenditure on unnecessary items to improve fiscal performance. The increase of 39.6% that council is requesting is not reasonable and was rejected by the majority of the community surveyed. I am a self funded retiree and I rely on the rental of my commercial property in the NB for my income . I dont believe that NBC has considered my capacity , not that of other residents , to absorb their proposed increase in the current cost of living crisis. I hope you will consider favorably my submission and reject the council submission for a SV increase. Sincerely

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Community concern regarding NBC centres on the following points * over payments for managerial salaries * over payments for car leases * lack of oversight regarding implementation of Council projects eg Oliver Street Freshwater bike lanes. Council attempted to implement these additional lanes despite community criticism that the road was not large enough to accommodate such a change. Some months later the Council was forced to admit community criticism was correct. As a result, funds were wasted. Conclusion- if NBC is to be allowed to raise rates to cover increased costs then they should only be allowed to do so on the provision they are subjected to a proper review by efficiency consultants such as McKinseys.

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Thank you for this opportunity to express our total lack of confidence in the management of the NBC and its apparent lack of prudent financial control. NSW NBC NBC Ratio NSW State CEO/Premier Salary \$416,440 \$553,361 132.88% Revenue /Budget 24/25 \$118.5 Billion \$524 Million 0.442% Employees 622,000 18,000 2.89% Population 8,484,400 266,000 3.14% And allowing us to express our opposition to the recent proposed excessive rate rises for the population of NBC. This appears to have arisen from the profligate approach to the use of council funds and their lack of focus and prioritisation to the maintenance of the existing asset bank at the expense of large and small, many cosmetic, projects as well as personnel salaries. This has generated a total lack of confidence in the management of the NBC and its apparent lack of prudent financial control. In looking closely, we find that some spending relates to the immoderate provision of management salaries with the CEO being paid more than 33% than the NSW Premier. Totally unjustifiable in our opinion given the NBC CEOs responsibilities are much less. The NBC CEO and management have responsibility for a much smaller and relative budget, equivalent to less than of 1% of that on NSW State, have responsibility for only 3.14% of the population of the state and manage less than 3% of the state employee numbers. Furthermore, the NBC area of responsibilities does not include many of the areas covered by the state including transport, education and health Based on such relative parameters it is illogical for the NBC management team to be remunerated in excess of their compatriots in the NSW State services and perhaps somewhat less on review, especially in such economically stressed times. Even if they were more in alignment perhaps the NBC would not have any reason to call for such and extravagant impost on the population of the Northern Beaches residents. This sort of action does encourage one to again pursue the de-amalgamation of the NBC. This attractive as it was recorded prior to amalgamation that those separate councils were better managed and were in a better financial state and were better supported by their residents. Again, thank you for this opportunity and we look forward to your assessment/decision being one to encourage prudence and consideration given the poor economic times. Regards

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

It is unconscionable to me that the council put a vote out to the residents, and then didn't follow their advice. If they weren't planning on using the outcomes of the research, then why did they waste money on the survey.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The years of waste I have another house in west tyde we git upgraded library and community center new roads main street beautification and public spaces we have many community fairs per year and no outrageous rate increases

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

At a time when many families are struggling & have been forced to cut expenditure the Northern Beaches Council are paying their CEO over \$500,000 and have not proven they have cut costs in anyway. They have not demonstrated effective and efficient use of the funds they have now and are asking for more money rather than showing they are using their current resources wisely. The large cost of catering at Council Meetings is just one aspect highlighted recently. Opposite our home recently we watched around 6 Council workers dump some road base on the edge of the road and drive back & forth over it a couple of times with the truck before leaving. Locally & more importantly, they have made a complete mess of an expensive safety upgrade on Fisher Road North/South Creek Road. Contrary to plans circulated & approved the workers have turned Grover Avenue, a two way street, into a single lane with no community consultation. The plans were apparently changed but the first thing local ratepayers knew was when the pavement was widened to take over the lane to exit the street. This previously two way street is now a single lane allowing access to homes and parking for the St Matthews Farm sports fields. It defies logic, that when trying to improve safety on Fisher Road North/South Creek Road, a side street into a residential area is now a single lane causing cars to back up onto the very road (Fisher Road North) where the safety improvements have been undertaken! This does not inspire confidence in any way and as ratepayers we would like to see Northern Beaches Council operate in a more financially sustainable manner. Ratepayers do not have the option to demand a 39.6 payrise if they have not balanced their budgets carefully. Council have even ignored feedback from a survey sent to ratepayers where the preference that felt reasonable & chosen by the majority who responded was a 12% rise. At this time we oppose such an exorbitant rise.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top). We have lived in Freshwater for almost 25 years. We are both on disability pensions so its not easy to keep up with the basic cost of living increases. To expect us to cover such an extreme rate hike is absurd. Why did you waste so much money on the community survey if youre just going to ignore it anyway? Look for things to cut - seriously - instead of expecting ratepayers to be a bottomless source of income. Were not.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission to IPART: Opposition to Northern Beaches Council Special Rate Variation (SRV) Application Introduction Ratepayers of the Northern Beaches Council area strongly oppose the proposed 40% rate increase submitted to IPART. This Special Rate Variation (SRV) is excessive, unjustified, and financially burdensome. We urge IPART to: 1. Hold public meetings at Dee Why, Pittwater, and Manly Council chambers to hear directly from residents. 2. Reject the SRV application for the following reasons: 1. Council Must Prioritise Core Services and Cost Control Local governments primary role is to provide essential services such as roads, footpaths, waste collection, and public space maintenance. Council should: Focus on core services rather than expanding activities unsustainably. Develop a budget prioritizing essential services and postponing nonessential projects. Operate within its means instead of relying on rate increases. Ensure the current rate peg is sufficient for maintaining services. 2. Significant Opportunities Exist to Reduce Costs Rather than increasing rates, Council must improve financial discipline and explore alternative revenue streams: Staff and Executive Costs: Reduce excessive salaries, freeze increases, and streamline staffing. Budget Review: Eliminate non-core expenses, cut inefficient projects, and strengthen financial controls. Asset and Revenue Optimization: Lease or redevelop council-owned assets, increase visitor fees, and demand higher developer contributions. 3. The Proposed Rate Increase is Unaffordable A 40% rate increase far exceeds inflation and disproportionately impacts ratepayers, especially pensioners and low-income families. Rate hikes should align with CPI, ensuring no reduction in core services. The harmonization process already increased rates for many; further hikes are unjustified. Higher rates could worsen economic hardship in the community. 4. Inadequate Community Consultation Councils consultation process has been flawed: The online survey was biased, limiting meaningful engagement. Key details on service reductions under a no-increase scenario were omitted. Consultation was conducted during the holiday season, reducing participation. Residents feel the process was designed to justify an increase rather than explore cost-saving alternatives. 5. Amalgamation Promised Savings, Yet Costs Have Increased The 2016 council amalgamation was supposed to generate efficiencies, but savings have not materialized. Rates were expected to decrease post-amalgamation, but they have risen. Services were better managed under former councils. An independent audit should assess whether efficiencies have been achieved. Further amalgamation savings should be identified before any rate increase. 6. Proposed Actions Instead of a Rate Increase Council must implement the following measures before seeking additional revenue: 1. Defer SRV Application until at least 2026 to allow cost-cutting measures to take effect. 2. Freeze Hiring and Executive Salaries to reduce operational costs. 3. Reduce Employment Costs by \$10M over two years, particularly in management. 4. Review and Monetize Council Assets, aiming to generate \$40M over two years. 5. Eliminate Non-Essential Events, requiring cost-benefit analysis for future funding. 6. Defer Major Capital Works unless external funding is secured. 7. Seek Independent Financial Review to validate councils financial assumptions. 8. Re-evaluate Contracts and Procurement Policies to improve value and reduce consultant reliance. 9. Push Back Against Cost-Shifting by state and federal governments. 10. Implement a User-Pays System for services benefiting specific groups (e.g., visitor fees, business levies, developer contributions). Conclusion The proposed 40% rate increase results from financial mismanagement, not necessity. Council must implement efficiency measures instead of burdening ratepayers. We urge IPART to reject this SRV application and require Council to improve its financial practices before seeking additional revenue.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART, I am writing to formally express my disagreement with the proposed rate increase by Northern Beaches Council. As a resident and ratepayer, I strongly believe that this increase is not justifiable, given the current financial priorities of the Council and the lack of tangible benefits for the community. One of my primary concerns is the disparity between the rate increase and the salaries of Council staff. It is widely known that Northern Beaches Council has some of the highest-paid staff in the region. These exorbitant wages, especially at senior levels, seem to be out of touch with the reality of what the local community needs and can afford. When the Councils staff are compensated at such a high level, it raises the question of whether this increase in rates is truly necessary, or if these funds are being directed toward unsustainable administrative costs instead of actual improvements that would benefit the community. Furthermore, residents, including myself, have long been requesting improvements to infrastructure, public spaces, and essential services. Yet, despite these repeated requests and feedback, the community has seen little in the way of progress. The services we are receiving do not reflect the rate of tax increase, and we are not seeing any significant improvements or investment in the areas that matter most to us. It is extremely frustrating to see rates increase while there is a distinct lack of visible development or enhancement of services that directly impact residents. If the Council is serious about fostering a thriving, well-maintained community, it must prioritize the use of funds to deliver on its promises to residents. A fair and justifiable rate increase should be accompanied by visible, tangible benefits. At present, the high wages within the Council and the continued lack of meaningful improvement in our local area leads to the belief that residents are being asked to pay more for little return. I respectfully urge IPART to reconsider the rate increase proposed by the Northern Beaches Council, and to assess whether the funds would be better utilized in directly benefiting the community rather than continuing to support inflated salaries within the administration. The community deserves transparency, accountability, and most importantly, an increase in services and infrastructure that directly enhance our daily lives. Thank you for your consideration.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This proposal is outrageous. A review of spending and opportunity for cost reduction should take place instead

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Imagine what this will do to families and the elderly in our community or those facing adverse health issue's and poverty. This is not about making our community better, its about money and greed. Why cant it be a fair decision, we live in this community and so far have had no say in the matter or when we have its been dismissed. The northerner beaches is a beautiful place to live and this will cause so many people grieve, times are already hard why make it harder. We as a community need to come to a decision that is fair and not just about what is good for the council. If they didnt have us here living and breathing, there would be no community.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The proposed rate increases are unacceptable. Budget control and service is what we expect when we pay our rates. If council cant keep their budget in tact, they should cut costs with salaries (of those paid to keep their budget under control but who seemingly arent doing a very good job!), rather than increase rates for those paying them to do their job in the first place. The options proposed were insulting and need a huge overhaul.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern beaches council is proposing a huge rate rise. This is partly based on the fact that they believe northern beaches residents can afford it. Living expenses are at an all time high, with many young families working long hours to pay their mortgages, childcare and basic essentials. This motion will put extra stress on those that can least afford it. Lets not assume that just because of where we live we are flush with cash. Younger generations have paid a premium to buy in the area where we grew up, lets not push the us out. It will be a sad day when council realises the extra money they have invested in sports fields and youth facilities has been wasted as all of the young families have moved away.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Council - me and my family love the northern beaches. We moved here from in 2019 and dont ever see us leaving. The people, access, and infrastructure are fantastic. Now that Im officially an Aussie citizen as of a say in my local government officially. What the council is attempting to execute outside of a binding referendum is undemocratic and unexpected from the Australian values Ive seen so far. There has been no due process for proposing that this should go ahead even after the local referendum was an overwhelming no. A special variation may feel like the council exercising a mandate, but no voter would have elected a councillor proposing a 39% rate rise on the campaign trail. You have no mandate for a rate rise. There has been an insufficient attempt to be transparent with alternative avenues for ensuring services are kept at a high level. I suggest that the council keep rates where they currently stand and put this issue to the ballot box where it belongs, with the resident voters. NO RATE HIKE.

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top). Do not accept a rate increase more than 10% / annum

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a resident ratepayer living in Queenscliff (northern beaches council) myself and my wife are totally against the huge rate rise that council is asking for, we are self funded retires and the extra amount to pay will hit us hard, as I am sure will do the same for many in the area, while the northern beaches council is what a lot of people would regard as a wealthy area to live in most of the residents are not wealthy as we have lived here for all our lives and house prices have gone up, but we can't eat out house and we dont want to have to move, the main reason we are against the rate rise is we see council wasting money everywhere you look, just a few weeks ago a army down our street was built and a cost of over one million dollars so that people dont have to walk up a few stairs, well its a white elephant as most people still use the stairs as its much less to walk, they have also just finished revamping Freshwater beach at the cost of millions, Freshwater beach was the nicest beach in the shire, it didn't need any money spent on it, there is wastage like this all over. I can also tell you that the next council elections there will be a bloodbath and all the councillors who voted for this rate rise will be thrown out and possibly will be reversed, the whole thing is a joke and the senior managers (which there are plenty off them) need sacking and some real managers that understand the residents need to be put in

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

After a special survey from NB Council regarding our opinion for a SRV of 39%, and where the majority voted for no rate rise (option 1), the Council acted deceptively and ignored the majority vote to suit their own end and forged ahead with the rate rise request to IPART. Ratepayers were also not aware at election time October 24 that a rate rise was going to be suggested, this is poor communication by the Council. Ratepayers have not been made aware of what the extra services will be with higher rates and have not explained clearly how they will achieve this. Council seems to believe that NB ratepayers can take the "hit" of a rates hike, this is simply not true as many seniors on a fixed income/pension will not have the capacity to pay this increase, nor will the lower income earners living on the NB, or the renters for that matter considering the flow on increases appearing from landlords. I believe the Council should be looking at their own overspending and poor budgeting on woke projects that only benefit a small minority and begin to concentrate on the core issues of Rates, Rubbish and Roads and may I suggest a fourth - Responsibility, I say this because they have not been behaving responsibly in the interest of ALL rate payers and recklessly spending as if the bucket of money is endless.

Assessment Criteria:

Demonstrated the need for the additional income

1. Lack of Evidence of a Financial Need

Evidence of meeting this criterion from the council's IP&R documents

Northern Beaches Council's underlying financial position is not sustainable. Council has a current budget deficit and an asset renewal and maintenance backlog issue that will grow exponentialty without immediate intervention. Council reports, the Long-Term Financial Plan and Asset Management Plans have detailed Council's financial challenges for some years. In recent months we have provided even further detail around these issues to ensure the community is aware of the challenges facing Council as well as a range of potential solutions.

a. Absence of Actual Financial Deficit

The council claims a budget deficit, but this is based purely on a forecast rather than actual figures. A review of the last three years shows consistent surpluses, with an average return of 4.3%. It seems unrealistic for an organization to go from a 4.3% return to a -1.2% return midway through the year. This discrepancy suggests the council has fabricated a financial issue without supporting evidence from actual results.

b. Financial Performance Compared to Forecast

A closer look at the financials of the past three years (see chart below) shows that income has kept up with inflation. However, expenses have consistently outpaced income, particularly in areas like employee costs and materials/contract expenses, which have risen by 8% annually. If the council is truly facing an unsustainable financial situation, why would they continue to increase employee costs by 7.9% and materials/contract costs by 10.3%?

	Actual	Actual	Actual	Forecast				
	2021/22	2022/23	2023/24	2024/25	CAGR 2021/22 to 2024/25	2023/24 to 2024/25	Spend over and Above Inflation from base Period	Overspen 2024/25
Rates	175,396	179,695	186,438	196,253	3.8%	5.3%		
Annual Charges	50,545	54,729	59,994	63,262	7.8%	5.4%		
User Charges and Fees	79,722	91,876	99,931	102,637	8.8%	2.7%		
Interest and Investment Revenues	1,238	7,085	11,083	8,918	93.1%	-19.5%		
Other Revenues	28,742	26,293	28,265	20,845	-10.2%	-26.3%		
Grants and Contributions Op Purposes	27,165	31,496	26,529	25,182	-2.5%	-5.1%		
Grants and Contributions Capital Purposes	43,952	33,917	29,218	39,594	-3.4%	35.5%		
Other Income	1,297	352	270	7,338	78.2%	2617.8%		
Total Income	408,057	425,443	441,728	464,029	4.4%	5.0%		
Employee Benefits & On-Costs	134,560	146,153	159,331	171,870	8.5%	7.9%	20,263	8,556
Borrowing Costs	2,624	2,738	2,689	2,605	-0.2%	-3.1%		
Materials and Contracts	142,766	157,273	163,471	180,278	8.1%	10.3%	19,425	12,720
Depreciation and Amortisation	45,508	46,821	48,975	53,208	5.3%	8.6%		
Impairment	55	40	187		-100.0%	-100.0%		
Other Expenses	20,914	20,725	22,382	21,752	1.3%	-2.8%		
Interest and Investment Losses	0	0	545		0.0%	-100.0%		
Total Expenses	346,427	373,750	397,580	429,713	7.4%	8.1%		
Operating from Continuing Operations	61,630	51,693	44,148	34,316				
Net Operating Before Cap Grants and Contr	17,678	17,776	14,930	(5,278)				
Operating Margin Before Grants	4.9%	4.5%	3.6%	-1.2%				
Inflation Rate	6.1%	6.0%	3.8%	2.4%	4.1%			

2. Corporate Support Services up 29% in one year?

Income and expenditure - Corporate support services

	Original 2023/24 \$'000	Budget 2024/25 \$'000	2025/26	Projected 2026/27 \$*000	2027/28
Income from continuing operations					
User charges and fees	453	480	494	509	525
Investment fees and revenues	8.966	10.414	6.925	5.575	6.619
Other revenues	721	853	1,119	1.216	1,170
Grants and contributions - operating purposes	6,238	6.773	6,773	6,773	6.773
Other income	_		-		
Gains on disposal of assets	-	-	-	-	-
Total income from continuing operations	16,377	18,519	15,311	15,074	15,086
Expenses from continuing operations					
Employee benefits and oncosts	(26,885)	(31,265)	(32,176)	(31,620)	[30,872]
Borrowing costs	(724)	(516)	(943)	(829)	(858)
Materials and services	[23,026]	(26,926)	(26,153)	(22,512)	(19,025)
Depreciation and amortisation	(629)	(657)	(678)	(860)	(982)
Other expenses	(9)	(9)	(9)	(9)	(10)
Internal charges	699	766	786	805	825
Overhead allocation	25,692	26,514	27.177	27,856	28,552
Total expenses from continuing operations	(24,683)	(32,095)	(33,998)	(27,168)	(22,370)
Surplus/(deficit) from continuing operations	(8,506)	(13,576)	(18,686)	(12,094)	(7,283)

	Original 2023/24 \$1000	Budget 2024/25 \$'000	2025/26	Projected 2026/27 \$1000	Projected 2027/28 \$'000
Income from capital grants and contributions					
Grants and contributions - capital purposes	6.342	-	-		-
Surplus/(deficit) from operations including capital grants and contributions	(2,164)	(13,576)	(18,686)	(12,094)	(7,283)
Rates and annual charges and reserves					
Rates and annual charges	9.192	8,404	10,375	9.489	8,763
Transfer (to)/from reserves	(6.437)	(8.094)	5,878	1.717	(1,331)
Full time equivalent positions (FTE)	194.4	209.1			
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a. Questionable Increase in Corporate Support Costs

If the council is experiencing financial strain, it's hard to justify a 29% increase in Corporate Support Services. This department does not provide direct services to the community, and the actual cost, including overhead allocations, is nearing \$60 million—an expense that is not benefiting the public.

3. The council has provided no financial impact of Natural Disasters yet they have used it as evidence of the need to increase rates

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

The Northern Beaches LGA is highly exposed to a raft of natural hazards with current data indicating:

- · Over 22,000 properties are affected by flood.
- · 19,000 properties are bush fire prone;
- · 8,850 properties exposed to high geotechnical risk, and
- · close to 5000 properties affected by coastal hazards.

The NSW State Disaster Mitigation Plan estimates that by 2060 the Northern Beaches will have the highest Total Average Annual Losses in NSW by 2060, with estimated losses of close to \$1 billion dollars per annum to the built environment alone. These predicted continual losses are an intolerable risk for our community, highlighting the urgent imperative to significantly bolster investment and sustained action on prevention, mitigation and adaptation measures in a time where disaster risk is increasing.

In the past 6 years 8 natural disasters have been declared in this area, including 3 significant storms in one financial year.

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

a. Natural Disaster Costs Not Included

Despite using natural disasters as justification for rate increases, the council has not provided any evidence of their financial impact. Over the past three years, the council has generated a cumulative surplus of \$50 million, excluding capital grants. This shows that the council has the capacity to manage the costs of natural disasters within its operating budget.

4. Their Long Term Financial Plan includes \$0 of Productivity Savings

a. Failure to Address Productivity Improvements

The council's cost estimates are based solely on incremental increases tied to the Consumer Price Index (CPI), without considering any productivity gains. Shouldn't we expect local government executives to drive efficiency and cost-saving measures, rather than simply maintaining expenses in line with inflation? The lack of mention regarding productivity improvements in the council's plan suggests a lack of leadership and innovation.

b. This also fits with the assessment criteria of explained and quantified the council's productivity improvements and cost containment strategies.

Assessment Criteria:

Provided evidence that the community is aware of the need for and extent of the proposed rate rise

5. NBC Says inflation is the cause of the financial issue:

A DRAFT Addendum to the Delivery Program 2024-2028 was exhibited concurrently with the LTFP and explained the need for an SV as Council's income under the rate peg has not kept pace with inflation as well as the rising costs of materials, contracts and construction.

a. Inflation Claims Are Misleading

The council attributes its financial difficulties to inflation, but inflation data is easily accessible from the Australian Bureau of Statistics (ABS). This claim, presented without verifying the facts, reveals a troubling level of incompetence or, potentially, an attempt to mislead the public.

6. The council's efforts to subvert democracy and mislead:

miled/desire for service leyels/projects and limited muncil resourcing alternatives.

The community's need and desire to maintain existing service and assets as well as see improvements in community amenity through new or expanded facilities and services has been expressed in a range research and community engagement activities that informed Council's IP&R documents. Council commissions an independent survey of the community every 2 years. The random telephone survey identifies community priorities, the level of satisfaction with services and facilities as well as their sense of Summary Micromex Survey - pages 8, 10, 15, 16, 21,23 24 25 27, 29,31) Community Engagement Report -

pages 2 - 5, 13 - 26

Ignoring Survey Results and Conflicts of Interest

The council ignored the results of the public survey, where residents overwhelmingly supported Option 1 with a 19% lead over the next choice. Instead, the council selected Option 3, which only received 11%. Furthermore, the council failed to address potential conflicts of interest in the survey responses. For example, submissions from NBC employees, their families, or suppliers—who could have a vested interest in rate increases were not flagged. When I asked the council to identify any such conflicts, they responded:

"We are unable to separately identify submissions from Northern Beaches Council employees, their families, or suppliers of services to Council. This information was not requested in making a submission."

If the council had genuinely intended to follow the survey results, they should have gathered data on potential conflicts of interest to ensure unbiased outcomes. This oversight highlights their lack of experience in gathering reliable, impartial feedback.

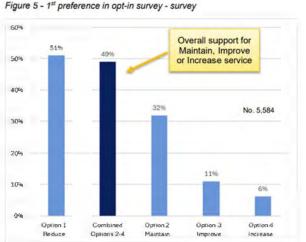


Figure 5 - 1st preference in opt-in survey - survey

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The CEO of Northern Beaches Council gets paid more than our Prime Minister and our NSW Premier at \$556,361 per year., This is wrong in so many ways and now the Council is wanting a 40% rate increase from us rate payers. If the Council was not so top heavy with Upper Management all on such big salaries and provided great and safe roads etc then a smaller rise might be justified. Council outsources contractors for a lot of work now, whose costs are much higher than if council employed staff to do these jobs like they used too. Ive lived on the Northern Beaches all my life and have never seen council so poorly run, the amalgamation of the 3 councils we were told would reduce our rates and improve services because lots of money would be saved. I could go on all day, but i think you get my point. Thanks

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART Review Panel, I am writing as a resident and ratepayer of the Northern Beaches Local Government Area to formally object to the Northern Beaches Councils (NBC) application for a Special Variation to increase rates by 39.6% over three years, as submitted on 3 February 2025. While I acknowledge the Councils stated need for financial sustainability, I strongly oppose this excessive increase due to its severe impact on our community and the lack of adequate justification or accountability. Firstly, this proposed hikeadding an average of \$673 annually to residential ratescomes at a time when Northern Beaches residents are already grappling with a cost-of-living crisis. Inflation, stagnant wages, and rising expenses have eroded household budgets, and an additional burden of this magnitude risks pushing families, retirees, and small businesses into financial distress. Secondly, the Council has failed to demonstrate sufficient efforts to curb internal inefficiencies before resorting to such a drastic measure. Reports indicate NBC employs 111 executives costing over \$25 million annually, with the CEOs salary of \$544,000 rivalling that of the Prime Minister. Additionally, \$3.3 million is spent yearly on staff vehicles, and total staff wages exceed \$170 million. These figures suggest a lack of fiscal restraint, yet the Council has not provided a transparent, detailed plan to cut unnecessary expenditures (such as executive perks or low-return services) before burdening ratepayers. The \$2.4 million in savings over three years cited by NBC pales in comparison to the \$57 million it seeks to raise through this increase. Thirdly, the community consultation process was inadequate and disregarded public sentiment. Over 5,000 residents responded to NBCs survey, with 51% supporting a modest 10.7% rise aligned with the rate peg, yet the Council ignored this majority to pursue its Option 3 increase. This undermines trust and suggests the consultation was a formality rather than a genuine effort to reflect community needs. I urge IPART to reject this application or, at minimum, approve a significantly lower increase (e.g., the 10.7% favoured by most respondents) to protect Northern Beaches residents from undue hardship. The Council must be held accountable to exhaust cost-saving measures (such as reducing executive overheads and non-essential spending) before passing costs onto ratepayers. Thank you for considering my submission. I trust IPART will prioritise the communitys welfare in its determination. Yours sincerely,

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council was biased in its feedback request to ratepayers and used scaremongering tactics to force an increase. They also ignored their own survey. They need to consider an independent forensic audit and recommendations to cut costs before seeking more funds.

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I believe a rate rise of 20 to 25% is more acceptable for Northern Beaches Council residents. Council should run more efficiently under budget constraints. Thank you for your consideration.

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Just adding my voice to the call to reign in this enormous rate increase. Council doesnt need to be so big, covering so many things. I only want core services from them, and feel the number of executives is too high and the wage bill is too expensive. Cars need to be reviewed, ratepayers shouldnt be funding a fleet, apart from vehicles to get the various jobs done, I would like to see council make a genuine effort to see where they can make economies and where they can slim down. We are in a cost of living crisis and a one size fits all approach that assumes we can all manage this, is offensive and out of touch. Northern Beaches has always been a diverse area with a mix of people across the socioeconomic spectrum. We are fighting to keep it that way too. We need local people to be able to afford to stay here. We need local staff to fill job vacancies. Council and other levels of government have a role to play in making sure we keep our diversity, so the statement that this is an affluent area and we can afford it, sends me a message that Council isnt even trying to keep a mix of people here. Its easy to out rates up, but its the lazy approach. There MUST be tracking of expenses on each project so we can see where the wastage is, and learn from errors. Like the roadworks in Cromer that have had to be halted recently, because Council is making the roads more dangerous and putting in changes that were not agreed as part of community consultation. Ratepayers expect accountability. We want to see all the stats for each project. Where costs blew out etc. We will not tolerate being asked for a rate increase when basic awareness and control of our money seems to be lacking.

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly believe this council has not done sufficient research to manage costs and suitability management of their budget. To ask residents to folk out a near to 40% increase is outrageous in the current economic climate. The waste of revenue on non council core services and the inability to provide services with the resources at hand has me lost all confidence in their ability to operate. I believe an administrator should be appointed.

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Some years ago Manly Council agreed to merge with other councils with a promise that it would reduce costs increase efficiency and lead to lower rates. Rates never did reduce and currently it is proposed to raise rates by nearly 40%. I do not support this rates rise as it will be another hardship of already struggling families. I fully believe there can be efficiencies found in the current council. It appears to me that all the outsourcing of services has reduced in house control and left councils trapped with providers who gouge the system. I suggest council spending is reviewed by an independent team so there is transparency and full facts shown before giving council a 40% increase. It is unacceptable to request this increase with inadequate case for doing so.

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to formally object to the Northern Beaches Councils application for a Special Rate Variation (SRV) that proposes a cumulative rate increase of 39.6% over the next three years. This substantial hike poses significant concerns for residents and businesses within the council area. The proposed rate increase has been met with widespread opposition from the community. A consultation process revealed that a majority of residents favored either no increase or a smaller rise, yet the Council proceeded with the maximum increase option. This decision was made despite overwhelming community opposition, as evidenced by a consultation process showing a preference for no increase or a smaller rise. Additionally, a rally against the rate rise outside Northern Beaches Council chambers on 28 January 2025 drew significant attention, highlighting the communitys dissatisfaction. The proposed increase would result in an average residential ratepayer facing an additional \$2.70 per week next year, escalating to \$3.60 per week by 2027/28, on top of the usual rate peg increase. For business ratepayers, the increase would be \$6.47 per week next year, rising to \$8.63 per week by 2027/28. This escalation places an undue burden on households and small businesses, particularly during a period of economic uncertainty. Additionally, concerns have been raised regarding the Councils expenditure, particularly in relation to staff salaries. Reports indicate that Northern Beaches Council employs 1,800 staff at a total cost of \$159 million, with 111 managers earning \$25 million collectively. Such figures suggest that there may be opportunities for internal cost-saving measures that have not been fully explored before resorting to significant rate increases. In light of the strong community opposition, the substantial financial impact on residents and businesses, and concerns regarding the Councils expenditure, I urge IPART to carefully scrutinize the Northern Beaches Councils application for a Special Rate Variation. It is imperative that any decision considers the long-term financial sustainability of the Council alongside the economic well-being of its constituents. Thank you for considering this submission. Sincerely,

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council proposed rate increase does not align with the community expectations. Since amalgamation of the councils the costs of council have never been addressed. The proposed savings from the amalgamation have never been delivered. In fact, costs have only increased whilst (at the same time) services to local residents have decreased. Allowing the requested increase will harm the living standards of many residents (like myself) who cannot afford to pay the proposed level of increase to the rates. The council needs to be forced to review their excessive costs (including salaries) before inflicting this unimaginable level of pain on the community. They are meant to work to help us, not hurt us.

Below is my submission (as a resident/ratepayer) against a Special Variation (SV) to increase the Northern Beaches Council (NBC) rates in the amount of 8% per annum plus the 3.8 percent rate peg each year, totalling 39.6%.

Please note:

1. The NBC did not clearly demonstrate to its rate payers the need for additional income.

The NBC did not clearly demonstrate a financial need for a 39.6% SV rate increase and nor did it provide any alternative revenue sources or other options to increase their income and/or reduce their expenditure (eg reducing specific services). The NBC also did not provide any alternative options to a SV rate increase and nor did the NBC demonstrate how it could be more efficient/cost effective in either their letter dated 20 November 2024 (entitled Funding our Future - Proposal for a Special Variation to rates) ("Their Letter") or on their website. There was no demonstration or detail for the actual need for additional income.

I do know that our former Mayor, Michael Regan MP, said in August 2024 that the NBC was "in a very strong financial position, better than any other council in NSW" (footnote 1) and I also know that the NBC has been in a budget surplus since the amalgamation in May 2016 and has approximately \$200M invested.

Further, I note that NBC is expected to receive new land valuations in November 2025 however these were not factored in/calculated/estimated or even considered when the NBC applied for the SV rate increase, which could be a significant increase in revenue for the NBC.

I therefore do not believe or understand why the NBC needs more money, instead, if it is indeed "facing growing financial pressure" as Their Letter states, then the NBC needs to better manage the money it receives by reducing expenditure with a view to improve fiscal performance.

2. NBC did not provide sufficient evidence that the community was aware of the need for and extent of the proposed rate rise

I do not believe that the NBC has ever informed its community that there was a potential need for a SV rate increase in the future or to what extend any proposed rate rise would be. In fact, as mentioned above, our former Mayor, Michael Regan MP, said in August 2024 the NBC was in "very strong financial position ... We know exactly where we sit with the status of our assets. The cost and timeline to replace and maintain them. We have a full long term financial plan, one that can sustain shocks like the regular natural disasters we experience." (footnote 1)

In fact, when the NBC conducted their 8-week consultation process (via Their Letter), this was the first time I became aware of a potential SV rate increase.

More importantly, I do not believe the Council conducted a thorough consultation process because the NBC conducted their 8-week consultation process during the period 18 November 2024 to 12 January 2025, a time of year, (ie the Christmas holiday season) when a large proportion of the their residents were on holidays.

In addition, Their Letter provided a QR code to "learn more and have your say" however if you are an elderly resident (and there is 18.2% of the Northern Beaches population who are aged 65 and above as per the 2021 Census information (footnote 2) who potentially do not have the IT skills/knowledge to use a QR code or have access to the internet.

In particular and my main concern is the fact that the NBC did not take into account the community's responses it received from their 8-week consultation process as the NBC voted to accept Option 3 (improve services) which only 11% of the community selected. 51% of the community actually selected Option 1 (reduced services) and 32% of the community selected Option 2 (maintain services). If the NBC took into account the community's responses, it would have voted for Option 1 (reduced services). The NBC totally disregarded the community's expressed views.

3. NBC did not establish that the impact on affected ratepayers was reasonable

Another item that the NBC failed to take into account was what their residents could afford and as per the results of the 8-week consultation process, the community chose to accept a reduction of services in order to save money, ie they 51% selected Option 1 (reduced services).

In addition the NBC and Morrison Low failed to take into account the cost-of-living crises which is affecting a large population of our community currently.

Our community might be asset rich, but the NBC cannot speculate that its community can afford an increase purely on the area's high socio-economic ranking. This generalisation overlooks vulnerable groups, such as pensioners, low income households etc. In fact the 2021 Census figures (footnote 2) for the Northern Beaches demonstrates that the demographics of the NBC community will in fact be adversely affected by a SV rate increase (eg only 56.1% worked full-time).

The NBC website states the Northern Beaches has a population of 266,000 people which corresponds, more or less, to the 2021 Census information of 263,552.

Percentage of the Northern Beaches Population as per the 2021 Census (footnote 2):-

30.7% - not in the labour force

56.1% - worked full-time

31.1% - worked part-time

3.2% - unemployed

24% - both employed, work full-time

22.2% - one employed full-time/one part-time

11.9% - one employed full time/other not working.

18.1% - both not working

18.2% - are 65 years and over

These statistics indicate that the majority of the NBC community will be significantly impacted by the proposed increase of 39.6% and clearly shows that the NBC did not consider the impact of a rate increase on its community.

For your information I am single, work part-time (due to a health condition) and certainly cannot absorb an increase of 39.6%. I might own my own home; however my income has not increased, but my expenses have increased significantly

Further, I note that the NBC provides rebates on rates and charges for eligible pensioners in accordance with the Pensioners' Rates and Annual Charges Concession Policy and hardship provisions for ratepayers experiencing genuine financial hardship in accordance with Council's Rates and Annual Charges Hardship Policy but after reading these policies, I would not be eligible (nor would the majority of the community) for any rebate as I am not yet a pensioner and nor do I believe I would receive any real assistance under their Hardship Policy as their "key objective is to work with ratepayers to achieve flexible alternatives to legal action where possible".

4. NBC did not exhibit, approved and adopted relevant planning documents to the best of your knowledge and understanding

There is no detail or any planning documentation in Their Letter or on the NBC 's website with regard to how the 39.6% SV rate increase will be allocated eg specific projects, service delivery, improvements etc

Their website provides a Document Library containing 24 documents and provides the documentation submitted to IPART but it should be noted that some of these documents are 62+ pages long and the Delivery Program document is 168 pages long, which is hardly user friendly. I did however review these documents to the best of my ability and found no planning documentation that provided any clear detail with respect to how a 39.6% SV rate increase would be utilised.

Council needs to provide a clear and concise breakdown of how the 39.6% SV rate increase will be allocated.

5. NBC did not explain and quantify the Council's productivity improvements and cost containment strategies

There was no information whatsoever in Their Letter or on the NBC's website that explained and/or quantified Council's productivity improvements and cost containment strategies nor with respect to how they manage cost blow outs or any information as to what projects were meeting budget or have exceeded budget.

I note that NBC has advised that they have "consistently looked for ways to reduce costs and improve productivity" (footnote 3) however they do not provide any specific detail and nor do they provide any details with respect to how they can improve productivity in the future or how they can address operational inefficiencies or cost containment strategies.

Council needs to provide clear and concise detail with respect to its productivity savings, improvements and cost containment strategies.

As a resident/ratepayer, the Council must provide better accountability before such a significant SV rate increase is approved.

Yours faithfully

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Perhaps it has escaped the councillors' and the mayor's attention that Australians are currently under duress of cost-of-living pressures. The propose a draconian rates increase which only met with a 11% approval during the community consultation. As could be expected, 51% of respondents chose the lowest rate rise option. These very councillors and the mayor were firm advocates for the principles of democracy when seeking re-election in recent council elections.

Out of respect for the Northern Beaches community's explicit choice, IPART should summarily dismiss NBC's proposed rate rises. Furthermore, although it might not be IPART's role, the NBC should referred to the ICAC for their corrupt and undemocratic conduct.

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a Northern Beaches resident residing in Curl Curl. I grew up on the northern beaches. I have a young family (children 1 and 3) which I want to bring up in the area I grew up in. With the current cost of living crisis and high mortgage rates I will not be able to afford the proposed rate increase and will most likely have to sell and leave the area. The council should be reviewing their own at their own costs before asking for more money from rate payers. The apparent complete disregard for rate payers by the council in this decision is abhorrent.

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council are wanting a 40% rate rise, this is a far to much of an increase, where are the people getting this extra money from the pay this increase, also the rents will increase to cover the extra ate rise etc, we object very strongly to this ridicules rate rise, a cut in wages & wasting money at couinsil will cover the rate rise

Date of submission: Saturday, 8 March 2025

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Which council would ever increase there rates by 40% at once and find it acceptable? None.

Date of submission: Saturday, 8 March 2025

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The proposed rate increase is unfair. In a cost of living crisis people, and that includes thousands on the Northern Beaches, are struggling. There would only be a small percentage of people who live in this council area that could, possibly, afford the proposed increase. Each week, the local charities are catering for more and more people who are barely surviving and are requiring assistance for basic food and personal items and that the number of people seeking assistance are continuing to rise. Please consider the negative impact of this increase on myself, my family and the many, many others who are requesting this rate increase to NOT be approved. PS Many people who do not have access or the knowledge to navigate the challenging IPART website will not be able to submit their request so, apart from myself, please consider this request for the all Northern Beaches residents. Thank you for your careful consideration of the incredibly detrimental impact such a rate rise would cause in mine and the many other councils requesting such a rise.

Date of submission: Saturday, 8 March 2025

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I am a Northern Beaches rate payer. It is hard enough with the increased cost of living to make ends meet. Now council wants to increase rates this drastically.... They are already the most paid council members in the country and they are asking for another pay rise which is way above cpi. That facts are that more than 50% of our rates are going to their salaries. The public should have a say in a vote for this kind of an increase in the rates. This is another way they can line their pockets without any outside scrutiny. Hopefully this is taken seriously and an external review into council spending can happen. Regards

Northern Beaches resident

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

Hi, the rise in rate shows how inneficient the council is and will merely kick down the can down the road. I am opposed to such a large rise and want to see waste reduced.

Date of submission: Sunday, 9 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are owners of a 1 bedroom unit in the northern beaches. It was hard for us to break into the property market to purchase this property, and with the interest rate rises and increased cost of living, it has been incredibly hard to maintain and hold onto our property. This extreme rate increase may make it unviable for us to hold onto our property. A local council is meant to serve its members, not potentially push them out of their properties. This council has extreme salary spending and many unnecessary events. An independent review of spending and budget priorities that actually takes the residents of the Northern beaches into consideration should be undertaken before any significant increases are proposed, let alone voted on by council members who have decided to outright ignore community concerns. This council has already implemented 2 rate rises over the last few years, and its current priorities and expenditure is beyond excessive. These increases will create debt and financial hardship for residents.

Date of submission: Sunday, 9 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top). Opposed to proposed 39.6% rate hike

Date of submission: Sunday, 9 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council proposes to increase rates to cover increasing costs and needs to increase expenditure to improve services. I would support this provided the Northern Beaches Council takes every measure it can to cut costs and be more efficient, which it has not done. The Northern Beaches Council must also communicate with its constituents in detail as to what these cost cutting measures include, as to date there is no clarity on this matter. I have some example suggestions below for cost cutting, however, I acknowledge there will be many other potential cost cutting and efficiency measures that could be brought in and those that work for or with the council will know much better than me. 1) Reduce the number of staff, the council is significantly overstaffed, many who have been working there for many many years. It may sound harsh but there are plenty who work there that have a very comfortable job and do not work hard because they know they can't get fired (their words not mine). A redundancy process would be an effective way of getting rid of poor performers and reducing costs. 2) Decrease executive management salaries. The CEO is on \$550k which is madness. In the very least the Northern Beaches Council executive management salaries should be kept in line with Council's around Australia - and this comparison should be communicated with ratepayers so we can at least understand that the salaries are consistent (which I understand they are not currently). The Northern Beaches Council would be one of the most desirable councils to work for so I would expect we could expect talent for less than some of the more challenging councils (e.g. those with high crime rates, higher poverty rates etc) 3) Charge ratepayers for placing incorrect items in bins. The NBC pays a fee to URM every time the bins contain the wrong items - this should be passed on to ratepayers. Perhaps there could be a 3 strikes policy. Other councils have one recycling bin for both bottles and cardboard, perhaps that could make things easier and prevent contamination. For apartment blokes the cost could be past on to the Strata so that it is shared amongst residents - once this cost starts hitting people they will start to take this seriously. This has the added benefit of improving our ability to recycle and improving the environment. 4) Seek input from service providers to the council to understand where there are costs and what can be done to reduce them. The example above with URM is just one example where there is a cost being borne by ratepayers that most ratepayers would not be aware of. I'm sure someone could come up with 100 examples similar to the above where there is a cost that could be reduced if people are aware. 5) Put efficiency linked clauses into service providers. i.e., to ensure work gets performed within a certain timeframe, link fees to the ability for them to deliver within a timeframe, rather than a fee structure which encourages service providers to drag things out and take longer, as they will get paid the longer the project draws out for. There is plenty of anecdotal evidence from service providers to the council that know if they can get a council job it will pay well and they can take as long as they want. This is inefficient and costly.

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council was formed from the amalgamation of Pittwater, Warringah and Manly Councils to provide economies of scale and savings from redundancies of two of the same positions at adjacent councils. Much noise was made of those levels of savings. I have personally not seen those "benefits" flowing through. The council is claiming that their costs have disproportionately increased owing to Top - Down shovelling of NSW State government responsibilites for services and administration being pushed to Local Government level. There are 128 L.G.A. Councils in New South Wales. If the State Government is, indeed, passing services and admin down to LGA, why is it that ALL OF THEM are NOT ALSO APPLYING FOR SPECIAL INCREEASES? There are 6 councils that are applying and only 2 of them - Northern Beaches and North Sydney are councils in the Greater Sydney Area with the other 4 all being Country or Regional Councils with only Hunter Council up near / in Newcastle being capable of designation as governing a big population area. The Greater Sydney Area has 33 L.G.A.s, including a couple with a similar demographic, population density and amenity as the Northern Beaches: viz. Sutherland Shire Council (Cronulla, Caringbah, Miranda, Kirrawee) and on the other side of the Georges River (Sans Souci etc.) Plus many more with really heavy population densities and service requirements in Western Sydney. HOW IS IT THAT ALL THESE 31 COUNCILS CAN COST MANAGE their provision of services but Northern Beaches and North Sydney cannot? I believe that Northern Beaches Council spends way too much of its budget on capricious spending on items and activities that they think will make them be liked by their community. Fairs, Trivial minor interest Special Days and events, expensive "public" works projects like around the foreshores / headlands boardwalks and walking paths which are barely used by the Greater Population of the Council LGA. Waste and Mismanagement. But where stuff needs to be done, it gets done by tinkering at the edges. In my street, Council owns the strip of land in front of 2 houses to 8 metres back from the kerb / gutter. It is overgrown (for decades now) with palms, banana trees, copious LANTANA, burrs, thorns, weeds and several dead trees. The palms have dropped huge piles of dead fronds beside them, the fallen dead wood is right throughout, one banana tree has a pod of bananas hanging on the nearby houses' power lines, a couple of dead trees sticking out at 45 across the road and across power lines, dead Lantana lies dried up and ready to burn underneath the whole lot. Should it ever catch fire, the cnflagration would be extreme and threaten power poles and live power lines coming down and the 2 houses abutting the mess. Once a year council sends out a "team" of 2 or 3 workers who spend a day picking out a few weeds within a metre of the kerb and doing a little whipper snippering. Never a team of 10 with chain saws, heavy slashers and a truck with a Forestry Mulcher attached to reduce the mess to chips.

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Please ensure IPART investigates the manner in which Northern Beaches Council have approached the consultation on the rate increase, and also consider that the majority of residents "consulted" voted for the rates to remain the same, and somehow the highest rate increase option was selected? The consultation process was a sham. Instead of a rate increase, residents would like to know what initiatives and efficiencies Council are implementing to manage operational costs before looking to residents to pay more.

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a ratepayer who has lived on the Northern Beaches for twenty-eight years. Prior to their application for a Special Variation, Northern Beaches Council issued a multiple choice letter to ratepayers regarding four levels of rate increase and asked ratepayers to vote for the increase of their choice. A significant majority of respondents chose Option 1 No Rate Rise except the pegged increase. However, Council then chose to ignore this and have now applied for a variation in line with the Option that actually received the lowest support. They are ignoring both the community and their own process as it did not give them the response they wanted. Councilor Nicholas Beaugeard (Curl Curl Ward), who was one of the Councilors who voted for the increase has recently made the following statement publicly: We (NBC) have done a really poor job of the community consultation. Many questions have been raised by ratepayers trying to find out more information, which Northern Beaches Council have either not addressed or not answered with a reasonable degree of clarity, for instance: Council keep saying an increase of 39.9% is required but refuse to engage with the community in transparent and clear terms as to why exactly such a large increase is necessary? Specifically what will the increase be spent on? Have sufficient efforts been made to identify and reduce current staffing costs and expenditure before inflicting such a large increase on ratepayers, many of whom are already struggling. The Council perception appears to be that ratepayers here are wealthy, but this is incorrect. The properties owned here may be worth more than an average property in some other areas of Sydney but Northern Beaches covers a huge area and not all areas are the same. Also there are many families, small businesses and people on fixed incomes in the area who are cash poor and struggling financially already. In regard to actions taken by Council to reduce their current costs and focus on their core business, there was a resolution passed at the Council Meeting in December 2024 to explore and make recommendations for an alternative to a Special Rates Variation. This exploration and recommendation cannot have occurred. If Council does claim it has implemented the resolution in the few weeks between the passing of said resolution just prior to the Christmas break and their application to IPART a few weeks later, then it has certainly not been done in any thorough, consultative or transparent way. As a ratepayer I, and I believe many others, are concerned and frustrated that the process of assessing savings through curtailing of non-core business and staff reductions is tainted by the inability of staff to assess these matters objectively. Their own work and jobs are on the line. An impartial review should be carried out regarding reductions of non-core business and staff numbers prior to any such significant rate increase as has been requested by NBC. The results of such a review should then be made available to all ratepayers and a community response sought regarding further cutbacks and savings. Amalgamation was advertised as reducing costs and centralizing staff. Staff numbers and costs have risen and Council costs have increased while services have declined. Council appears to be off track and appear to be focusing on non-core businesses which could be cut. However they are not sufficiently transparent in their reporting for ratepayers to clearly discern where all the money is going. Unless ratepayers are fully and clearly informed and then consulted in a meaningful way the process is flawed. Asking for a response from the community and then ignoring that response clearly shows NBC predetermined their course and any consultation has been pretense. I ask IPART to please reject the application by Northern Beaches Council for a special rates variation.

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council has repeatedly ignored the communities input on submissions and this latest proposed rate increase is no exception. From articles published rate payers have overwhelmingly opposed the proposed 39% rate increase. Council states that they have made inroads into staff rationalisation and operating expenses,however income in 2023 increased by \$17m over 2022,but operating expenses increased by \$27m!!. Net operating result was \$51m Down form \$61M ,capital works also down. Amalgamation was meant to increase workplace efficiency and reduce costs. Council has approx 1800 employees and salary costs of 40%. The CEO is reportedly on a \$800K contract package ,surely further consideration could be undertaken by Council into employee costs and reduced overheads. As a resident we have seen reduced services already and expect greater efficiency within Council to offset costs rather than simply demanding more \$\$ to fix years of lack lustre performance.

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Following the IPART guidelines assessment criteria, here are my comments: Fundamental to my submission is the word need. The verb need is defined as requiring something because it is essential or very important rather than just desirable. Demonstration for need of additional income? No! Alternatives were submitted, but no compelling need was shown for the most expensive alternative. Although it was left to Council to assess the alternatives, the majority of ratepayers did not support the most expensive option. Only eight out of fifteen councillors approved the option for the largest increase in rates. Provide evidence that the community was aware for the need and extent of the expensive option? No! See above a case was put for all options but not for an overwhelming need for the most expensive option. Established that the impact on affected ratepayers is reasonable? No! The amalgamation of Northern Beaches councils meant that there is a mix of properties of very high ratable value combined with a majority of properties of relatively low ratable value. This means the very high ratable properties have to finance the needs of all others. Many owners are asset rich but cash poor. The two answers, above, have shown that there is no compelling need for multiple improvements for areas very remote from high ratable properties. An example is the \$17 million Warriewood community Centre. Exhibited, approved and adopted relevant planning documents? No comment Explained and quantified the Councils productivity improvements and cost containment strategies? Unsatisfactory! # Council states it has 80 km of coastline and 14 beaches. It is agreed that all this is expensive to maintain. This amenity is open to all people. However, Council does not follow a user pays principle. (Council provides free beach parking to some people). Waverly Council has a smaller area than Northern Beaches Council and only three beaches but its revenue from parking is 40% greater. # Regarding cost containment, this has not occurred with a) High salaries. For example, the Council CEO earns a similar salary to the State Premier. b) Pursuing street lighting using LEDs and dimming the street lights at relevant times. c) Counsellor Joeline Hackman has written that since amalgamation in 2016, Council has reduced its debt from \$90 million to \$18 million by 2025. It is not clear why this improvement cannot continue.

Date of submission: Tuesday, 11 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Council Members, I write to formally oppose the proposed 40% increase in council rates, which I believe to be an unjustified and untenable financial burden on our community. At a time when individuals, families, and small businesses are already struggling under the weight of rising costs of living, this rate hike is not just unreasonableit is detrimental to the very fabric of our community. The economic challenges facing everyday Australians are well-documented. Inflation, soaring energy bills, escalating grocery prices, and interest rate pressures have left many households financially strained. The proposed 40% increase in council rates is yet another blow that will push residents further into financial distress. Small businesses, the backbone of our local economy, will bear the brunt of this increase. With household budgets tightening, discretionary spending will decline, directly impacting local retailers, cafs, tradespeople, and service providers. Many businesses, already on the brink after years of economic hardship, may be forced to close, leading to job losses and reduced community services. This will have a compounding negative effect, weakening the local economy and diminishing the vibrancy of our neighbourhoods. Beyond the financial ramifications, the social consequences of such an exorbitant rate increase cannot be ignored. Our community thrives on connection, support, and local engagement. The proposed increase threatens to fracture this spirit, forcing families and individuals to make difficult choices between essential services and everyday needs. Those on fixed incomes, including pensioners and low-income households, will be disproportionately affected, exacerbating inequality and hardship in our area. We must also question the justification for such a substantial rate hike. Residents deserve full transparency on council expenditure, as well as an assurance that any rate increases are justified, fair, and reflect genuine community needs. A 40% increase is excessive by any reasonable measure and suggests a failure in fiscal management that should not be corrected at the expense of ratepayers. I urge IPART to reject this proposed rate increase and instead require the council to find alternative solutions that do not impose further hardship on residents and businesses. There must be a more equitable approach that balances fiscal responsibility with community well-being. Thank you for considering this submission. I trust that IPART will act in the best interests of the residents and reject this unfair rate increase. Yours sincerely,

Submission to IPART to object to Northern Beaches Council rate increase

Key points-

- Council conducted a community engagement process outlining options. None
 of the options included a rate increase in line with IPART, maintaining services
 and infrastructure and exploring other options to reduce Council's costs such as
 restructuring.
- Option 1, of Council's survey options was our preferred option although it was noted that this shouldn't include cuts to services or infrastructure, as detailed above.
- A large majority of community responses selected option 1 or 2. Council voted to increase rates in line with option 3 despite very little community support.
- Option 1 to increase rates in line with IPART maintains a rate increase consistent with other Council increases in NSW. This is our preferred option.
- If rates are to rise above 10.7% then this should only be under IPARTs recommendations and not via a special variation, as proposed by Northern Beaches Council.
- IPART have the resources, expertise and are the only impartial and independent body to assess and determine whether a further increase over the 10.7% is required to maintain services.
- Option 1 (preferred option) should be achievable without reduced services, as organisational restructuring and other cost saving measures should be investigated firstly and the outcome of alternative cost savings measures published as part of a consultation for Special Variation.
- It was noted from Council's FAQs that IPART's methodology was amended recently in line with cost changes but that the Special Variation is now sought to address the previous loss of income, rather than ongoing funding. Alternative cost saving measures should be sufficient to address a short-term gap in funding. As detailed, if a Special Variation rate increase were adopted, the rates would not be reduced in the future once Council had addressed the funding gap and would remain at the higher rate after year 3, continuing to rise further via increase at the IPART percentage. This would mean continually higher rates which is unsustainable for the local community.
- Northern Beaches Council has a top-heavy organisational structure with the CEO, 4 Directors, 3 Chief Officers, 19 Executive Managers and then Managers for each unit under the Executive Managers. The CEO's income was the 4th highest Council CEO income in NSW in 2023 and is now reported to be \$556,361. It was also reported that the join incomes of the CEO and Executives (excluding all

other managers) is \$25.2 million in this financial year. This income level is unsustainable and a leaner structure, which is less top heavy would considerably add to the financial stability of Council. This option should be explored independently from Council.

- Northern Beaches Council have allocated funding resources for public art, which
 is not considered an essential service or infrastructure. As the community are
 watching their spending habits, and don't have the funds to buy artwork, Council
 should similarly reduce spending to essential items. For example, public art,
 such as curving natural sandstone rocks or a proposed COVID memorial artwork
 is not essential or necessarily desired by the community.
- Northern Beaches Council were allocated \$46.1 m in funding when amalgamation occurred. The community were informed that amalgamation and the associated funding would result in an improved outcome for the community and include projects such as the continuous coastal path from Palm Beach to Manly. Two of the most dangerous sections of this coastal path have not taken place, which includes the section from Whale Beach to Palm Beach and Avalon headland to Bilgola Beach. The funding for this project was available and it should have been completed prior to other projects which were not part of this funding allocation.
- Prior to amalgamation Pittwater Council was found to be financially sound. It is therefore disappointing to be consulted on options which range from a 46% Special Variation rate increase or a reduction in services. Pittwater Council had a lean organisational structure.
- The 'Funding our future' community engagement asked for the community to
 ensure the financial stability of Council. For the reasons outlined above, Council
 have not exhausted all other cost saving options or appropriately understood the
 financial instability of the community.
- With high interest rates and cost increases the community are also under considerable financial strain and don't have the option to ask for more funding.
 It is therefore time for Council to also tighten their belts and appropriately look at cost savings without reducing services.
- The proposed special variation increase is not financial sustainable and should be refused by IPART.

Submission to IPART to object to Northern Beaches Council rate increase

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- Option 1, of Council's survey options was our preferred option although it was noted that this shouldn't include cuts to services or infrastructure, as detailed above.
- A large majority of community responses selected option 1 or 2. Council voted to increase rates in line with option 3 despite very little community support.
- Option 1 to increase rates in line with IPART maintains a rate increase consistent with other Council increases in NSW. This is our preferred option.
- If rates are to rise above 10.7% then this should only be under IPARTs recommendations and not via a special variation, as proposed by Northern Beaches Council.
- IPART have the resources, expertise and are the only impartial and independent body to assess and determine whether a further increase over the 10.7% is required to maintain services.
- Option 1 (preferred option) should be achievable without reduced services, as organisational restructuring and other cost saving measures should be investigated firstly and the outcome of alternative cost savings measures published as part of a consultation for Special Variation.
- It was noted from Council's FAQs that IPART's methodology was amended recently in line with cost changes but that the Special Variation is now sought to address the previous loss of income, rather than ongoing funding. Alternative cost saving measures should be sufficient to address a short-term gap in funding. As detailed, if a Special Variation rate increase were adopted, the rates would not be reduced in the future once Council had addressed the funding gap and would remain at the higher rate after year 3, continuing to rise further via increase at the IPART percentage. This would mean continually higher rates which is unsustainable for the local community.
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other managers) is \$25.2 million in this financial year. This income level is unsustainable and a leaner structure, which is less top heavy would considerably add to the financial stability of Council. This option should be explored independently from Council.

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 financial instability of the community.
- With high interest rates and cost increases the community are also under considerable financial strain and don't have the option to ask for more funding.
 It is therefore time for Council to also tighten their belts and appropriately look at cost savings without reducing services.
- The proposed special variation increase is not financial sustainable and should be refused by IPART.

Date of submission: Tuesday, 11 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top). I oppose this rate increase when 51% voted against it 10.7% is reasonable Maybe cut back on councilors would be a good idea

Date of submission: Tuesday, 11 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I expect the council to listen to the comments put forward after the first consultation. The questions asked in the survey were worded in a way to get answers the council wanted. I feel the council should be publicly audited to see if savings can be made elsewhere. \$25000000 for 10 managers seems to be way out of touch. The excuse that the have to pay high salaries to attract good people to lead the council is a joke. If the council had good leadership we wouldn't be going through this current process. The current management should fall on their swords and resign. I've seen too much waste of money and resources on projects without the appropriate consultation. The Strand Dee Why is one example which has resulted in a rat run through the back streets of DY., where residents cannot leave their drive way because of the extra traffic. Bear in mind that DY is full of home units and high rise offices and apartments. Another waste has been the bike lanes on Oliver Street Freshwater, which went ahead without proper consultation, resulting in the reversal of the work.. The most current being the roadworks on South Creek Rd Dee Why which was constructed differently to consultation. Resulting with the council apologising for the mistake. All of this at the rate payers expense. I don't pretend to be a business man, but surely with so many managers, how do they get so many things wrong. All the building approvals resulting in so many more people living on the Northern Beaches, Infrastructure has been left wanting. Thank you for listening.

Date of submission: Tuesday, 11 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the special rate rise by Northern Beaches Council. Council is an elected guardian with accountability for the core processes of a constituate. Before seeking any additional source of funding, they need to clearly demonstrate an ability to facilitate those core functions and ensure no other drain on resources such as additional "nice to have" programs are absorbing critical funds. Once the Council can demonstrate 100% alignment to legislated accountabilities and all unnecessary resources and salaries are adjusted and perks removed, they can approach the state and federal government. NB Council to date has not demonstrated this requirement and therefore should be refused this rate rise e.g. have they exhibited any relevant planning documents, explained and quantified the Council's improvements and cost containment strategies, established whether rate payers can actually take this hit, have they tightened their belts? The answer to these questions is NO

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top). believe this extra rate hike is totally out of order, The current council is over staffed and over paid. They are spending money on projects that are not needed. I believe that a internal audit of the whole council is needed.

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I would like to object to the proposed almost 40% in rates. This council asked rate payers in an online survey what increase they were happy with. Of the 5,584 rate payers who responded, Option 1. 51% voted to reduce services. Option 2. 32% voted to keep services the same. Option 3. 11% voted to improve services with a 40% increase in rates. Option 4. 6% voted to improve services with a 46% increase in rates. The council decided to go with Option 3 with only 11% support. How is this implementing the will of the wishes of the ratepayers? Going by the vote the Council should have chosen Option 1 or 2. Also the Council spends 40% of its budget on wages with the CEO earning \$544K per year. More than the premier of NSW. Also the council has wasted money on projects like artwork on Freshwater headland and Re-arranging Oliver St in Freshwater which they had to reverse. At this time of economic distress, I think an increase in rates of 40% is outrageous. A CPI increase is more appropriate. The rates in this Council area are high and an increase of 40% will hurt many residents in the area, especially the retired residents, like myself, who are on a fixed income. I think the Council is ignoring the wishes of the Ratepayers and is doing exactly what they want. I feel their behavior is undemocratic.

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council should be denied a Special Rate Variation because the residents overwhelmingly voiced their opposition to one . Council needs to live within its means and should seek grant funding for expenditure that do not sit within its core areas of responsibilities. A special local government meeting should be convened with the NSW Minister for Local government to determine what are Councils core areas of responsibilities. Areas that should be given special funding for by the state are areas of environment , tourism , social inclusion . Some examples where NSW State needs to kick in funding are in maintaining services and infrastructure & cleaning for more than half beaches fronts in Sydney that are in our LGA. Beaches are a State asset that attract tourism dollars for the NSW economy and also are part of the overall well being of people as they partake in maintaining healthy lifestyles which are essential for health. Another is local roads , these should never been passed on to Council to maintain due to the complex nature of flooding and equipment needed to resurface roads .Roads are extremely costly to maintain to a good level. I feel NSW govt has conveniently divested itself from areas where Council rates are picking up the tab and until the parameters of responsibility are defined no rate variation should be approved .

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hello I am writing to express my dissatisfaction with the proposed increase in rates for the Northern Beaches Ratepayers. The council gave ratepayers the opportunity to state their wishes through the survey but the majority of peoples' opinions have been ignored. I believe council should be held to an increase that reflects the majority of the ratepayers' opinions. It is quite unprofessional to commission a survey and then ignore the majority. I believe the council should be able to vary their revenue path with a modest increase that does not further burden rate payers. I believe the council should be able set a financial plan within a modest increase as suggested by most ratepayers in the survey. Mainly, I do not believe that this suggested enormous increase by Northern Beaches is REASONABLE. The council is not taking into regards the burden of such a large increase.- it is not affordable for most. Kind regards

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This increase is against community wishes, and their ability to pay

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am against the large increase for ratepayers on the northern beaches. I dont believe the Northern Beaches have done a good job with management of funds in the past few years and feel they should tighten their belt first.

Date of submission: Wednesday, 12 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Council did not demonstrate the need for the additional income - they have said infrastructure is in need of attention. Why has this not been done as they are in budget surplus since amalgamation and have \$200M invested. I do not believe they need more money but they do need to learn to manage the money they have on the essential, core services. There is a lot of waste for a council that is now crying poor. Stop all the non-essential expenditure, be prudent with the funds they have and revisit the rate rise when the cost of living has improved. Council do not appear to have made any significant ways to improve efficiency - they just can't manage what they are supposed to do. Council sent a survey (with a bar code to do the survey) just before Christmas. Not an optimal time. Furthermore, bar codes are hard for many of our residents, especially the elderly. Despite this almost 6,000 people responded with the majority voting no to a rate increase. Despite this, the councillors approved the SVR at 39.6% - a huge amount! Council have stated that the rate increase is an average of \$673 per annum - well it's not for me. My increase is substantially more, as are the rates of many people I know. For those who don't have the time to immerse themselves in this issue, they are unaware of the exact impact on the household financials. Many people I know grew up in this area and can barely afford to live here anymore. The cost of living is high, insurance is going up, petrol (which we need here because the public transport is dreadful) is high, electricity is crippling. Many families live here and children are expensive (school shoes, uniforms etc). In addition to families we have a lot of pensioners who can barely afford food, and renters will be forced out as landlords will inevitably pass on their increased cost on their investment property. When council is asked what exactly they will spend all the extra money on, they are vague in their responses. The coucillors are very new to their roles with the election being fairly recent. Due to the issues with the Liberal party candidates many councillors are new to these roles and responsibilities and I do not believe they have had sufficient time to really understand how the council should operate. Instead they are, it seems, being advised by the CEO (who I have heard is dismissive of the community at best - please ask the Mona Vale Chamber of Commerce about their experience with him - and is on an extremely high salary (more than needed in my opinion). The organisation chart is startling - there is an abundance of senior managers on very high salaries and perks, they cannot provide data on certain areas of expenditure or where they have gone over budget, they are not telling us what they need the money for, they say they need it but have not looked at reducing staff or staff bonuses, they ignored the survey responses.... this is just to name a few of my grievances. It's really quite disgusting that they are planning to put our community through this at this time.

Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We live in Ocean Beach Precinct (name now valid only for parking permits) Manly flat and have taken an active interest in council since early 1990s when purchasing here. I have lived in Manly area most of my life. Since 2016 amalgamation in this area we have seen a slow decline in basic services, perhaps most noticeable road gutter drainage clearing and parks maintenance. This is serious here due to flooding. Also repair and maintenance and public works such as signage, parks, trees and rubbish removal in high use areas. We are concerned that this may once again degrade once the rates proposal outcome is approved as the council auditing process is poorly managed and sub standard works approved. We have waited 4 years for a ramp at the streets end as we have several disabled neighbours and parents with prams using this street corner. Over Manly CBD and surrounds we have personally chased up long overdue maintenance and repairs on public seating, bins, bus shelters, paving, parks, heritage lighting and 11 items on a CBD walk through with two of the Manly councillors 16th Aug 2023. The CBD remains tired and run-down, with ad hoc or poor lighting. Manly now has over 8 million visitors a year, a staggering figure that speaks for itself re area funding requirements. There have been several very welcome infrastructure builds, namely the toilet block at Shelley Beach, however we have also chased a 4-year campaign for new Cabbage Tree Bay beach fishery and environment sign upgrade - replacement. An existing sign is in very poor state at the entrance to the iconic Cabbage Tree Bay promenade, said to now be one of the preeminent seaside walks in the world (photo attached). This is symptomatic of a council struggling to service an are that provides millions in rate and parking income. Manly heritage Town Hall (photo) remains with council, a tragic waste of resources with the Manly Place Plan offering no change after the plan's 2-year delay. Regretfully we would ask the basic functions of council be carried out adequately in our area before the veiled threat of increased rates as a panacea for a budget deficit. We are more than pleased to forward documentation or images to support any comment made. Kind regards, Manly





Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

If there is a rate peg, then why can a council go above it without the support or the rate payers? Isn't the rate limit there to protect the residents? Who is held accountable for the auditing blunder that led to mis/over-spending? If they are so sure everyone can afford the increase, why not send out a rates notice with the base amount (with the standard rate increase), then have optional sections if a resident want to pay extra amounts. This will quickly show how many residents are willing and able to pay, without the cost of more (council ignored) surveys. Then, however much is brought in from extra payments - the council knows it has to use.

Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council has not sufficently argued the need for increases and ignored community feedback. Councilors are more interested in building legacies and winning awards than providing the basics. Most if not all and not excluding this council have limited understandings of budgets and financials. Astounded on the salary the NBC GM receives and is financially illiterate. To make a decision on rates by polling council employees is astounding.

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches Council has a history of wasteful use of rate payers money. A year or two before Covid hit they put forward a proposal for bike lanes and Street alcoves in Manly. It was an impractical plan and was rejected by the community. How much it cost to develop this plan and publicise it and get feedback I dont know. Another more recent fiasco was the placing of Keep Left sign on poles in the middle of the beachfront road from Manly to Queenscliff. They were a danger to traffic and served no good purpose and have been mostly quietly removed. More recently still, the council has spent an undisclosed amount on trying to plan and establish a bike route from Curl Curl to Freshwater along OliverStreet, with concrete bunkers separating parked cars from the traffic. Its a clumsy and impractical idea in my opinion. Ive yet to see any cyclist using it and the narrowed road is a danger. Im sure therell be many submissions detailing council failure to fully consult with the community about proposed projects. This is a huge proposed rate increase & I have little confidence that Council is wise in its use of current finances.

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I've already feedback via the survey, but there's some additional points I'd like to explain re why I think the Northern Beaches Council (NBC) were wrong to ignore what the people wanted and go for a higher rate rise (option 3). NBC did explain clearly what they saw as the 4 options: 1. Reduce Services, 2 Maintain Services, 3 Improve Services, 4 Increase Services. They also ran a questionnaire to see what people wanted. Unfortunately, response levels weren't great, as a number of people against having any rate rise didn't do the survey as they disagreed with the approach... i.e. they think councils should be looking more into efficiencies etc. So there's a bias in the results in that people who were against the council approach in general, didn't provide feedback. The second point about the questionnaire is that as well as asking which of the 4 options was preferred, it then went on to ask about the type of service and infrastructure improvements were wanted. This would have resulted in inconsistencies between what a person said they would be prepared to pay vs what improvements they wanted to see. NBC appear to have interpreted results to say that as people wanted certain types of services and improvements, they need to go with option 3. But I believe if the questionnaire had been structured differently, OR, had an additional section (might need some smart AI in the background to do this!) pointing out to the person filling it in that their feedback of what they were prepared to pay was inconsistent with improvements they wanted, so did they want to amend any of their answers, then NBC would have got a clearer idea of what people wanted. I think it was wrong to assume that because people wanted an improvement, that they were prepared to pay for it with a higher rate rise. My preference was for option 2 Maintain Services, as I see money being spent on projects that aren't really needed or adding any real value/safety. And I feel that there should be more done to improve the system on how and where money is spent, and more efficiencies in how the council is run. Thankyou for taking my feedback into consideration.

Date of submission: Friday, 14 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

IPART PO Box K35 Haymarket Post Shop NSW 1240 IPART Review Panel I am a resident and small business owner in Northern Beaches Council Area and writing to formally oppose the Northern Beaches Councils application for a Special Rate Variation (SRV) that would result in a 40% rate increase over three years. I urge IPART to reject this proposal based on the following points: Councils submission does not represent the will of constituents, a majority of which support NO rate rise. That Council did this over end of school year add Christmas period smacks of opportunism knowing majority of people are preoccupied elsewhere. So in my view the process was inadequate and misrepresented the communities wish. Secondly theres evidence of lax financial control in the way Council spends ratepayers taxes, ie rates. Everywhere e we look there are examples of frivolous spending without constraint. Council has not sufficiently explored belt tightening with any serious effort of demonstrated effort. The impact of this rise is cumulative, its not happening in isolation, residents are being squeezed by a thousand financial cuts, its completely unreasonable to ask for such largesse, we cant just ask our money tree for more money, its unreasonable to assume we can pay ever more on continual up swing. Theres been no transparency of the process, to ask community would you like free movie and pizza nights while avoiding disclosure of opportunity costs is disingenuous. Theres no breakdown on what the additional money is planned to be direct on so we can determine whether we really need another free Council provided, non core service. I am outraged that the senior staff earn so much and get perks way beyond the duties being a local government staffer deserve. Theres Prime Ministers, ER surgeons, Captains of Industry, Federal Ministers responsible for national defence, or food policy who earn less. These part time, work from home with all equipment provided, car allowances, its just so out of kilter with the real world the community occupies. Its easy to test for - If the market for these people really is as tight as claimed, any reduction in salary/benefits should see people leave for greater opportunities elsewhere (where!) - I wager the attrition rate would be a few % if any. IPART requires councils to demonstrate productivity savings and efficient use of resources, yet the Councils spends like a drunken pirate on payday, massive salaries, endless money for things which just dont need any local government spending. If you want examples I have MANY and happy to provide, just ask Ratepayers deserve greater accountability than were getting and sadly IPART is the communities last line of defence against outrageous grab on other peoples modest funds. Please help us Yours

Date of submission: Friday, 14 March 2025

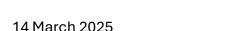
Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am a resident and ratepayer and do not support the rate increase on 2 grounds: Firstly the community consultation that Northern Beaches Council under took was flawed and disingenuous. It framed all the questions in terms of service provision i.e. would you like to cut services, maintain services, improve services etc. There was no analysis of what council was already spending its money on nor any attempts to improve services by changing the ways of working, their service standards, or through different operating models (rather than by adding cost). To give the community a survey which frames increased expenditure as the only route to maintaining their services is poor government process and lacks integrity. Secondly Northern Beaches Council has not undergone a rigorous review of where they could reduce expenditure. All large organisations have areas of inefficiency, overservicing or waste. If this had been done and there was no other path to maintain services then Im sure the council rate payers would approve an increase. NBC continues to propose non essential expenditure with little community support.

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Residents and small business owners cant simply absorb a 30% increase in council rates. I certainly am not expecting a 30% increase in my salary this year! The council needs to live within its means. The state government also needs to stop pushing new expenses down to councils. (Particularly costs related to beaches - like water quality testing - that are visited by residents from councils across all of Sydney!) The council needs to better manage costs and project expenditure. This needs to start with the money outlay on senior management, external contractors and advisors. The consultation over rates rises is a classic example of wasted money. Thousands were spent seeking feedback that was then manipulated to provide the answer the execs wanted. Next, non-essential projects need to be shelved. We have a number of recent examples of work completed without clear justification or value. This includes traffic calmers around the Cabbage Tree Rd/Pittwater Rd intersection (Bayview). Proposals like bike lanes in Curl Curl (Oliver and Adams Sts) and upgrading the Jackson Rd/Bonndah Rd roundabout (Warriewood) are nice to haves and can be delayed. Other projects have been mismanaged result in avoidable cost increases. A recent example is the Cromer traffic management around the nearby playing fields. Resident input was sought but then the implementation changed at the last minute and without notice. This has resulted in local outcry and accident near-misses followed by a return to planning and rework. I would like to see the council trim its senior management team and lean down the project list. Id like to see them explore where local volunteers could supplement or replace some roles. We have lots of older residents with diverse knowledge and skills. Volunteering opportunities could bring the community closer together and create connections and a sense of purpose. Id also like to see greater transparency in how money is being spent - particularly around use of consultants.



The General Manager
Independent Pricing and Regulatory Tribunal NSW
PO Box K35
Haymarket Post Shop
NSW 1240

Lodged with IPART via the website on 16 February 2025

Dear Sir/Madam

Northern Beaches Council - Application for Rate Increase

I am writing to you in relation to the application by the Northern Beaches Council for a proposed rate increase of 39.6% cumulative over three years.

I am a landowner in the Northern Beaches Council and have been for over 18 years.

Like the majority of residents who voted on the Council's proposal for a rate increase, I did not (and still do not) support the Council's motion to increase the rates by 39.6% cumulative over 3 years.

In their letter to residents dated 20 November 2024, the Council outlined four options, namely

- An increase in rates at the rate peg only of 10.7% cumulative over 3 years,
 Under this scenario Council stated that there would be an increased backlog of maintenance and (unspecified) cuts to services.
- 2. An increase in rates of 31.1% cumulative over three years,
 Under this scenario, Council stated that current services would be retained, and
 would address maintenance and environmental programs funding gaps.
- An increase in rates of 39.6% cumulative over three years,
 Under this scenario, Council stated that in addition to the benefits under option 2,
 services would be improved and would deliver (unspecified) larger projects.
- 4. An increase in rates of 46.0% cumulative over three years.

 Under this scenario, Council stated that in addition to the benefits under option 3, it would enable infrastructure delivery to be accelerated and provide increased services (neither specified).

The reasons for my objection to the proposal to adopt option 3 are as follows

- A majority of the residents did not support option 3, that is, they accepted that services would be retained at current levels by adopting option 2, or in the view of some residents, would be prepared to accept lesser services by adopting option 1.
- 2. The motion was passed by Council on the casting vote of the Mayor, so clearly there were an equal number of Councillors who were opposed to this as there were those in favour.
- 3. Option 3 apparently will enable improved services and the delivery of larger projects. In this current economic environment and with the cost of living forcing many residents to absorb increasing costs and mortgages repayments (until the recent rate decrease of 0.25%), many households have had to rein in their spending. My view is that it would have been prudent of Council to adopt option 2 which retains the status quo, and which would show some spending restraint in line with community expectations whilst retaining current services.
- 4. I am advised that the report to Council stated that it was judged that residents could afford this increase. I believe this statement to be grossly inappropriate as the report authors could not possibly know whether residents could or could not afford these increases. It would be unfortunate indeed if Council had placed any weight to this comment in reaching their decision.
- 5. In December each year, the NSW Valuer General advises increases in the unimproved land values (ULV) as at 1 July. The increase in land values together with annual rate increases has meant that I have incurred an increase of 35.5% between the rates for 2022/23 and 2024/2025. I strongly suspect that many other residents have experienced similar rate increases. These increases are significantly greater than the inflation rate.

A further increase of 39.6% over three years would be unreasonable against the significant increase in rates experienced over the recent past, regardless of the ability to pay!

In summary, I do understand that Councils need to fund their services in a responsible and fair manner. However, in 2023/2024 and 2024/2025 they have already had (or will have had) a significant increase in rates well above the peg rate.

In this instance, Council has voted to apply for an increase in rates of 39.6% over 3 years rather than reflecting community concerns over cost-of-living pressures and holding back on delivering larger projects.

In conclusion, I would support Option 2 and ask IPART to consider these issues in reaching their decision.

I would prefer it if my submission is treated as anonymous.

Yours faithfully

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

First, the council's consultation was inadequate. As I recall it was a simple survey with three options, two of which were for massive rate rises and a third option that was not palatable either as it was for a reduction in services. There was no more reasonable option of say a 12-15% rise, nor was there an option to make a submission (that I recall anyway). It was clearly a survey structured to try to get the answer they wanted. Most respondents voted to decrease services (which I am sure they didn't really want) because there was no other option but to vote for the massive increases. Additionally, council should not have wasted time and money on the survey because they then proceeded to ignore the overwhelming rejection of the 40% rate rise and voted for it anyway. Second, and most importantly. As a resident of this LGA, I can see opportunities to eliminate expenditure and cost almost everywhere I look. One example: last week, I had three council workers outside my house for 2.5 days fixing 60cm of concrete gutter. They spent most of the time sitting in folding chairs in the shade playing on their phones or chatting and eating. I could have repaired this myself in less than a day. Clearly the management chain donot have control of the workers. This council employs 1800 workers. What do they all do? I am sure wages are a big chunk of the budget and so I think we need to start by looking at downsizing the workforce and lifting productivity. Also, I see all sorts of unnecessary expenditure on discretionary items. Live events that we presumably cannot afford, footpaths in residential streets that are unnecessary, exercise and playground equipment (which has an ongoing maintenance cost in additional to initial installation cost), fencing in my local parks etc. The CEO of this council and his management team need to start living in the real world and get control over their costs and show us that they are worth the exorbitant salaries they are paid. Despite council assurances that they have made all possible savings, as a rate payer with two eyes, I can see that they have not. It is time for the CEO to get out of his office and take a look around through the eyes of a rate payer and start talking to some of the people who pay his wage.

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object to this rate increase of nearly 40% at this difficult financial times. Before the merge we were Warringah council and had no financial problems, the roads were maintained much better than they are now. The merge was supposedly for cutting costs however it is exactly the opposite, this is councils mismanagement and waste, if they cut back on a lot of their unnecessary waste, we the rate payer will not have to be penalized because of their incompetence. Strongly object.

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I formally object to the proposed 40% rate increase for the Northern Beaches Council. This increase is excessive, particularly given the already significant financial burden on residents. I am deeply concerned that council expenditure, particularly the high salaries paid to senior staff, is not justified. Furthermore, the planning and execution of council projects appear inefficient, often leading to overspending and suboptimal outcomes. Before seeking additional funds from ratepayers, I urge the council to conduct a thorough review of its operational costs, improve financial accountability, and ensure that public money is managed responsibly. I request a clear justification for this increase and details on what steps are being taken to improve efficiency before imposing further financial strain on residents. I also want to ask you to consider small business's capacity to pay. The heart of the Nothern Beaches is to encourage small business, relieving traffic driving into the city. However it is apparent, from the vacant real estate in our business centres, that small businesses are struggling. Do we want ghost-like towns in our beautiful Northern beaches? I live in Duffys Forest we draw on few council resource - we do not have kerb and guttering, our verges are trimmed infrequently. Thank you

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a long time Manly rate payer, I disagree with the Northern Beaches Council's decision to apply for a rate increase of around 40%. The consultation process regarding the rates rise was flawed and appeared to be a 'tick box' exercise only run so that Council could say they'd consulted with the community. The community feedback was largely ignored making the consultation process meaningless. I believe that residents voted for around an 11% rise. The consultation form did not detail which services would be cut based on the different rate rise options, meaning that residents couldn't make an informed decision. Council don't seem able to manage their budget, and they probably don't even know which servicers would go. When our Council amalgamated, we were told it would save the residents money but we have just faced more and more rate increases ever since. There are obviously duplications and buildings etc. that need to be re-purposed and staff duplication looked at again. The rebuilding of the Manly Surf Lifesaving club looks to be ballooning into a massive cost (could be another North Sydney pool scenario). I (like so many others) am on a fixed income and the constantly rising cost of living is really cutting hard. Because the Northern Beaches is seen as an affluent area, this rate rise probably looks fair but like myself, many people are long time residents who have lived in the area before real estate became so prohibitively expensive. Councils should be here to support their community and not make life more difficult. I hope that IPART make their decision taking into account the flawed consultation process and the significant community opposition.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly reject this increase. The community voted for a smaller increase and for the council to reduce services. This increase is not in line with that and will put unnecessary financial pressure on households in the community.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I respectfully request you review my letter in the attached file. I don't believe Northern Beaches Council can justify their

proposed SRV and I urge IPART to reject the application



17 March 2025

Independent Pricing and Regulatory Tribunal (IPART)

Email: ipart@ipart.nsw.gov.au

Via online submission to https://www.ipart.nsw.gov.au/lodge-submission-2025-26...

Subject: Submission Opposing Northern Beaches Council's Proposed 39.6% Rate Increase (Special Variation Application 2025-26)

Dear IPART Review Panel,

I am writing as a resident, ratepayer and business owner of the Northern Beaches Local Government Area to formally oppose the Northern Beaches Council's (Council) application for a Special Rate Variation (SRV). Council is seeking a cumulative 39.6% rate increase over three years (including the rate peg), which is in stark contrast to the community response indicating that the majority would only accept the rate peg increase.

I understand that your role is to assess the affordability of the proposed rate increases based on evidence provided by Council. Therefore, I urge IPART to reject this proposal based on the following points:

1. Inadequate and Misrepresentative Community Consultation

Council's community consultation process did not adequately reflect the preferences of ratepayers. While it presented four required options, the consultation document implied threats of decreased services without specifying what would be cut, leading to fear and uncertainty among residents.

For instance, Council left residents speculating whether essential services such as reserve maintenance (which already appears to be neglected outside the Manly tourist area), ocean pool upkeep, or waste collection would be affected. However, Council conveniently did not suggest that non-essential expenditures, such as free festivals or community events, might be reduced. I believe this selective presentation of potential cuts manipulated community sentiment.

Furthermore, Council conducted the consultation from November 2024 to January 2025—coinciding with the busiest holiday period of the year. Many residents were preoccupied with end-of-year commitments, Christmas preparations, and summer vacations, making it difficult for them to engage meaningfully in the consultation process. Despite these challenges, over 6,300 residents responded—an exceptional figure compared to typical council surveys. One can only imagine the response rate if the consultation had been conducted at a more suitable time.

Many residents claim they were unaware of the consultation, having received no direct communication from Council. Whether this resulted from ineffective outreach or general holiday distractions, the fact remains that numerous ratepayers only learned of the proposed increase after Council passed the motion in January 2025.

The survey results were as follows:

- 51% supported no increase beyond the rate peg and a reduction in services (Option 1),
- 32% supported a small increase to maintain services (Option 2),
- 11% supported the proposed 39.6% increase to improve services (Option 3),
- 6% supported an even larger increase.

Despite these figures clearly showing that 83% of respondents supported either maintaining or reducing services, Council misleadingly reported that 49% supported maintaining, improving, or increasing services—obscuring the community's clear opposition to a substantial rate increase.

Council's actions undermine the principles of meaningful consultation under IPART's guidelines. Even Councillor Vincent De Luca has criticized the process as biased, and Councillor Beaugeard publicly admitted in an interview with The Telegraph that "we have done a really poor job of the community consultation."

Moreover, Council presented data from FY19 and FY22 rather than recent, relevant figures. This cherry-picking of data misrepresented the situation to the public. A similar tactic was used in 2021 when Council won the National Local Government Customer Service Team of the Year Award—despite being the third most complained-about council to the NSW Ombudsman in the same year.

2. Insufficient Evidence of Financial Necessity

Council cites a \$23.6 million budget deficit, rising costs (e.g., \$15 million in storm damage over three years and \$9 million in cost-shifting from the State Government), and claims that a 39.6% rate increase is essential. However, it has not demonstrated that this increase is the only viable solution.

Alternative revenue sources—such as asset sales (e.g., the disused Manly Council Chambers), increased user fees at council-funded venues (including car parks),or securing additional grant funding—have not been meaningfully explored. Instead, Council appears to prefer extracting more revenue from ratepayers without addressing internal inefficiencies.

Council also attempted to justify the increase by stating that Northern Beaches residents are "reasonably affluent" and can therefore absorb the additional costs. This statement ignores the significant cost-of-living pressures currently facing residents, many of whom have chosen to postpone their own discretionary expenditures due to economic conditions. If residents must live within their means, why is Council unwilling to do the same?

A prime example of financial mismanagement is Council's handling of the Wakehurst Parkway flood mitigation project. Despite receiving significant State and Federal Government funding, Council exhausted the money on consultants rather than implementing tangible flood-prevention measures.

Similarly, Council has spent nearly \$3 million to date, over the past five years on consultations and legal battles regarding off-leash dog areas at two beachfronts—without securing land rights from the Crown beforehand. This gross mismanagement resulted in legal proceedings that should have been avoided with basic due diligence.

Adding to the concern is Council's choice of Morrison Low Consultants (MLC) to conduct an "independent analysis" of the affordability of the rate increase. It is my understanding MLC has been repeatedly linked to councils pushing for SRVs, raising serious concerns about their impartiality.

3. Unreasonable Impact on Ratepayers' Capacity to Pay

Council's "Capacity to Pay Report"—conveniently prepared in conjunction with MLC—argues that the Northern Beaches' high socio-economic ranking justifies the increase. This generalization overlooks vulnerable groups, including pensioners, low-income households, and small businesses struggling with inflation.

For example, I know a retired resident in Curl Curl pays approximately \$8,000 per annum in rates, yet his street lacks curb and guttering and is riddled with potholes that regularly damage vehicles. Council cannot justify a massive rate hike when basic infrastructure remains neglected.

4. Lack of Transparency on Service Delivery and Spending

Council has not provided a clear, specific breakdown of how the additional \$57 million per year will be allocated. There is no detailed plan linking the increase to measurable service improvements.

Moreover, Council's \$170 million annual staff budget (including \$25 million for 111 executives and \$3.3 million in executive vehicle costs) raises concerns about financial efficiency. IPART requires councils to demonstrate productivity savings before seeking ratepayer funding, yet Council has not outlined any meaningful cost-cutting measures.

I have personally witnessed Council inefficiency firsthand. Recently, I observed **four to six** Council workers loitering for over two hours in a car park instead of performing maintenance work. Despite reporting this to Council's customer service line—including providing vehicle registration numbers—no action was taken. The incident underscores systemic inefficiencies within Council's workforce.

Council also fails to manage basic services effectively. For example, my scheduled bulky goods collections have repeatedly gone uncollected for up to two weeks—despite receiving confirmation emails that I had followed due process and the collection was booked. On one occasion, Council even issued me with an **illegal dumping notice** for rubbish I had properly scheduled for collection! When I inquired, I was told that the waste department and the environmental team "don't liaise." Such administrative failures exemplify why residents are frustrated with Council's management.

Conclusion

Given the flawed consultation process, lack of financial accountability, disregard for alternative funding options, and the significant impact on ratepayers, I strongly urge IPART to reject Council's application for this SRV.

Thank you for your time and consideration.

Yours sincerely,

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Introduction Ratepayers of the Northern Beaches Council area, strongly oppose the proposed 40% council rate increase as submitted to IPART for approval. This proposed Special Rate Variation (SRV) is excessive, unjustified, and financially burdensome on our community. We urge IPART: 1. To hold an immediate series of 3 easily accessed Public Meetings in the local government area specifically Dee Why Council Chambers, former Pittwater Council chambers and former Manly Council chambers, to see and hear firsthand from the ratepayers and residents of Northern Beaches Council area and, 2. To reject this SRV application for the following key reasons: 1. Council Must Prioritise Cost Control and Core Services The fundamental role of local government is to provide essential services, such as roads, footpaths, waste collection, and the maintenance of public spaces. Ratepayers do not expect, nor wish for, council to expand its scope of activities at an unsustainable financial cost. Council should focus on delivering core services efficiently rather than increasing financial burdens on residents. A budget should be developed that prioritises essential services while postponing non-essential projects until financial conditions improve. Ratepayers are expected to live within their means, and so should Council. A rate increase should not be used as a means to avoid responsible financial management. The current allowable rate peg should be sufficient to fund core services without compromising quality. 2. Significant Opportunities Exist to Reduce Costs Rather than increasing rates, Council must take immediate action to improve financial discipline and seek alternative revenue streams. Specific measures include: Staff and Executive Cost Reduction: Reduce excessive salaries and benefits for the CEO, Directors, and Executive Managers. Freeze staff salary increases until the Council's financial position improves. Conduct a comprehensive organisational review to streamline staffing levels and reduce bureaucracy. Budget and Expenditure Review: Review discretionary spending and eliminate non-core services (e.g., marketing, consultants, arts, and cultural events that are not widely utilised by the community). Identify and eliminate inefficient or redundant projects that do not provide tangible community benefits. Improve financial controls to prevent mismanagement from occurring again. Asset and Revenue Optimization: Leverage council-owned assets to generate income through commercial leasing or redevelopment (e.g., surf clubs, pools, underutilised buildings). Increase fees for visitors and non-residents to offset the cost of high-visitation areas like Manly Corso. Demand higher contributions from developers through voluntary planning agreements. 3. The Proposed Rate Increase is Unreasonable and Unaffordable The proposed 40% increase is well above inflation and disproportionately affects households already struggling with cost-of-living pressures. Ratepayers should not be expected to absorb cost increases that outpace inflation and wage growth. Councils harmonisation process has already led to significant rate increases for many residents additional increases are unjustified. Pensioners, retirees, and low-income families will be disproportionately affected, potentially forcing some to relocate due to unaffordable rates. If rates must increase, they should be limited to inflation (CPI) with no reductions in core services. Increased rates could further exacerbate inflation and economic hardship within the community.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

PLEASE READ MY LETTER ATTACHED IN WHICH I write to formally object to the proposed Special Rate Variation (SRV) by Northern Beaches Council, which seeks an excessive and unjustified increase in rates over the next three years. This rate hike is being pursued with inadequate justification, poor financial transparency, and without due consideration of the significant financial strain already burdening residents and businesses. Despite widespread opposition from residents and businesses, the Council has chosen to push forward with the maximum rate increase, disregarding community concerns and the fundamental issue of affordability. Consultation data clearly indicates that the vast majority of ratepayers do not support this proposal, yet the Council continues to pursue it without demonstrating sufficient cost-cutting measures or alternative funding strategies. Not only has the community rejected this increase, but even within Council itself, the resolution was passed by the barest margin, highlighting the deep divisions and lack of clear justification for such a drastic financial burden. It is now IPARTs responsibility to ensure that due process is followed and that ratepayers are not unfairly burdened with an excessive financial demand that does not reflect community will or economic reality.



17th March 2025

The Independent Pricing and Regulatory Tribunal (IPART) Level 15, 2-24 Rawson Place Sydney NSW 2000

Subject: Formal Objection to NORTHERN BEACHES COUNCIL Special Rate Variation Application

Dear IPART Panel.

I write to formally object to the proposed Special Rate Variation (SRV) by Northern Beaches Council, which seeks an excessive and unjustified increase in rates over the next three years. This rate hike is being pursued with inadequate justification, poor financial transparency, and without due consideration of the significant financial strain already hurdening residents and businesses.

Despite widespread opposition from residents and businesses, the Council has chosen to push forward with the maximum rate increase, disregarding community concerns and the fundamental issue of affordability. Consultation data clearly indicates that the vast majority of ratepayers do not support this proposal, yet the Council continues to pursue it without demonstrating sufficient cost-cutting measures or alternative funding strategies.

Not only has the community rejected this increase, but even within Council itself, the resolution was passed by the barest margin, highlighting the deep divisions and lack of clear justification for such a drastic financial burden.

It is now IPART's responsibility to ensure that due process is followed and that ratepayers are not unfairly burdened with an excessive financial demand that does not reflect community will or economic reality.

Cost of Living & Economic Uncertainty

Australians across all demographics are experiencing unprecedented cost-of-living pressures, with rising mortgage rates, inflation, and escalating essential service costs. At a time when households and businesses are struggling to stay afloat, a drastic rate increase of up to 40% over three years is unreasonable and unsustainable.

The world remains economically volatile, and local governments should be demonstrating financial prudence rather than further straining ratepayers who are already stretched thin. This increase is not just untimely—it is irresponsible.

Disproportionate Burden on Semi-Rural Ratepayers

Our semi-rural local area (Duffys Forest) contributes a significant proportion of council rates despite receiving **little to no direct return on investment**. Unlike more urbanised parts of the council area, semi-rural and outer-suburban residents do not benefit from the same level of infrastructure, services,

or maintenance. This imbalance must be addressed before any rate increase is considered, rather than exacerbating an already unfair financial burden.

No Justification for Urgency—A More Measured, Long-Term Approach is Required

The Council is pushing this rate increase with undue urgency, failing to justify why such a steep increase must occur over just three years. There is no immediate financial crisis that warrants such an extreme response. Council has the time and means to implement cost savings, phase changes gradually, and explore revenue diversification before imposing a drastic financial burden on ratepayers.

A far more responsible and strategic approach would be to develop a 10-year financial sustainability plan, ensuring gradual adjustments, transparent investment decisions, and proper community consultation. Any increase should be phased carefully over a decade, not forced through in just three years.

Additionally, the Valuer General's tri-annual land revaluation in FY25 will significantly affect rate revenue forecasts. It is premature for Council to commit to such a drastic rate hike when future revenue streams remain uncertain. Any increases should be delayed until a full assessment of land valuation impacts is completed, ensuring that ratepayers are not overburdened unnecessarily.

Business & Rental Market Impact: A Ripple Effect of Financial Strain

The economic resilience of local businesses has been severely tested in recent years, with many still recovering from the effects of the pandemic, supply chain disruptions, and economic downturns. The proposed increase places an unreasonable strain on businesses that may already be operating on thin margins. The independent expert report commissioned by the Council appears to **overstate the financial capacity of businesses to absorb such an increase**, and this needs to be revisited with real-world impact assessments.

Additionally, for property owners, this rate increase will have an **unavoidable knock-on effect on the rental market**. Landlords will have no choice but to pass these additional costs onto tenants, further **driving up rental prices in a market already experiencing a housing affordability crisis**. This will disproportionately impact renters, many of whom are already facing financial stress, and could contribute to **increased rental instability and displacement**. At a time when rental affordability is a major national issue, Council must carefully consider the **social consequences** of imposing further financial pressures on property owners and tenants alike.

5. Lack of Transparency in Investment Decisions & Alternative Revenue Sources

There is a **clear lack of transparency** in how the Council prioritises investment decisions. Ratepayers should not be asked to bear additional costs without **full disclosure of how funds are to be allocated**, **clear justifications for expenditures**, and evidence that cost efficiencies have been maximised.

A detailed, independently reviewed long-term investment plan should be developed and shared with the community before any rate increases are considered.

Additionally, better project management practices must be implemented to prevent cost overruns and inefficiencies. Ratepayers have a right to expect fiscal responsibility, and wasteful spending must be addressed before increasing rates. This includes:

- Avoiding excessive spending on vanity projects that provide little practical benefit to residents.
- Eliminating unnecessary or frivolous events that are not core to essential services.
- Ensuring infrastructure and community projects are delivered on budget and provide value for money.

Rather than relying solely on rate hikes, Council must also explore alternative revenue sources that could ease financial pressure on households and businesses. Potential options include:

- User-pays systems for discretionary services that do not benefit all residents equally.
- A Northern Beaches Lottery or other community-driven funding initiatives to supplement
- Stronger efforts to secure State Government funding, given the significant land tax contributions Northern Beaches residents already provide to the State Government.

There are **multiple funding avenues that have not been fully explored**, and IPART should insist that these options are properly investigated before approving any rate increases.

Conclusion

Given the overwhelming community opposition, the lack of financial transparency, the failure to demonstrate cost-cutting efforts, and the severe strain this would place on residents, businesses, and renters, I strongly urge IPART to reject this application and uphold its duty to ensure fair and responsible governance.

IPART has a critical role in protecting ratepayers from unjustified financial burdens. It must ensure that any rate increases are fully justified, financially responsible, and fair to all residents—not simply approved at the Council's request despite clear community opposition. I urge IPART to demand greater transparency, insist on alternative funding exploration, and require a responsible long-term plan before considering any future rate increases.

I appreciate IPART's responsibility in this matter and trust that this objection will be given the thorough scrutiny it deserves.

Yours sincerely,



Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

IPART Need to apply a Elon Musk/TRump DOGE approach to Northern Beaches Council - as a Northern Beaches Resident ratepayer, I object to the Requested Rate increase especially when one of the Greens Council Members who voted for the Increase could not be bothered to attend the Council meeting in Person, but attended by Zoom Northern Beaches Councillor

Vincent De Luca sums up my objections

[Extract of newspaper article not published due to copyright reasons]

The Northern Beaches Council's website says it

intends to use additional funds to improve existing services, deliver larger renewal projects, enhance environmental projects, and improve roads among other proposed services. Mr De Luca argued there was no need for the council to be burning through so much money, claiming a number of job positions were not necessary, while the large amount of staff members was failing to make work happen more effectively. "I have junior staff coming to me all the time complaining. Even to get a letter sent out, it's got to go through all levels of management. That's just ridiculous to try and get a letter signed. It takes a week. This is just getting out of control," he said. "We do have unnecessary positions in that council. You know, most councils are paying their executives similar wages, if not more. "However, it's been shown at city councils such as Parramatta, Blacktown and City of Sydney... they're not paying as much to their executives and their staff as we find on the Northern Beaches. So they're definitely on a good wicket." https://www.skynews.com.au/australia-news/politics/northern-beaches-councillor-vincent-de-luca-speaks-out-after-locals-slugged-with-40-per-cent-rate-increase/news-story/159fae5f8ee4f74f012eaed22ce6e52c

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As an offshore resident of Western Pittwater we already contribute substantially towards Council infrastructure in the form of paying for our boat tie-up and car parking. This is charged well above CPI. In the case of our household we also pay for reserved council parking as the public carpark is so often full we have nowhere to park, despite paying \$500 per year for the privilege. Now we are paying \$6,000 a year but at least we are guaranteed we can park when we get home. We do not get roads, kerbs or guttering. We do not get water or sewerage. 40% increase in our rates is not justified.

Date of submission: Monday, 17 March 2025

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The council has failed to engage with rate payers in a transparent manner and has been deceptive in their conduct. As an example the information about a Special Variation made no references to changes in Land Values, other than to say it is done by the NSW State Government. Ratepayers should not be required to determine the difference in cost allocated by levels of government.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The proposed Special Variation by NBC has failed to consider the cost of living pressures on local households. All local business have had to find ways to make savings and reduce costs to stay viable but no meaningful work has been done by council. In approving this increase business in struggling high streets will be forced to close as they will not be able to pass on costs to customers.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART, I don't trust that the Northern Beaches Council is managing our Council finances well. My belief is supported by the fact that Council did not vote for Cr Vincent De Luca motion to see where 'fat could be cut'. I am also suspicious of Council because this 'Funding our Future' Proposal was released over the 'Silly Season' - ie when residents are distracted and involved in holidays, etc. This looks sneaky. Further, the 4 options given were misleading. What about an option of 'manage money better', and 'cut wasteful Council spending' and 'improve poor Council management'? Further, interests rates are coming down, so Council is false to use the argument of interest rates rising as an excuse for raising rates. Further, the Northern Beaches has very high rates compared to most other councils in Sydney. Further, many make the assumption that everyone that lives on the Northern Beaches is well off and could easily afford this enormous increase. But this is FALSE. Many are struggling, especially in the area I live in, which was originally part of Warringah Council - an area that is much less affluent than the Manky and Pittwater Council areas. Our region is suffering the most financially since the council merger. Sincerely,

Submission to iPart relating to The Northern Beaches Council's submission to Special Variations & Minimum Rates 2025-26

Summary

The iPart Special Variation review process is designed to protect rate payers. It recognises that while councils may operate like businesses with CEOs, budgets, incomes and expenditures, they are unconstrained by normal market or competitive forces to keep their rates and fees to what the market (ie their rate payers) actually want.

Councils clearly have many incentives to vote themselves extra funds – who wouldn't like the power to simply decide to have more money to spend? And the extra money also allows them to avoid those difficult cost controlling decisions. The types of decisions that most businesses and the community that they're meant to serve are being forced to make during a cost-of-living crisis.

Unfortunately, we have an out-of-touch council, that has decided to vote in its own self-interest against the expressed wishes of the rate payers it's meant to answer to, crying poor when it clearly isn't, mistaking a **want** for more with the **need** for more, and failing to show recent cost constraint. If this isn't the sort of case that iPart is intended to protect rate payers from, then what is?

As a Northern Beaches Council's (NBC) rate payer, I strongly reject the case and application for a Special Variation and hope iPart will too.

This submission addresses points 1, 2 & 5 of iPart process to review the Council's case for the Special Variantion:

- 1. demonstrated the need for the additional income
- 2. provided evidence that the community is aware of the need for and extent of the proposed rate rise
- 3. established that the impact on affected ratepayers is reasonable
- 4. exhibited, approved and adopted relevant planning documents
- 5. explained and quantified the council's productivity improvements and cost containment strategies.

1. Has the NBC demonstrated the need for the additional income?

The evidence below shows that the Council has clearly failed to demonstrate the need for additional income. It has confused its **wants** for more and a 'return to surplus' funds, with a strong case for the **need** for additional income through a special variation.

The Council's case for the Special Variation is summarised in two published web pages:

What you need to know about the rates special variation https://www.northernbeaches.nsw.gov.au/council/news/what-you-need-to-know-about-rates-special-variation

and

Funding our future

https://yoursay.northernbeaches.nsw.gov.au/funding-our-future

A list of wants, not needs

This is the key extract from 'What you need to know about the rates special variation:'

If approved, what will the additional funds be used for?

Additional funds will allow Council to continue to invest in quality services for our community, which will be used to:

- · improve existing services
- · invest in notural risk reduction programs such as stormwater warks, bushfire protection and beach nourishment
- enhance environmental projects including bushlond and invasive species management.
- deliver larger renewal projects (e.g. renewal of the Warringah Aquatic Centre)
- · address the asset renewal and maintenance gap
- improve roads and expand footpoth programs
- establish a fund for natural disaster recovery.

All of the above benefits of the additional funds are things that the Council **want** to be able to do - after all, what Council wouldn't like more money? To get to do larger projects? Hold spare funds for the future?

However, they fail to address the actual requirement to present a compelling case for the **need** for a Special Variation, ie what's the case that these are imperatives to fund in the next 3 years? And that the Council doesn't have sufficient income to deal with it's needs? This is especially relevant where many in the community are struggling to deal with a cost-of-living crisis.

The Council's financial position is actually really strong

Below is the most recently published financial position of the Council

Financial Position and Performance as at 30 June 2024

The draft Financial Statements for the year ended 30 June 2024 were reported to the Council on 15 October 2024. The Financial Statements have since been confirmed following the completion of the audit

The principal features of the Financial Statements for 2023/24 (and prior years for comparison) are as follows:

Income Statement	2024	2023	2022	2021
Income	\$441.7m	\$425.4m	\$408.1m	\$365.8m
Operating expenses	\$397.6m	\$373.8m	\$346.4m	\$365.7m
Net operating result for the year	\$44.1m	\$51.7m	\$61.6m	\$0.1m
Result excl capital grants & contributions	\$14.9m	\$17.8m	\$17.7m	(\$26.5m)
Capital expenditure	2024	2023	2022	2021
New capital works	\$29.9m	\$41.7m	\$44.2m	\$33.8m
Capital renewal works	\$43.4m	\$40.4m	\$32.7m	\$39.3m
Non-cash asset dedications	\$0.2m	\$0.8m	-	\$0.8m
Total capital expenditure	\$73.5m	\$82.9m	\$76.9m	\$73.9m
Loan repayments	2024	2023	2022	2021
Total loan repayments	\$3.4m	\$4.8m	\$5.0m	\$5.1m
Cash and investments	2024	2023	2022	2021
Externally restricted	\$62.0m	\$53.1m	\$41.5m	\$30.8m
Internally allocated	\$88.6m	\$90.8m	\$80.2m	\$83.4m
Unrestricted	\$49.7m	\$38.9m	\$36.4m	\$33.0m
Total cash and investments	\$200.2m	\$182.9m	\$158.1m	\$147.2m
Cashflows	2024	2023	2022	2021
Net cash from operating activities	\$92.8m	\$110.7m	\$90.2m	\$70.0m
Net cash from investing activities*	(\$70.8m)	(\$79.8m)	(\$73.0m)	(\$70.6m)
Net cash from financing activities	(\$4.7m)	(\$6.1m)	(\$6.3m)	(\$6.5m)
Net increase / (decrease) in cash & investments	\$17.3m	\$24.8m	\$10.9m	(\$7.1m)
* Excludes purchase and sale of investments			W - 1	
Financial Position	2024	2023	2022	2021
Total assets	\$5,888.9m	\$5,636.4m	\$5,421.0m	\$5,245.2m
Total liabilities	\$186.5m	\$187.3m	\$184.5m	\$198.6m
Net assets	\$5,702.4m	\$5,449.2m	\$5,236.5m	\$5,046.6m

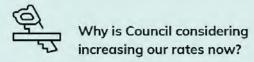
It shows that the Council made a \$44.1m surplus in FY2024, following a \$51.7m surplus in FY2023 and a \$61.6M surplus in FY2022, creating a combined surplus of \$157m in just the past 3 years.

The Council also currently has \$200.2M in investments. That's more than 6 months operating costs in hand.

It is difficult to see how these figures are indicative of a crisis in funding that justifies a Special Variation.

The Council has accidentally proved that it doesn't need the Special Variation

This is the key extract from Funding our future



Your Council's budget has been hit with significant costs over recent years which make the lang-term financial outlook unsustainable. Costs include:

- \$24m gap from increasing inflation costs of materials and construction
- \$15m in repairs fram natural disasters including floads, coastal erosion and storms
- \$41m loss from the COVID-19 pandemic
- \$9m shifted to Council for the Emergency Services Levy from the NSW Government - up \$3m

The Council is presenting this list as proof of why it needs to increase rates now. Unfortunately, it proves the complete opposite.

This list shows that despite the highlighted \$83M of recent unexpected hits, the existing budget was not only able to absorb those costs, but that it still had sufficient income to generate \$157M in surpluses. Without these hits, the 3 year surplus would have been nearly \$0.25Bn. If anything, it suggests that the rates are actually set too high!

Again, the Council is mistaking a listing of grievances about unexpected costs with something that creates a compelling case for a Special Variation. Every enterprise experiences unexpected variations to it's operating expenses. Most have to just adjust.

The true purpose of the proposed rate increases is to create surpluses not to cover current liabilities

The actual purpose of the proposed 39% increase is revealed in the Council's own meeting agenda notes from 22 Jan 2025 shown below:

"Option 3 will secure Council's long term financial sustainability by returning to continued surpluses in Council's operating results. The operating surplus provides the capacity to respond to shocks, set aside funds for future needs and capacity to invest in improvements to community infrastructure," states the Council agenda."

(https://www.northernbeachesadvocate.com.au/2025/01/22/council-set-to-defycommunity/)

Any sensible rate payer wants their council to be financially secure. But an operating surplus means that existing rate payers are being charged more than current costs. This shifts the burden of costs on to existing rate payers to the benefit of future rate payers. Also, it removes the useful budget constraints on the council to be prudent and find savings.

2. Provided evidence that the community is aware of the need for and extent of the proposed rate rise

The community is largely unaware of the proposed rate rise, and does not support it when made aware.

Clearly the council has 'published' the information on the special variation in various formats. However, this has almost exclusively been through low reach and low impact channels like it's own website and email database and insignificantly attended events. This isn't a criticism – it's hard to get busy people to focus on local council matters.

However, the criteria is that 'the community is **aware** of the need and extend of the proposed rate rise', because it is only when the community is aware of the rate rise that they will let their preferences be known - just publishing the information is not sufficient.

The only evidence that the community is truly aware of the extent of the proposed rate rise is contained in the Council's own community survey promoted through those same low impact channels and only managing to get 6,339 respondents (less than 2.5% of the 268,000+ residents).

Unfortunately for the NBC case, that same survey (the only one where rate payers got to express a preference) resulted in a clean majority of rate payers (51%) choosing Option 1 as their first choice - which was to accept the rate peg - and only 11% supporting the Council's preferred Option 3 of a 39% increase over 3 years.



Source: https://www.northernbeachesadvocate.com.au/2025/01/22/council-set-to-defy-community/

Explained and quantified the council's productivity improvements and cost containment strategies.

After good costs savings results from the amalgamation, the Council appears to have lost impetus since 2020/21

Below is an extract from the Council's website relating to a discussion of the "Improvement Journey" (ITEM 9.3 NORTHERN BEACHES COUNCIL MEETING - 12 NOVEMBER 2024

https://northernbeaches.infocouncil.biz/Open/2024/11/OC 12112024 AGN 2405 AT.PD F#page=26

ITEM 9.3 NORTHERN BEACHES COUNCIL MEETING - 12 NOVEMBER 2024

An analysis in 2019/20, indicated that the newly formed Council more than doubled the NSW State Government's \$76.3 million estimated net present value (NPV) savings from amalgamation, with an estimated \$161.6 million (NPV) in savings over ten years.

Additionally, Council has:

- reduced its loan liability from \$90 million in 2016 to \$18 million in 2025 (forecast).
- invested more than \$80 million annually (average) in capital projects, some \$20 million in excess of the former three Councils
- realised a budget savings in 2019/20 of \$2.75 million from savings from a review of positions that were considered surplus to the organisation's efficient delivery of service and infrastructure to the community
- realised a productivity efficiency dividend in 2020/21 of \$2.75 million from savings in agency personnel costs, bank fees, insurance costs, fuel and employee costs
- developed and implemented a service review program in 2020 that has led to over 230 service improvements
- facilitated continuous improvement training to over 1,000 staff and encouraged staff to selfassess and record their own continuous improvement initiatives with some 700 improvements registered since its inception in 2020
- continually reviewed and improved organisational design to ensure Council's workforce is
 rationalised and cost effective and has an optimal structure to deliver efficient community
 service and infrastructure (with decreases in back office operating costs to support increases
 in some community facing services, and a net decrease overall in the workforce by
 approximately 2% since amalgamation)
- reviewed its energy consumption strategies undertaking numerous efficiency upgrades that
 has saved in the following areas: sports field lighting (\$460,000 annual savings), solar panels
 on council buildings (\$80,000 annual savings) and entering a 100% renewable energy
 contract (\$2.52 million since 2021)
- maintained a workers compensation self-insurance model that continues to save Council on average an estimated \$1.5 million a year in premium costs
- facilitated waste reduction practices has led to high landfill diversion rates of household waste seeing diversion rates increase from 49% in 2019 to 65% in 2022, thus extending the useful life of Council's waste facility and in turn keeping long term costs associated with domestic waste management contained
- undertaken several re-financing reviews of its loan portfolio seeing an interest saving of \$95,000 (loan life) achieved in 2024.

There are obviously good initiatives and figures in here. However, the thing that really jumps out is how few there are from 2022 or later. That's 3 years with barely anything significant enough to make this list, suggesting that the Council has lost focus on cost containment strategies.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

why have my rates doubled? Council has not shown they need it, there is no deficit! there was a public survey people voted to maintain survives not increase them but the council ignored it and set about an "increce" services agenda. we live in a "wealthy" suburb, but that just means houses cost a lot and mortgages are very high and goods and services are inflated as tradies and council think they can charge more. prices are so high that I have had more outgoings than income this year and last and have burned through savings buffers! I can't afford a double rate rise on top of everything else. what are we supposed to do? sell and move just so the council boss can earn more than the NSW premier. we were told that the amalgamated council would be more cost efficient. That was a lie, they have implemented no efficiencies just paid themselves more! disgusting.

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I completely oppose the rates rise. The information distributed in justification of the rates rise did not distinguish between necessary costs to maintain existing infrastructure (and did not break down those costs according to buildings, roads, footpaths, playgrounds etc) and optional programs (or break down those costs according to individual programs, or prioritise those programs) all of which was necessary so that ratepayers could make an informed assessment, and so that Council officers and Councillors could be accountable on a transparent basis. There was no breakdown of operating costs across necessary maintenance, optional programs, and white collar admininistrators, or adequate disclosure of senior staff emoluments. No independent accounting analysis (preferably by an external respected firm) was made available (or probably ever sourced). Accordingly, the "consultation" exercise and the debate offered by those supporting the maximum rate increase possible was no more than an exercise in propaganda and fear-mongering on the footing that NBC would fall short on basic obligations like footpath maintenance if the maximum rate increase was not allowed. When the ratepayers who responded to the NBC community "consultation" by a majority rejected this roadshow, the poll result was simply disregarded. The senior officers of NBC are running the Council in their own interest, and not in the ratepayers' interest. So much is obvious with a little perspective. If NBC were properly run, how could it be, that in a time of modest inflation (4% or less), its funding needs for the next 3 years could be projected to increase by 39%? At most its funding needs should rise roughly in step with inflation. Such information as is available shows senior officers enjoying disproportionate incomes. The projected rates increase is as much about about self-enrichment for Council officers and extending fiefdoms of self-importance for those supporting the rates increase, as it is about NBC discharging its statutory obligations. There is a fundamental conflict of interest in senior NBC staff and Councillors being involved in determining this rates increase. Their duty is to disclose and explain to ratepayers the funds needed for necessary Council work and to offer costed options for other programs; their interest is to conceal their own emoluments, to blur the distinction between the necessary and the optional, and not to disclose the networks of influence that propel the pursuit of the large expansionist program which is behind this rates increase. It is critical that IPART disallow this rates increase, which is a cruel burden on most ratepayers, and carry out or supervising the carry out of a thorough independent analysis of NBC's programs (necessary, optional and projected) and expenditure (necessary, optional and projected.

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART Review Panel, I am writing as a ratepayer of the Northern Beaches Local Government Area to formally oppose the Northern Beaches Councils application for a Special Rate Variation (SRV) that would result in a cumulative 39.6% rate increase over three years (including the rate peg). I urge IPART to reject this proposal based on the following points: 1. Inadequate and Misrepresentative Community Consultation Council reviews the budget several times a year, NB Council knew about any financial issues well before they went to the election, yet it was not mentioned during the elections. Councils community consultation process was expensive, yet too short and run and across the busy Christmas/New Year/ Holiday season. We were offered 4 options - Reduce, Maintain, Improve and Increase services, without much detail on what services would be impacted under any option. The Council survey seemed to lead participants to the desired outcome of option 3, rather than seeking genuine community input. During the process a 5th option was even proposed by some very upset ratepayers to demerge the 3 previous Council areas, hardly an example of constructive and meaningful community consultation. According to the Councils own data, 51% of respondents supported option 1 (no increase beyond the rate peg or a reduction in services), while only 11% supported Option 3, the 39.6%. Despite this clear opposition, the Council voted 8-7 to propose option 3 to IPART. I believe that the initial vote to opt for the SRV proposal (and community consultation), rather than first look for cost savings was also 8-7, so apparently not a united Council. This entire process from concept to final decision has completely disregarded the communitys views, undermining the requirement for meaningful consultation under IPARTs guidelines. 2. Insufficient Evidence of Financial Necessity Council claims a large budget 'hole' and cites rising costs, but has not provided any evidence that the proposed rate increase is the only viable option. Council has apparently not explored cost savings such as shedding non-core activities, reducing staff and seeking savings by cooperating with the private sector, other Councils or the State government. It also seems not to have considered alternative revenue sources, better utilizing assets, asset sales, increased user fees, or grant funding. IPARTs assessment criteria require councils to demonstrate a clear financial need beyond productivity improvements, I believe the Council has failed to justify this proposed increase. 3. Unreasonable Impact on Ratepayers Capacity to Pay The proposed increase comes at a time of well known significant cost of living pressures. But Council have even paid consultants to write a report telling us that we have the "capacity to pay" the proposed higher rates. However, this overlooks groups such as pensioners, essential workers and renters (who will all suffer cost increases). Businesses, already struggling with weak consumer sentiment, staff shortages, high rents, and high transport & materials costs, will also be dealt another blow. It also ignores increasing Council waste and stormwater charges which apparently are not restrained by IPART. The proposed increase is simply too high and will only reduce affordability on the Northern Beaches and therefore the area's ability to expand its housing, population, jobs and services. 4. Lack of Transparency on Service Delivery and Spending Based on Council's own published reports it is unclear where any problems exist or what can be done going forward to improve the financial performance, so they have simply asked for lots more money. Council annual reports seem similar between different areas of Sydney, long, containing lots of glossy pictures, stats, graphs, ratios, lists of awards they've won, Government grants they've obtained etc, but not much critical analysis or straight talking. Council has not provided an indication of how rising costs can be brought under control, nor how the additional revenue will be spent. Councils need to be more accountable to ratepayers. Thank you for your consideration.

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The proposed increase in council rates is beyond the means of some of our community. While an increase in rates is needed to maintain services, the cost of living is too high right now to add such a burden on to households. Please take the community feedback and only approve a small increase. In addition, some of the Councils excessive expenses have been shared with the community the last few months, eg there are 110 executives, the CEOs salary is higher than the Premiers, \$11M spent on events. If the figures reported are accurate, then what is the Councils plan to streamline before increasing rates? How can income from other levies, eg levy from development, be used to better support infrastructure and relieve the burden on money raised by rates (eg not have the development levy be used to build outdoor gyms that will be used by only a small proportion of the community and use it to repair roads and stormwater drainage infrastructure)?

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear IPART Review, I am a ratepayer in the Northern Beaches Council (NBC). I formally oppose the Northern Beaches Councils application for a Special Rate Variation (SRV) that would result in a 39.6% rate increase over three years. I request IPART to reject this proposal in full, and I support my view with the following notes: 1. Community Consultation Councils consultation process did not adequately reflect community sentiment: Lack of Transparency: The survey framed service reductions in a way that created uncertainty, while non-essential expenditure cuts were not meaningfully considered. Inconvenient Timing: Conducted during the peak holiday season, limiting meaningful resident engagement. Misrepresentation of Results: Despite 83% of respondents supporting either maintaining or reducing services, Council framed results to suggest broader support for increases. 2. Financial Justification and Alternative Revenue Sources Council has not sufficiently demonstrated that a significant rate increase is necessary: Unexplored Revenue Options: Asset sales, increased user fees, and grant funding alternatives were not fully examined. Spending Priorities: Significant funds have been spent on consultants, legal disputes, and projects with unclear outcomes. Independence of Review: The financial analysis was conducted by Morrison Low Consultants, a firm frequently linked to councils seeking SRVs. 3. Impact on Ratepayers The proposed increase does not account for residents capacity to pay: Broad Socioeconomic Assumptions: Affluence varies across the area, and vulnerable groups are at risk. Disparity in Service Delivery: Ratepayers report ongoing infrastructure neglect despite already high rates. 4. Transparency and Expenditure Council has not provided a clear plan on how additional revenue will improve services: No Detailed Funding Breakdown: The allocation of an additional \$57 million annually remains unclear. Operational Cost Concerns: Councils \$170 million staff budget, including \$25 million for executive salaries, raises efficiency questions. Conclusion Given these issuesflawed consultation, financial mismanagement, ratepayer impact, and lack of transparencyIPART should carefully assess the necessity and justification of this SRV. The NSW Government should remain committed to ensuring fair, responsible, and transparent financial management by councils. Sincerely,

Date of submission: Tuesday, 18 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the request for a special variation on the following grounds; 1. NBC by its own admission has done a terrible job of community engagement. Spending almost 200k on a rate variation specific survey then largely ignoring results whilst citing a poll of 600 residents (119 of which were not ratepayers) as more relevant to the matter is lunacy and sums up the Councils propensity to waste money and run its own agenda rather than listen to the community. 2. The Council has failed to amalgamate. Take Libraries as an example. NBC has 6 main libraries for the whole area. 3 of these are within a 4km radius of each other; Manly, Warringah Mall, Dee Why. A cost conscious Council would look at this and see an opportunity to consolidate, reduce capital costs, and save operating expense. NBC has no plan to do so and is one of the highest spending Councils in NSW when it comes to Library services. 3. NBC failed to offer a detailed alternative to a special variation. There have been no back to basics options such as exiting Childcare as a state responsibility, and stemming the \$0.5 million loss NBC makes on Childcare, or cutting Events and saving the significant headcount in the Events team (by far the most unwanted overreach and self serving expense base of NBC), or setting a lower standard for Capital projects rather than 5-star toilet blocks, and Disneyland level childrens playgrounds. Simply, the NBC is fixated on spending and rate rises rather than saving and fiscal fitness. It has returned a significant surplus in most financial years and has a very healthy investment portfolio and balance sheet. The responsibilities of NBC can be fulfilled within its existing rates and other income levels IF the organisation refocuses on what it is obligated to deliver, cuts back on non essential services, restructures its bloated exec and management structure and reduces the expenditure on galleries, theatres, events, libraries and childcare to gain the expected efficiencies of amalgamation. Please deny any level of special variation and if necessary place an administrator in charge of efficiency gains. Thank you.

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Im fortunate to live in one of the best LGAs in Sydney, and I want to keep it that way. I understand that rising construction costs and general inflation mean our money doesnt stretch as far as it once did. Before having kids, I never gave much thought to what local government providedI never wrote in or contributed to feedback. But as a mum of two, Ive come to appreciate the importance of well-maintained playgrounds, sporting fields, and facilities that keep kids active, as well as the reassurance that lifeguards provide when we visit the beach. I recognise that the rising cost of living makes it difficult for pensioners and low-income households to afford higher rates, but I also acknowledge that hardship provisions exist to support those who need them. The Northern Beaches is one of the most affluent areas in NSW, and while no one wants to pay more, we also dont want to receive less. It amazes me that so many intelligent peopleincluding economistssee this as a simple money grab to increase staff wages or expand the workforce (or that Council simply wastes money). They acknowledge the impact of inflation on their own finances yet fail to apply the same logic to Councils budget. The reality is that costs have risen across the board, and expecting the same level of services without increased funding is unrealistic.

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Ipart Our council has simply failed to listen to constituents as is clearly evident in all channels of media. They have proven time and time again to be grossly inept and under qualified in managing the northern beaches council. The budget is bloated by salaries that are being paid to people who don't represent our community. Also, where do you propose we find the extra money to pay these clowns. Can I ask if I'm able to ask employer for a 40% increase? It is simply grossly offensive and does not take into any consideration the households financial position. You needn't go further than that if you seriously want to look at that. Let me tell you a 40% rise as an excellent chance of driving alot of vulnerable people to the wall. If that happens, shame on all ! Make the right choice. Yours sincerely

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A 40% increase is unreasonable eapecially given the council consulted with the community then peoceeded to ignore the most preferred option? What was the point of seeking input? On top of this record high council executive wages is criminal. lastly to assume that residents of Northern Beaches are wealthy and can afford to aborb this cost is false!

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We have already had a 37% special increase on our property zoned RU4 over the last 3 years, and the service has declined not increased. Roads are worse, potholes everywhere, major projects not completed, badly managed, vendors taking the piss of council with inexperienced management who have no commercial sense. For them to come back to us to ask for more is unacceptable. Fix council before coming to the residents for more handouts. Were already paying enough, its not like you deserve more when youre not spending it well already. Council needs to set up an internal review to analyse where its being wasted. Start with the quality of the road contractors fixing the roads, every rainstorm the potholes open up and need re-repairs. Must be wasting millions on that line item alone. How are projects being managed and reported, and made more efficient? Remove layers of unnecessary management in council. So many ways to fix this, and coming to residents is not the answer. You will get a revolt if you try pushing this through - most residents are beyond unhappy!

Date of submission: Wednesday, 19 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council has no right to impose such a huge rate rise on its neighbourhood. The big spotlight is how much the salaries are within NB council and how much money they have wasted on unnecessary projects that have used up their funds. If we, as employees couldnt manage our money, we cant go to our managers and demand a pay rise, we learn how to manage the money that we do have and be better at budgeting our finances. Time to make some cuts to staff and projects that are costing money and then have a review after a proper accountant has assisted in where they can save money on their current rates. This is unfair and unjustified to all that are doing it tough right now.

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council has a large number of public buildings that are showing their age and require upgrading or replacement. Council also needs to allow for maintenance and repair of the many excellent new facilities to ensure that those facilities are kept in top condition - rather than opened and forgotten about. Many of the sports field changing rooms are set up for men (with urinals and open showers) and need urgent upgrades to deal with the increased participation in team sports by women and girls. I support the increases requested to allow improvements and general upgrades to the many facilities. Recent news has highlighted the importance of childcare facilities where profit is not the driving factor. Council and community not-for-profit centres meet these demands.

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Absolutely outrageous, an independent review needs to be performed on NBC costs and projects. People and costs need to go to get back to the basic services of a council so they spend within their revenue instead of just overspending for years and expecting rate payers to foot the bill with an over 40% rate rise. Someone needs to make some tough decisions and given the current boards solution is to get public feedback on an over 40% rate increase I am not sure they can do it. I certainly do not support this unbelievably irresponsible rate rise.

Submission to IPART re SRV request made by Northern Beaches Council ("NBC")

NBC has NOT demonstrated a need for additional income via a Special rate Variation ("SRV").

In the 5 years 2020/21 to 2024/25 NBC received Capital Grants averaging \$33.2m per year but for the 25/26 to 33/34 period has forecast only an average of \$13.0m per year – a reduction of \$20.2m per year. **\$182m less than experience would indicate**. This \$182m would solve all of Council's funding problems.

Abbreviations etc:

LTFP = Long term Financial Plan 2024-2034 February 2025 Update LINK

DP = Delivery Program 2024-2028 and Operational Plan & Budget 2024/25 Amended 28 January 2025 LINK

AMP = Asset Management Plan LINK

AMR = Asset Maintenance Ratio – see Appendix 2

BIRR = Building & Infrastructure Renewal Ratio - See Appendix 1

OPR = Operating Performance Ratio – See Appendix 3.

OLG = Office of Local Government, a NSW State Government body.

Council's LTFP forecasts that without an SRV, income from "Rates and Annual Charges" will total \$3,009m for the ten years.

However, as this year, 2024-25 is almost 3/4 spent it is the *following* 9 years which are relevant – <u>as it is those</u> <u>years to which Council's SRV would apply (and thereafter)</u> – and for which the pre-SRV forecast income from Rates &c is \$2,750m.

The LTFP forecasts an accumulated deficit of \$15.4m over the next 9 years and if Council were to also seek to recover this year's forecast \$5m loss then there could be a \$20.7m problem to be addressed.

I note, too, that certain Performance Ratios are shown on pages 61-62 of the LTFP and include OLG Benchmarks.

The Operating Performance Ratio problem is discussed above and the only other unsatisfactory performance measures are (a) Building and Infrastructure and (b) Asset Maintenance.

<u>Summary</u> :	<u>Shortfall</u>	
OPR - Operating Performance	\$20.7m	See Note below re absence of operational efficiencies
BIRR - Building & Infrastructure	45.8m	
AMR - Asset Maintenance	\$ <u>16.9</u> m	
	\$83.4m	
Unexplained reduction in Capital Grants	\$ <u>181.8</u> m	
Otherwise expected Surplus	\$98.4m	

<u>Note:</u> The OPR *assumes zero efficiencies* arising from the huge investment in a new computer system and a huge reduction in Capital Grants. This is unreasonable and an investment of this nature would only have proceeded on the basis that it delivered economies.

I close by reiterating that Council has NOT demonstrated a need for additional Rate income.

Appendix 1 - Building and Infrastructure Renewals Ratio ("BIRR")

Council explains this ratio as "... the rate at which these assets are being <u>renewed</u> against the rate at which they are <u>depreciating</u>." It then goes on to show 8 (of the 9 future) years with their under-performance, viz:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	-	6.0%	9.2%	8.1%	9.2%	11.2%	11.0%	12.8%	13.6%	
Page 68 of 0	Council's A	Asset Mar	agement	Plan ("AN	1P") show	s the follo	owing Dep	reciation	provisions	S:
Dep'cn	39.8m	41.6m	42.9m	44.3m	45.6m	47.0m	48.4m	49.9m	51.4m	
We can the	refore cal	culate the	\$ shortfa	·//						
Shortfall	-	2.7m	4.3m	3.9m	4.6m	5.9m	6.0m	7.3m	8.1m	45.8m

Appendix 2 - Asset Maintenance Ratio ("AMR")

This is explained as "(this) ratio compares <u>actual</u> versus <u>required</u> annual asset maintenance."

The LTFP shows the following maintenance shortfall etc:

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
Shortfall	6.5%	6.5%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	
Page 68 of	Council's A	Asset Man	agement	Plan ("AN	1P") show	s the follo	wing Mai	ntenance	expense:	
Maint'ce	24.3m	25.1m	25.8m	26.4m	27.2m	28.0m	28.7m	29.5m	30.3m	
And again,	we can ca	lculate the	e \$ shortfo	all						
Shortfall	1.7m	1.7m	1.8m	1.8m	1.9m	1.9m	2.0m	2.0m	2.1m	16.9m

<u>Appendix 3 – Operating Performance Ratio</u>: "(this) measures the extent to which a council has succeeded in containing operating expenditure within operating revenue."

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses. Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents. This approach undermines the principles of democratic representation and community engagement. Conclusion In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern Beaches council did a survey of the residents regarding the increase of rates and then completely ignored the feedback from the community and residents As a former Manly Council resident and now a Northern Beaches council resident we have already recently received a 25% increase to HARMONISE our rates with the residents of the former Warringah Council NBC needs to save costs and reduce services to balance its budget just like all the residents are doing The amalgamation was supposed to reduce the costs to the residents rather than increase the costs to residents by creating a very top heavy organisation that has trouble getting anything actually achieved I suggest that ipart should limit the rate rise to the minimum allowed under the legislation and get the council to cut costs as the residents of the NBC cannot afford a rise while they are struggling to pay their rent and mortgages

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hello Id like to add my voice to refuting the exorbitant proposed council rate increase; a jump in rates you should be embarrassed to propose. We still remember we should have had savings when the council was amalgamated. Never happened. Ability to pay? We're rich - on paper. Were increasing NB population all the time (so many huge towers) which follows to be a huge increase to rates flowing to the council. Please review again the huge pays of your execs and theres the extra money you advise is so required.

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

NBC should resubmit their application with further and better information as it has not met any of the criteria. The Community Consultation was lacking and very few ratepayers understanding the details of the purported reasons for the increase other than being asked how much increase they supported, none, a little, a lot or a really big amount.

Submission to the Northern Beaches Special Rate Variation request.

22 March 2025

Demonstrated the need for the additional income

This application to increase rates beyond the rate peg for the next three years and then beyond is tone deaf in the context of the 'cost of living crisis'. Whilst both the Federal and State Governments are currently considering cost of living relief for essentials such as electricity, medicine and medical care as well as challenging the supermarkets over price increases the Northern Beaches Council commissioned a consultant to write a report that concludes its residents have both the 'capacity and willingness to pay! However, the Northern Beaches Council has not demonstrated that it needs additional income beyond recovering the \$41 million claimed loss it suffered because of COVID and a succession of natural disasters over the past few years.

Any rate increase, other than the rate peg, should be deferred for at least 12 months until the Northern Beaches Council provides more detailed information and makes a real effort to reconsider, update and adopt ALL the planning documents it relies on to deliver services to ratepayers and residents in the LGA. This includes the Community Strategic Plan, the Long-Term Financial Plan, the 4-year Delivery Plan as well as the Operation Plan and Annual Financial Plan. And the Asset Management Plan needs to be closely scrutinised to ensure it is accurate and aligns with the other plans as wells as reflects reality.

Council has not demonstrated clearly what it proposes to spend the additional funds on beyond offering percentage increases on various line items in the individual plans which Council claims, but doesn't substantiate, it can't afford. Not everyone uses all services but there is no prioritisation of where additional funds should or would be spent, just that some services will receive an increase, and it is not explained if this will be adequate funding for the delivery of these services, new infrastructure or upgrades.

A Senior Council staff Officer stated at the most recent Council meeting on 19 March 2025 that the SRV was an infrastructure SRV because there were not sufficient funds to look after our assets into the future and that it was not a liquidity problem.

Council appears to have misled the community by stating that the SRV was a choice about losing services, maintaining services or improving services. Nothing about Asset management which appears now to be the main reason for the SRV.

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Council's financial results in recent years largely reflect the impact of COVID-19 pandemic restrictions on operations, the support measures in place for the community and the recovery process. The net cost to Council of the COVID-19 pandemic was \$41 million. Other significant events placing pressure on Council include storms, flooding and bushfire threats. In the past 6 years the Northern Beaches experienced 7 natural disasters at a cost of \$15 million, of which \$7 million has been recovered to 30 June 2024, from the Federal Government Disaster Recovery Funding Arrangements.

In 2023/24 the Emergency Services Levy increased by \$3 million to \$9 million, equivalent

It is worth noting the history of the provision of emergency services in the LGA. Previously Manly Council provided the premises and equipment, including vehicles, uniforms and tools for the local SES unit which provided assistance outside and beyond the then Manly LGA. The State Government resumed and centralised control of the SES and charging a fee back to the Council for SES services provided. Now because of the increased need all Councils are required to pay a levy which in the scheme of the overall budget in not a big ask.

This is a simplistic explanation and does not explain why the Council requires the SRV beyond seeking recompense from the Federal or State Governments for the costs apparently shifted as outlined above.

In the documentation provide for all the options the NBC has provided % increases for various line items. This does not explain what the additional rates are required for. In the Draft Addendum to the Delivery Program 2024 – 2028 it states in the Introduction Option 4 – Increase service, final sentence that the funds will provide opportunity to accelerate the delivery of infrastructure and increase service in areas such as additional grants, more footpaths, a fit for purpose lifeguard headquarters and improvement of sporting facilities.

Council has had ample opportunity and funds over the past years to provide *a fit for purpose lifeguard headquarters*. There is not demonstrated need for such an HQ, particularly as the community has recently had other services cut in the name of cost cutting. It is not clear if this would include lifeguards employed at the two swimming pools as well as those patrolling the surf beaches and any additional seasonal contract staff. Council has upgraded some of the 26 several surf clubs on the Northern Beaches as well as issuing new leases which allows the Surf Clubs to retain the revenue from the leasing out of these facilities and thereby reducing Council's revenue. and the headquarters for Surf Life Saving NSW (SLSNSW) is located at 3 Narabang Way, Belrose, NSW 2085. There would also appear to be plenty of locations in Council owned work premises for the locally employed Council lifeguards to headquarter themselves. Indeed, there may be other staff groups who desire an HQ. This priority is not reflected in any of the Planning documents.

Council has already closed several services on the basis of cost savings but has not stated whether these services will be reinstated if the rate rise request is successful.

Northern Beaches have not adequately explained and quantified the council's productivity improvements and cost containment strategies.

Apart from unilaterally discontinuing some services there has been no explanation of how the Council would contain costs. Productivity improvements are promised with the implementation of significant digitisation and upgrades of back-office services and parking management, but this is yet to be proved.

Nowhere in the documentation provided does Council seek to explain any review and examination of other revenue streams. Prior to amalgamation the former Manly Council relied heavily of 'fees and charges' which included parking fees, outdoor dining fees, fees for events on public land, commercial use of public land, and a Special Levy on the businesses in the Manly CBD.

Whilst many of these fees and charges have continued and in some cases been 'harmonised' there does not appear to have been any real examination or strategic review of these charges

with a view to ensuring best value for ratepayers. There appears to be little transparency on the fees and charges for the use of public land. Large events can be held on public land where the Council contributes 'in kind' and 'sponsorship' support whilst other events pay a fee depending on whether it may be minor, medium, large scale or major effect on the public space. Still other commercial businesses pay varying fees for the use of public land for their commercial activities on a permanent or semi-permanent basis.

The fees and charges appear to increase annually based on a small percentage amount approved by the Councillors despite the preamble on the first pages of the Fees and Charges document.

For example, in a recent report to Council an EV operator wanted to install EV kiosks on the roadsides in prominent locations, including along Manly Ocean beachfront. These kiosks were primarily going to be used for advertising by the EV company and therefore become a revenue stream for them. Council was initially considering only to charge a installation fee of approx. \$1900 and then an annual fee of approx. \$1800. Given that the Council just signed a contract after a competitive tender for bus stops/shelters with advertising for \$22mil this seems to be a missed opportunity and failure to recognise the value of public open space in a commercial context or the fact that some public open space should not be used for commercial purposes.

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7.1.2 Fees and charges A number of the services we provide are offered on a user pays basis. In preparing the LTFP, possible future income from fees and charges, including opportunities to reduce reliance on other forms of income, has been considered.

This statement requires close examination. What 'opportunities to reduce reliance on other forms of income have been considered'? Is this statement correct, what does it mean, and what other forms of income does this refer to, and why reduce reliance on this income?

7.1.3 Grants and subsidies Council receives an annual Financial Assistance Grant allocation from the Commonwealth as well as grants for specific programs. We have assumed we will continue to receive grants of this nature that are recurring. Should these grants and subsidies be reduced, our ability to provide the same level of service will be impacted. The Financial Assistance Grant has been paid partially in advance for a number of years, with the advance payment for the following year generally occurring in the last quarter. We have assumed this will continue to a \$30 increase per ratepayer. The Council was required to reduce infrastructure spending by \$3 million per year to fund this cost increase.

This paragraph needs clarification. What cost is being increased? What Council services will be impacted? What percentage do ratepayers subsidise these services and does that change year on year? How does this statement justify the need for the SRV?

Productivity Journey and Improvement Plan

No meaningful conclusions can be drawn from the information in this document that would support the SRV request.

The Council claims in the Productivity Journey and Improvement Plan on Page 19/74 seem wildly inaccurate. No meaningful attempt has been made to develop a 'Property

Rationalisation Plan' post amalgamation, stating that in the next 1-5 years there may be some rationalisation based on a review.

Council recently attempted to sell a small piece of land for residential purposes which would raise approx. \$3mil. The local community objected as it was considered by the local and wider community to be a valuable environmental asset given it was part of, and adjacent to a significant creek line which the former Manly Council spent millions on rehabilitating via a Special Environment Levy. In the scheme of things this is a miniscule amount to add to the budget and because the community challenged the sale, council is now saying it is all too difficult to sell 'community land'.

There is no mention of the former Manly Town Hall, a significant asset in the Manly CBD. Council commissioned a report to determine if it could be adapted as an 'entertainment venue' to be operated inhouse. Of course, NBC does not have the money or capacity to convert the building or run such a venue which would have been in direct competition with its other theatre, which Council subsidies.

Council did not call for EOIs or test the market for it adaptive reuse by a non-council organisation. Council claims that it requires the former Manly Town Hall for office space for NBC staff. No transparent review or any meaningful attempt has been made rationalise staff accommodation or adaptively reuse this building or other excess office space for the financial benefit of ratepayers. In addition, redevelopment of the Whistler St carpark and attached library and Council staff office accommodation in the Manly CBD has not been contemplated.

Council owns many properties such as depots, carparks as well as vacant and underutilised buildings. Council does not appear to have reviewed this operational property, but may do in the next 1-5 years, some of which may be considered for commercial leasing or development for a return to ratepayers.

The statement below does not reflect the reality of the current situation and appears to be very narrowly focused on a few vacant blocks of land using the excuse that *the vast majority of Council's property portfolio categorised as community land and therefore is not able to be sold.*

This plan along with the asset management plan needs to be examined more closely and thoroughly before any SRV is approved despite claims in the following statement. Where is this reported and verified that the actions have been completed.

Property Rationalisation Plan

Council will continue to focus on the optimisation of the community's property portfolio including the appropriate divestment of poorly utilised land parcels. It is estimated that \$10 million could be realised over the next 1-5 years through the sale of Council property and land holdings.

Property rationalisation will be based on a review noting:

- Council's property portfolio is highly valued by the community with only a small percentage of parcels currently seen as not providing community value.
- Council is restricted in its capacity to dispose of land, with the vast majority of Council's property portfolio categorised as community land and therefore is not able to be sold.
- The optimisation of Council's property portfolio also looks at re-purposing for a community use in the analysis of "highest and best" use.

- Taking all of the above into account, there remains opportunity to deliver a financial outcome from consolidating uses and divesting or developing some parcels.

It is important to acknowledge that proceeds from the sale of property is one off, is often complex and contentious, has long lead times and subject to significant considerations to proceed to sale (re-zoning, assessment of community need, consultation process etc.). Realised funds, while unable to resolve Council's immediate financial concerns, would support rate income into the future with re-investment into the renewal and delivery of new community facilities and assets.

Sounds good, but there is no detailed analysis of the huge property portfolio other than the assets need to be funded to maintain it in accordance with the Asset Management Plan.

Workforce Strategy.

The statement on Page 14 & 15/74 Productivity Journey and Improvement plan regarding the 'optimal organisation design' seems optimistic at best. This paragraph appears only to refer to staff numbers, not staff costs which have increased dramatically overall since amalgamation. It also does not address the numbers of vacant positions that council has been unable to or wont fill. This plan may meet benchmarks however the structure and staff costs do not appear to be serving the ratepayers well.

The table reveals a loss of staff in the fundamental council delivery areas of Development Assessment and Environmental Compliance with a commensurate increase of staff in the Economic Development, Events and Engagement Services (bread a circuses). Both these areas attract a high level of complaints. DA s taking too long to assess, too many unnecessary expensive events and no Rangers to ensure compliance. And where is the reduction in numbers of the waste management staff from the Manly Council which ran the waste service in house when the waste collection was consolidated and contracted out reflected.

This is simply self-congratulatory statement, but offers no real reassurance that Council has the optimal organisational structure to deliver the 'efficient services' the community requires. A net decrease of 28 positions or 2% is minuscule irrespective of 'no forced redundancies.' It also does not reflect the services now delivered by contractors.

It is also worth pointing out that back-office operations and efficiency gains are not obvious to the ratepayer where response times to service requests have not improved.

Council continually reviews and improves its organisational design to ensure it is cost effective, has an optimal structure to deliver efficient community services and infrastructure at the same time responding to natural attrition, innovation, and process improvements. As demonstrated in Table 2 below, Council has been able to reduce its overall establishment FTE positions since amalgamation in 2016, from a level of 1,315 FTE in 2016 to 1,287 (FTE) in 2024/2025. This net decrease of 28 positions or 2% is attributable to reductions in Council's back office operations due to efficiency gains (through innovation and improved processes and practices) and an increase in a number of community facing services. This 15 reduction is even more so significant recognising the fact that Council in its first 3 years of operation was bound legislatively to "no forced redundancies" as a protection for amalgamated staff. Accordingly, this overall reduction is a significant achievement and the change in workforce focus is a positive outcome for the community and has also been achieved even in the face of continued cost shift, a significant increase in infrastructure delivery and an increase in community demand for services.

Council has not established that the impact on affected ratepayers is reasonable.

Capacity to Pay

Ratepayers in both Manly and Pittwater were recently subjected to a 26% increase in their rates as part of the rate harmonisation process, but this process did not increase the overall rate income to Council, because some ratepayers received a reduction. Land values in Manly & Pittwater areas have and continue to increase, thereby increasing rates however services levels of Council run services, including assets management and maintenance have not increased or improved in these areas.

https://yoursay.northernbeaches.nsw.gov.au/rates-harmonisation/former-manly-area

This table shows the number of properties in the various Land Value Ranges and the increase for Manly Ward ratepayers adopted and implemented in 2023.

Manly								
Land Value	Number of	Current Rates	Proposed Rates	Difference				
\$500,000	Ratepayers			\$	%			
< \$600,000	7,887	\$861	\$968	\$107	12%			
\$600,001 - \$700,000	705	\$861	\$1,002	\$141	16%			
\$700,001 - \$800,000	548	\$919	\$1,156	\$237	26%			
\$800,001 - \$900,000	306	\$1,041	\$1,310	\$269	26%			
\$900,001 - \$1,000,000	424	\$1,164	\$1,464	\$300	26%			
\$1,000,001 - \$1,250,000	1,583	\$1,378	\$1,734	\$356	26%			
\$1,250,001 - \$1,500,000	2,583	\$1,684	\$2,119	\$435	26%			
\$1,500,001 - \$2,000,000	2,292	\$2,144	\$2,697	\$553	26%			
\$2,000,001 - \$3,000,000	1,069	\$3,062	\$3,852	\$790	26%			
\$3,000,001 - \$4,000,000	176	\$4,287	\$5,393	\$1,106	26%			
\$4,000,001 - \$5,000,000	88	\$5,512	\$6,934	\$1,422	26%			
\$5,000,001 - \$10,000,000	38	\$9,187	\$11,557	\$2,370	26%			
\$10,000,001 - \$20,000,000	3	\$18,373	\$23,114	\$4,740	26%			
\$20,000,001 - \$30,000,000	1	\$30,622	\$38,523	\$7,901	26%			
\$30,000,001 - \$40,000,000	0	\$42,871	\$53,932	\$11,061	26%			

The MorrisonLow report.

Page 29

Table 22 identifies the estimated rate in 2027/28 for a property with a land value of \$1 million, including special rates, for each LGA within the OLG's group 3 (which contains councils comparable to Northern Beaches).

Just because there are low levels of outstanding rates (constantly below the average of all comparable councils for the past four years), and has been consistently below metropolitan benchmarks (5%), which indicates that there may be capacity and potential willingness from

ratepayers to absorb rises, doesn't mean there is actually the capacity to pay, given the escalating 'cost of living crisis' other Governments are attempting to mitigate.

Conclusion

NB Council has met the tick box requirements which by providing documentation available on the IPART website, however the content of many of these documents is inadequate and does not justify a rate increase beyond the rate peg. NB Council should be asked to resubmit the SRV with more detailed, pertinent and rational information to justify the requested increase.

Regards

22 March 2025

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Please refer to attachment for a better format and further details of the below. Northern Beaches Council (NBC) has failed to demonstrate meeting the following assessment criteria: 1. demonstrated the need for the additional income o Although NBC has gone into extensive detail on how it would spend the extra money it is requesting should it be received, what it has failed to do is to present a spending plan that is within their current budget. This additional income would not be needed if NBC made any attempt to spend within their means (just as the rest of us have had to). As a community engagement responder amply put it We do not ask our employers for more money if we cannot balance our budget o The fact that they have allowed their spending to overrun their rates income by 12.6% in 4 years (as stated in their IPART Application), demonstrates that NBC seems to take the position that they do not need to budget and can simply expect ratepayers to foot the bill for their lack of financial management. o The truth is that, although it would be nice for them to have the extra money to spend, they have not actually demonstrated that council is unable to function without the increase. [Similarly, we have all had to make sacrifices in these time of rising costs and stagnant incomes. And for NBC to expect that they do not have to make similar sacrifices as their ratepayers have is simply unreasonable.] 2. provided evidence that the community is aware of the need for and extent of the proposed rate rise o The one thing that the community consultation process and the subsequent results representation has shown is that NBC is well aware that the community does not support this rate increase (nor their reasons for it). If they did, there would have been no need for NBC to go to the manipulation extents that they did to represent the (alleged) community consultation outcomes. Some examples of dodgy behaviour: The community engagement was less extensive and presented more hurdles than usual The survey fixed answer questions were gamed to attempt to manipulate support for the SVR o Despite NBCs tactics, they still did not get the survey outcome they wanted, which leads us to the next attempt at deception, where no mention of this survey sentiment was made in the IPART application. Instead NBC (mis) quoted 60% support from a different survey that had nothing to do with rates increases. o Despite NBCs best attempts at manipulating the SVR survey outcomes, there is no hiding the fact that less than 20% of respondents support the SVR that NBC has applied for to IPART. [Although NBC has made their best attempt at hiding this by not mentioning it in their IPART application, the results are loud and clear in the Community Engagement Report attachment.] o In fact, the survey results are also loud and clear that the majority of ratepayers would rather a reduction in services than any SVR increase at all. 3. established that the impact on affected ratepayers is reasonable o Given the current cost of living challenges experienced by rate payers, with inflation exceeding income growth, rate payers have had to reduce their own spending to adjust to these budget constraints. For NBC to suggest any kind of increase in rates above inflation, let alone one that is intended to increase their level of spending is completely unreasonable. Council has truly lost touch with reality, o In their application, NBC seems to keep reverting to the fact that some rate payers can in fact afford the increase. And no one is denying that. But what they seem to have completely neglected to dive into is their justification for how this is reasonable for those that cant. To this point, they have only provided sweeping statements, such as it is still considered that this group also has capacity to pay the proposed increase but with no real explanation how. o And a point that has grated on me the most NBC has stated that households arent in mortgage stress unless the mortgage costs are greater than 30% of household income, and that only (?????) 17% of households are in this boat. So, although NBC seems to acknowledge that 17% of their ratepayers will not be able to afford the proposed rate increase apparently that is not enough (!?) to argue lack of affordability by ratepayers. On a personal note, I have never paid less than 40% of my income (single income household) for my mortgage in the 15+ years I have been paying it. And to add insult to injury, my income has only gone up 6% in the last 4 years, during which my rates have gone up 25%. Yet I can guarantee that I would not qualify for any hardship provisions available from NBC. The reason for this is because I know how to budget. I do not spend more than I earn, and I know how to prioritise my expenses. Something which NBC needs to desperately learn how to do. Please refer to attachment for a better format and further details of the below.

IPART Submission on

Northern Beaches Council application for Special Variations and Minimum Rates 2025-26

Northern Beaches Council (NBC) has failed to demonstrate meeting the following assessment criteria:

1. demonstrated the need for the additional income

- Although NBC has gone into extensive detail on how it would spend the extra money it is requesting should it be received, what it has failed to do is to present a spending plan that is within their current budget.
 - Despite spending money on a third-party to conduct a Community Survey in August 2024 to gather the preferences and priority areas of residents with respect to council spending, NBC has failed to present a plan (using this information) prioritising their spending within the restrictions of the current rates income.
 - This shows both how frivolous NBC is in their spending (why pay for the survey if you were not going to use the information collected) and how out of touch they are with their rate payers (believing that any failures in them to budget will be saved through what they seem to believe is an unlimited pool of funds they can tap into)

This additional income would not be needed if NBC made any attempt to spend within their means (just as the rest of us have had to). As a community engagement responder amply put it "We do not ask our employers for more money if we cannot balance our budget"

- The fact that they have allowed their spending to overrun their rates income by 12.6% in 4 years (as stated in their IPART Application), demonstrates that NBC seems to take the position that they do not need to budget and can simply expect ratepayers to foot the bill for their lack of financial management.
 - This overrun is a pretty significant demonstration of their inability to manage their budget responsibly, given that during the same period my rates went up by 25% (from \$1,370 in 2020 to \$1,710 in 2024), which is 5% more than inflation during that period, and 10% more than the average full-time wage increased for the same period
- The truth is that, although it would be nice for them to have the extra money to spend, they have not actually demonstrated that council is unable to function without the increase.
 [Similarly, we have all had to make sacrifices in these time of rising costs and stagnant incomes. And for NBC to expect that they do not have to make similar sacrifices as their ratepayers have is simply unreasonable.]

2. provided evidence that the community is aware of the need for and extent of the proposed rate rise

- The one thing that the community consultation process and the subsequent results representation has shown is that NBC is well aware that the community does not support this rate increase (nor their reasons for it). If they did, there would have been no need for NBC to go to the manipulation extents that they did to represent the (alleged) community consultation outcomes. Some examples of dodgy behaviour:
 - The community engagement was less extensive and presented more hurdles than usual
 - I only receive a letter via snail mail, despite the fact that I usually receive community consultation notifications via email, and my rates notice comes via email [a lot of people do not regularly check their snail mail these days, particularly where they have setup their notifications to come via email]
 - The letter did not have a web address for where to provide feedback, only a QR code
 [for older respondents, who are more likely to use a computer than a phone to
 provide feedback, and who may not be very savvy on navigating council's website ...
 one might be led to suspect that NBC was purposely trying to make it difficult for
 people to respond]
 - You were required to create an account before being allowed to submit feedback, something which I have never had to do in the past to provide consultation feedback to NBC
 - [people are often hesitant to create unnecessary accounts both for security and identification reasons]
 - The survey fixed answer questions were gamed to attempt to manipulate support for the SVR

- Nowhere in the survey did it actually simply ask 'do you support an SVR'. There were
 3 fixed answer questions, all of which were very manipulative in the way they
 attempted to steer an affirmative answer from the respondents.
 If the survey had been simply structured as:
 - O Do you support an SVR?
 - If Yes, which SVR option do you support
 - If No, would your answer still be the same if it meant a reduction in services

it would've not only been an honest survey, but it also would've likely yielded a much higher 'No' response than the 51% collected.

- Despite NBC's tactics, they still did not get the survey outcome they wanted, which leads us to the next attempt at deception, where no mention of this survey sentiment was made in the IPART application. Instead NBC (mis) quoted 60% support from a different survey that had nothing to do with rates increases.
 - The survey in question included only a single funding question (at the end of an extensive survey on satisfaction and priorities) which simply asked the "level of support to pay more for improvements".
 - It did not specify the funding mechanism (eg rates, self-serve)
 - It also attempted to game the answers by converting the "neutral" selection (rating 3 of a 1-5 scale) to imply support, calling it "somewhat supportive" and not providing any other neutral answer option.
 - This effectively means that, of the "60% support" claimed by NBC, 30% of those (responding 3) could very well be sitting on the fence (awaiting further detail before being able to commit either way)
 - Read in a more critical way, this survey can in fact only be read as "38% support paying more for improvements by way of an unspecified funding mechanism"
- Despite NBC's best attempts at manipulating the SVR survey outcomes, there is no hiding the fact that less than 20% of respondents support the SVR that NBC has applied for to IPART.
 [Although NBC has made their best attempt at hiding this by not mentioning it in their IPART application, the results are loud and clear in the Community Engagement Report attachment.]
- In fact, the survey results are also loud and clear that the majority of ratepayers would rather a reduction in services than any SVR increase at all.

3. established that the impact on affected ratepayers is reasonable

- O Given the current cost of living challenges experienced by rate payers, with inflation exceeding income growth, rate payers have had to <u>reduce</u> their own spending to adjust to these budget constraints. For NBC to suggest any kind of increase in rates above inflation, let alone one that is intended to <u>increase</u> their level of spending is completely unreasonable. Council has truly lost touch with reality.
- In their application, NBC seems to keep reverting to the fact that some rate payers can in fact afford the increase. And no one is denying that. But what they seem to have completely neglected to dive into is their justification for how this is reasonable for those that can't. To this point, they have only provided sweeping statements, such as "it is still considered that this group also has capacity to pay the proposed increase" ... but with no real explanation how.
- O And a point that has grated on me the most ... NBC has stated that households aren't in mortgage stress unless the mortgage costs are greater than 30% of household income, and that only (?????) 17% of households are in this boat. So, although NBC seems to acknowledge that 17% of their ratepayers will not be able to afford the proposed rate increase ... apparently that is not enough (!?) to argue lack of affordability by ratepayers.

On a personal note, I have never paid less than 40% of my income (single income household) for my mortgage in the 15+ years I have been paying it. And to add insult to injury, my income has only gone up 6% in the last 4 years, during which my rates have gone up 25%. Yet I can guarantee that I would not qualify for any hardship provisions available from NBC. The reason for this is because I know how to budget. I do not spend more than I earn, and I know how to prioritise my expenses. ... Something which NBC needs to desperately learn how to do.

Date of submission: Saturday, 22 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object strongly to the e tent of the rates increase because 1. It is in direct conflict with residents wishes as expressed in the survey by council and now discounted and ignored by council. 2. Amalgamation has not bought cost savings but instead greater inefficiencies. 3. Council is not doing enough to better manage its own budgets. This includes salaries that are far too high for senior council roles. 4. While I recognise that state government has driven more costs onto councils, the battle needs to be with this and promoting this issue to residents, not just extracting more money from residents. 5. The increase is levied at a time when Council knows that people are struggling with cost of living issues. It shows a total lack of empathy. I would be delighted to see the amalgamation abandoned and a return to smaller, more efficient and more in-touch councils.

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council needs to manage their budget within their means in the same way that residents have to manage their household budgets. Increases in rates should follow cpi at the MAXIMUM. Household income is not increasing at the rate the council wish to increase our rates. This effectively will increase the percentage of household income to be contributed as rates and will worsen the cost of living crisis we are in. Council needs to look at middle management, contractor contracts and remuneration to cut costs.

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not think that Northern Beaches Council can raise the rates by the proposed amount without having an independent review done of what residents currently pay for and what residents are going to be paying for. There seem to be many projects undertaken in the Northern Beaches which are not required and which residents do not want eg. sandstone steps at the north end of Avalon Beach Surf Club and markets and festival days where out of area food trucks do the catering. Also, I think that the salaries of the managers and executives should be examined and compared with other councils - particularly Sydney City Council - as I have heard of a staff member choosing to work at Northern Beaches Council as she would be paid 30% more there than at any other council for the same job.

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council has not made any improvements to services or cost savings since it started operating as a result of 3 councils amalgamation. It is over spending on lavish buildings like the Mona Vale life saving club and the new Warriewood community centre and spending next to nothing on the very necessary cycling infrastructure needed as a result of increased/exploding e-bike popularity. Council has no plans for an indoor aquatic centre to go with the 40% rate increase.

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

IPART, I am writing to formally object to Northern Beaches Council's application to the Independent Pricing and Regulatory Tribunal (IPART) for a special variation to rates. My Specific Concerns: Financial Impact: The proposed rate increase will place a significant financial burden on residents and businesses, particularly those already struggling with rising living costs. The proposed increase of [state the increase, e.g., \$2.70 per week for residential ratepayers] on top of the usual rate peg increase is unsustainable. Lack of Transparency and Community Consultation: The consultation process leading up to this proposal was inadequate, and the council did not adequately address community concerns raised during the consultation period. Unjustified Expenditure: The council has not demonstrated that the proposed rate increase is necessary to fund essential services or that it has explored all other avenues for cost-saving measures. Impact on Local Businesses: The proposed increase will negatively impact local businesses, potentially leading to job losses and economic hardship. Lack of Alternatives: The council has failed to provide alternative solutions to address the budget challenges, such as exploring efficiency gains or reducing expenditure in other areas. Withdraw the application for a special variation to rates. Conduct a thorough review of the council's budget and expenditure to identify areas for cost savings. Engage in meaningful and transparent consultation with the community before making any further decisions on rates. Prioritize community needs and ensure that council services are delivered efficiently and effectively.

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This rate rise is unacceptable without clear management of funds. The northern beaches council should be audited in the first instance to identify efficiencies to minimise the impact on the people. A Salary review should also be completed. How can a local member earn more than the NSW premier?? They undertake survey at substantial cost and then disregard results if it is not in their favour. This is rotting the public at its finest. Please do not approve this increase without key conditions

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I Part Submission from Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post **Executive Officer** Shop NSW 1240 Dear Sir, Re: Objection to Northern Beaches Council's Proposed Special Rate Variation As a self-funded retired woman, along with all other residents on a fixed income, I find the Northern beaches Councils application will impact me greatly. I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents This approach undermines the principles of democratic representation and community engagement. Unfortunately, Northern Beaches Council has followed the path of The Central Coast Council whereby residents were penalized for that council's incompetence, lack of financial accountability and the inability to focus on the core responsibilities of councils. Northern Beaches Council has lost sight of the face that it is employed by the ratepayer and is therefore accountable to the ratepayer. Conclusion In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Chief Executive Officer Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket Post Shop NSW 1240 Dear Sir, In January I reviewed the NBC Funding Our Future marketing document and the Four Options proposed by the Northern Beaches Council and subsequently wrote to Scott Phillips (CEO Northern Beaches Council) stating: I do not support any of the four options proposed. I believe work should be undertaken by the council to find a better solution and more sustainable solution lets call it Option 5. Option 5 would include rates at peg (same as in Option1), but service would not be cut (as proposed in Option 1). Instead, council would focus on: reducing cost (whilst maintaining services) by reducing inefficiencies, selling council assets (such as council offices) by increasing hot desking / working from home / less meetings. freezing salaries of top 100 earners on NBC books and / or not replacing these positions if staff leave NBC, increasing revenue from parking fees (especially at all beaches) these fees could for instance be seasonally calculated and higher in the summer, increased revenue from parking fines. Employ more parking rangers and incentivise them based upon revenue raised. If you dont park illegally you shouldnt worry about this. Increased revenue from contracts to commercially film (adverts or motion pictures) at Northern Beaches locations. Increased revenue from builders / developers that commandeer road infrastructure, pathways, parks, or other publicly owned facilities. I would imagine council staff would be able to identify many, many more cost saving and revenue generating opportunities / projects. Especially if they were clearly informed that slugging rate payers with outrageous increased was not possible. I believe rate increases above peg is not a long-term option, council must live within its defined budget. After all this is how all successful businesses operate. I look forward to hearing of these opportunities / projects, those initiatives that will improve the life of all residence on the Northern Beaches. Yours truly, Disappointingly I did not receive a response (not even an acknowledgement) from the CEO or any of his staff, so I wrote to my ward councillors. Dear Pittwater Ward Councillors, I follow up in response to my email (above). Ive read that Council is proposing to increase rates by 39%, rather than taking hard decisions and cutting internal expenditure. This pathway is contrary to the majority of respondents NBC Funding Our Future who requested that Council cut costs and make hard internal decisions to reduce spending before slugging the rate payers. It is known that household across the northern beaches and around Australia are in a cost-of-living crisis, we as individuals cannot just reach out and obtain an extra 39% of income, we have to tighten our belt and forgo some of the things we might have on our wish list. So, I ask why arent council taking similar pathways? I do know that if we as NBC residents have to pay now, that those that vote through a 39% increase will absolutely pay at the ballot box next time round! So please think very carefully before you vote on Tuesday. We will be watching/attending, and we will know who is responsible. That said Im sure that if you have courage, and you mandate that council go and find true internal saving without cutting services, that these can be found. Sincerely, Glenn Incredibly when listening on-line to the Council meeting on Tuesday 28th January, it became clear that my emails and my opinion, (along with many, many others - possibly with over one hundred other written submissions) would not be considered as their view didnt sit within one of the four categories proposed by the CEO and his staff. This is not democracy; this is how dictators operate. This whole process has been a SHAM and the CEO and his staff should be disgusted in the way that they have conducted themselves. I therefore urge IPART to reject the Northern Beaches Council's application for the SRV, and once again request that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a ratepayer i wish to see the top heavy 111 managers of Northern Beaches COUNCIL-culled. They and the CEO and directors cost \$25 million out of our budget. Add in all the bums on seats in offices doing who knows what thats actually practical and admin cost 40% of the monies we the ratepayers are being billed. They want more because they dont have the money for fixing our terrible local roads because of their largesse.

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I cannot support such a rate rise proposed by Council. Whilst I applaud Council for the many areas in which it involved itself, it is too much. Please get back to basics & let go of the extraneous activities Council currently funds. I object to such a large rate rise on the grounds that many of us cannot afford it.

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

24Mar25 Council management has corruptly, fraudulently and with purposeful maladministration deceitfully misrepresented the response from a residential survey that sought a special rates rise. Then colluded with select Councillors to approve an exorbitant rate rise in direct conflict with resident demands. On 12 November 2024 Council resolved to undertake community engagement via a survey from 18 November 2024 to 12 January 2025 seeking a special variation to rates. Per the councils own documentation https://www.northernbeaches.nsw.gov.au/council/meetings) the residents response was: Option 1 2 3 4 Services Reduce Maintain Improve Increase 3yr rate incr 10.7% 31.1% 39.6% 46.0% 1st pref online 51% 32% 11% 6% 100% Online# 2848 1787 614 335 5584 1st pref email 64% 23% 8% 5% 100% Email# 297 108 47 15 467 Total# 3145 1895 661 350 6051 Total % 52% 31% 11% 6% 100% Pro Rata 3yr rate increase 22.3% Yet management argued if they added options 2, 3 and 4 together then there was 49% support for maintain, improve or support services, and therefore option 3 was really what residents wanted. To quote page 58: The ranking of options shows the community is divided on 1st preference in the opt in survey. Some 49% of respondents 1st preference was a special variation to either Maintain, Improve or Increase service with the remainder favouring Reduce service. (Total responses 5,584). The 1st preference option of those responding by email and letter was clearer. They favoured Reduce service at 64%, over the combined special variation options at 36%. (Total responses 467). And therefore management proposed on page 5: Based on the need to maintain financial sustainability and to continue to deliver services and assets as expected by our community, it is recommended that Council apply to IPART for a cumulative rate increase of 39.6% (including peg) over 3 years commencing in 2025/26. Managements argument is an outright lie. Residents were very clear they wanted to reduce services (51% online, 64% email/letter). Adding options 2, 3 and 4 together to suggest 49% of residents were happy with an increase and option 3 (at 11%) was the preferred option is complete fraud! Its not possible to add these options. And even if it was, I could add options 1 and 2 to suggest 83% of residents want an increase between 10.7% and 31.1% which mathematically is 18.6%. But this is also a fraud as the overwhelming preference was option 1 at 52% for 10.7%. Nothing else beats this, certainly not option 3 at 11%! This is a Council that consumes vast resources on pet projects like concreting the neighbourhood to create bike paths (approximately \$1m) which are seldom used as cyclists overwhelmingly prefer the road, creating a Queenscliff walkway (\$1m) recently completed and perpetually empty, and 3D Walkways in Manly. Talk about waste! This is a bloated Council with 5 managers earning more than the premier! It is wasteful, spending vast resources on unused projects while still maintaining a huge debt. On the evidence over a considerable period of time, this is a Council out of control, prepared to fudge everything to get what it wants and maintain an overpaid fiefdom. More importantly, given the obvious resident voting, why have select Councillors colluded to approve these deceitful practices? Is there corruption here? The Council meeting itself was a debacle with residents silenced. As per the Minutes, a vote was taken and approved to proceed with the request to IPART for an increase of 39.6% directly contrary to resident preferences There was no opportunity for recourse to council. The community is outraged. Action required As outlined, Council management has corruptly, fraudulently and with purposeful maladministration deceitfully misrepresented the response from a residential survey that sought a special rates rise. Then colluded with select Councillors to approve an exorbitant rate rise in direct conflict with resident preferences. To resolve it needs: 1. The special rates rise declined consistent with resident preferences - option 1 approved 51% by online and 64% by email/letter. 2. At the very worst, on a pro rata basis the maximum allowable increase per the above table is 22.3%. Anything more and it opens IPART and the Council to collective and individual personal liability due to fraud. Crowd funding can support this outcome its cheaper than the fraudulent rate rise! 3. Management sacked and held accountable for its deceitful and fraudulent practices. 4. Select Councillors that approved this deceitful practice investigated for corruption. 5. The appointment of an Administrator to run council so it stops wasting funds and resources in direct conflict with resident demands.

7.0 CHIEF EXECUTIVE OFFICER'S DIVISION REPORTS

ITEM 7.1 SPECIAL VARIATION TO RATES - APPROVAL TO LODGE AN APPLICATION TO IPART

PURPOSE

The purpose of this report is to inform Council of the outcome of the public exhibition of options for a special variation to rates, to adopt the revised Long-Term Financial Plan 2024-2034 and Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and to lodge a special variation to rates application to the Independent Pricing and Regulatory Tribunal (IPART).

EXECUTIVE SUMMARY

- On 12 November 2024 Council resolved to undertake community engagement between 18
 November 2024 and 12 January 2025 on a revised Long-Term Financial Plan 2024-2034 and
 Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and proposed
 options for a special variation to rates.
- Council's community engagement commenced with the launching of a 'Your Say' page outlining 4 options with resources, including fact sheets, videos and frequently asked questions.
- Community engagement has been extensive, utilising information stations across Council
 locations (including customer service centres, aquatic centres, early learning centres and
 libraries), print advertising through local publications, 10 pop up sessions in the community,
 resident and business webinars, a letter box drop to all 96,156 ratepayers and an email
 distribution to over 80,000 subscribers.
- Community responses were over 6,300 (survey and submissions) with a number of
 overarching themes surfacing including a desire to maintain services and infrastructure, a
 desire for improved services and infrastructure, requests to look further for savings and
 efficiencies, affordability, harnessing benefits of amalgamation and holding rates to
 inflation/peg.
- Council maintains its commitment to productivity savings and in an effort to reduce the burden on rates, has been on a continuous improvement journey since its inception in 2016.
 While these initiatives have assisted Council's financial sustainability to date, they are not of a scale that can ensure its long-term financial security.
- The independent voting members of Council's Audit, Risk and Improvement Committee
 (ARIC) prepared a memo to Councillors advising, inter alia, that "the information and the data
 presented to it (by management) provides reasonable and reliable evidence to support
 utilising the IPART process for a special variation to rates".
- Minor amendments have been made to the draft Long-Term Financial Plan 2024-2034 and Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 to incorporate updated information being available since the draft documents were placed on exhibition, including the findings of the Capacity to Pay Report and the special variation engagement dates,
- Based on the need to maintain financial sustainability and to continue to deliver services and
 assets as expected by our community, it is recommended that Council apply to IPART for a
 cumulative rate increase of 39.6% (including peg) over 3 years commencing in 2025/26. The
 cumulative rate increase would comprise a special variation to rates of 29% and a rate peg of
 10.7% (rounded to one decimal place) which would remain in Council's rate base.

 Should Council endorse an application to IPART for a special variation to rates, an application including IPART's Special Variation Application Part A and Part B and all necessary documentation including the revised Long-Term Financial Plan 2024-2034, and the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 will be required to be lodged with IPART by 3 February 2025.

RECOMMENDATION

That Council:

- Note the community engagement activities undertaken from 18 November 2024 to 12
 January 2025 in relation to the revised Long-Term Financial Plan 2024-2034, Addendum to
 the Delivery Program 2024-28 and Operational Plan 2024/25 and special variation to rates
 options as required by the Independent Pricing and Regulatory Tribunal (IPART).
- 2. Note the community responses in respect of the community engagement undertaken in relation to the revised Long-Term Financial Plan 2024-2034, Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and special variation options.
- 3. Note the opportunities for service reductions, property rationalisation and/or fee increase initiatives as outlined in this report are not of size and scale to reduce the need for a special variation to rates to maintain Council's long term financial sustainability.
- 4. Note the memo from the independent members of the Audit, Risk and Improvement Committee in consideration of a special variation to rates for Northern Beaches Council and their acknowledgement that a special variation is a sound financial initiative to maintain Council's long term financial sustainability.
- 5. Note the NSW Parliament's Standing Committee on State Development 'Inquiry into the ability of local government to fund infrastructure and services 2024' recommended changes to the local government rating system to address some of the cost pressures local governments face in delivering community services and assets and infrastructure.
- 6. Note that the special variation to rates application to IPART is consistent with Council's responsibility under the *Local Government Act 1993* to continue existing services, maintain and improve community infrastructure, support environmental and natural risk reduction programs and strengthen financial sustainability.
- 7. Adopt Option 3 of the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 included within Attachment 2.
- 8. Adopt the revised Long-Term Financial Plan 2024-2034 at Attachment 3.
- Apply to IPART for a permanent increase in rates income for the period from 2025/26 to 2027/28 (inclusive) of 39.6% (Option 3 'Improve Services') under section 508A of the Local Government Act 1993, consisting of annual increases as set out below:
 - a. Year 2025/26 12.1% increase (8.3% + rate peg of 3.8%)
 - b. Year 2026/27 11.7% increase (8.3% + assumed rate peg of 3.4%)
 - c. Year 2027/28 11.5% increase (8.4% + assumed rate peg of 3.1%)
- 10. Delegate authority to the Chief Executive Officer to lodge the application for a special variation to rates to IPART, including IPART's Special Variation Application Forms Part A and Part B and all other necessary documentation such as the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 for the adopted option at Attachment 2, Long-Term Financial Plan 2024-2034 at Attachment 3, Productivity Journey and Improvement Plan 2024 at Attachment 4 and Capacity to Pay Report at Attachment 5.

7. FINDINGS

7.1 Overview

As a precursor to the formal Special Variation engagement process, a representative survey was conducted with the community in August 2024. The survey included questions on support for paying more to maintain and improve services, facilities and infrastructure.

The formal engagement on the Special Variation commenced on 18 November 2024 and closed on 12 January 2025. Community sentiment was measured by responses to an opt in survey as well as emails and letters where respondents could:

- Rate the level of importance of services and facilities
- Rate the level of support for each option
- Rank the options in order of preference
- · Provide free text comments that were themed

The feedbeck in the opt in survey shows the importance the community places on Council continuing to deliver services and invest in maintaining and improving the Northern Beaches, 80% of respondents rated maintaining existing services and facilities, improving roads and footpaths and Council investing in risk reduction programs and natural disaster recovery as important.

Looking at the level of support for each option, it was strongest for Maintain service at 72% in the opt in survey, followed by Reduce service at 57% and to a lesser extent improve service.

The ranking of options shows the community is divided on 1st preference in the opt in survey. Some 49% of respondent's 1st preference was a special variation to either Maintain, Improve or Increase service with the remainder favouring Reduce service. (Total responses 5,584).

The 1st preference option of those responding by email and letter was clearer. They favoured Reduce service at 64%, over the combined special variation options at 36%. (Total responses 467).

The survey in August 2024 of a representative sample of the community shows stronger support at that time for an increase. Over 60% of respondents were at least somewhat supportive of a rate increase to maintain and/or improve services.

A breakdown of the findings is below.

7.2 Representative survey - support to pay more

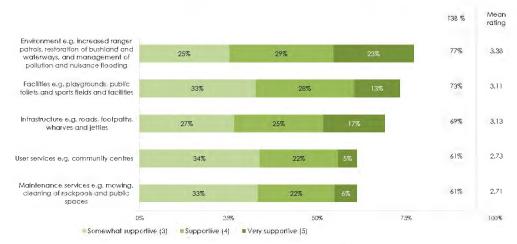
Micromex Research conducted a representative telephone of 606 residents from 20-27 August 2024. The survey was weighted to reflect Northern Beaches' age and gender population profile (among residents aged 18 or over).

A total sample size of 606 residents provides a maximum sampling error of plus or minus 4.0% st 95% confidence. This means that if the survey was replicated with a new universe of 606 residents, 19 times out of 20 the same results would be expected.

Residents were asked on their level of supportive to pay more to support improved level of services, facilities, and infrastructure in their local area. The survey found over 60% of residents are at least somewhat supportive of paying more for services, facilities and infrastructure.



Figure 2 - Level of support to pay more for improvement for services, facilities and infrastructure – representative survey



Base: N = 606

The survey also found males and younger residents (18-34) are significantly more likely to support paying more for environmental improvements, while older residents (65+) are significantly more likely to support paying more for improvements in user services.

Table 1 - Level of support to pay more for improvement for services, facilities and infrastructure by different participant type – representative survey

138% (At least somewhat supportive)	Overall	Male	Female	18-34	35-44	45-54	55-64	65+	Ratepayer	Non- ratepayer
Environment	77%	82%	73%	93%	74%	71%	70%	73%	77%	77%
Facilities	73%	77%	70%	75%	83%	73%	65%	71%	74%	71%
Infrastructure	6 9%	72%	66%	75%	75%	62%	64%	68%	70%	67%
User services	61%	61%	61%	56%	65%	56%	56%	72%	62%	58%
Maintenance services	61%	63%	59%	64%	64%	55%	53%	66%	61%	63%
Base	606	292	314	144	105	119	96	142	487	119

Scale: 1 = not at all supportive, 5 = very supportive A significantly higher/lower percentage (by group)



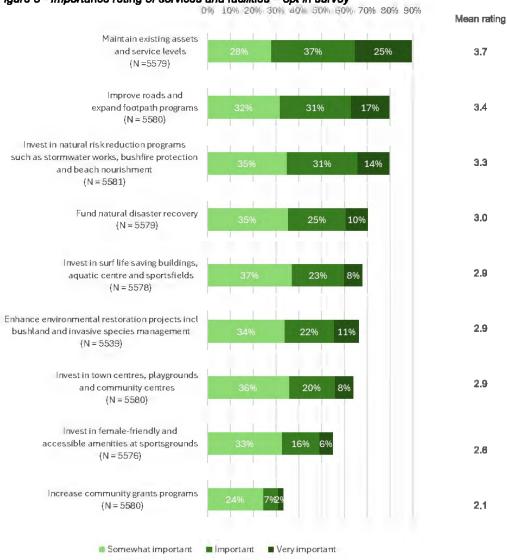
7.3 Opt in survey - Rate the level of importance of services and facilities

Respondents to the opt in survey were asked to rate the importance of Council services and facilities on a 5-point scale of Not Important At All to Very Important.

Of the 9 services and facilities surveyed, over 60% of respondents rated 7 of the services and facilities as least somewhat important. The support was stronger for maintain existing services and facilities, improving roads and expand footpath programs, and investment in natural risk reduction programs with 80% or above rating these initiatives as somewhat to very important.

Figure 1 presents the summary of this data.







Community and Stakeholder Engagement Report - Funding our Future 2025/044934

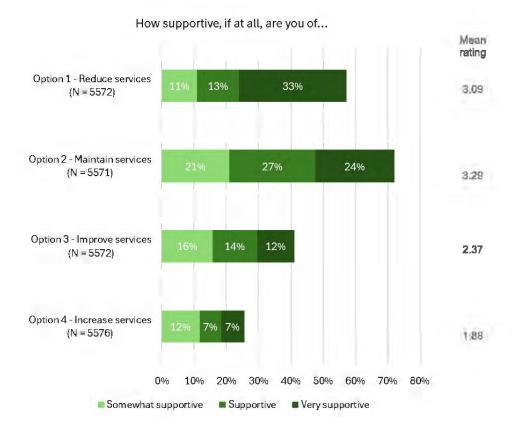
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7.4 Opt in survey - Rate the level of support for each option

The SV option rating question in the opt in survey allowed participants to rate their levels of support for each option, without being required to rank all options. Respondents selected 1 of 5 sentiment ratings (from Very Supportive to Not At All Supportive) for each option.

Maintain service had the highest level of support with 72% of respondents at least Somewhat Supportive followed by Reduce service at 57% and Improve service at 42%.

Figure 4 - Level of support for each option opt-in survey





7.5 Opt in survey - Rank the options in order of preference

The preference ranking question on the feedback form online and in hard copy allowed respondents to choose each of the 4 options in order of preference, with 1 the most preferred and 4 the least preferred. Respondent were not required to rank all options.

A total of 5,584 respondents nominated a first preference and 4,811 respondents ranked all options. The graph below shows 1st preference of respondents. Support for the combined options of Maintain, Improve and Increase service is at 49% balanced against support for Reduce service.

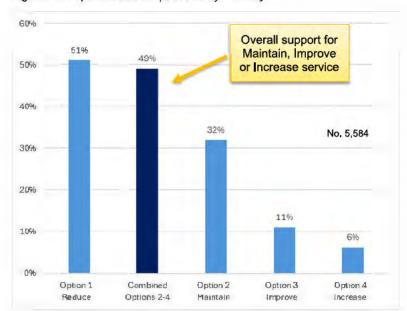


Figure 5 - 1st preference in opt-in survey - survey

Respondents that choose Maintain, Improve and Increase service as 1st preference continued to support options which at a minimum Maintain service. The table below shows the movement in ranking from 1st to 2nd preference between the options. Some 58% of respondents with a 1st preference of Maintain choose either Improve or Increase for their 2nd preference.

Table 2 - Ranking pattern from 1st to 2nd preference - survey

		1st preference rank						
		Reduce	Maintain	Improve	Increase			
and the second	No. 2nd preferences*	2,380	1,595	581	327			
2nd	Reduce		41.8%	0.5%	0.3%			
preference	Maintain	97.9%		60.8%	1.8%			
distribution	Improve	2.0%	57.6%	-	97.9%			
	Increase	0.1%	0.6%	38.7%				

^{* 701} respondents only provided a 1st preference



7.6 Opt in survey - Rank the options in order of preference – breakdown by participant types

This section compares the overall ranking result in section 6.3 above with different participant types based on 1st preference. Individuals self-selected these categories in completing the survey.

Looking at 1st preference ranking amongst different participant by age groups, there is some variation compared to the overall result. Those in younger age groups, under 50 years are more supportive of Reduce service, while those over 60 years are slightly more supportive of Maintain or Improve service and less so of Reduce service.

Table 3 - 1st preference by age profile - survey

		Age profile							
1st Preference	Overall	18-34	35-49	50-59	60-69	70+			
Option 1 Reduce service	51%	58%	56%	53%	46%	41%			
Combined Options 2-4	49%	42%	44%	47%	54%	59%			
Option 2 Maintain service	32%	27%	27%	30%	36%	41%			
Option 3 Improve service	11%	7%	10%	10%	13%	13%			
Option 4 Increase service	6%	8%	7%	7%	5%	5%			
Max No. responses	5584	294	1456	1470	1264	890			

^{* 210} respondents did not nominate an age category

Compared to the overall result there is no significant variation been respondents in terms of years resided on the Northern Beaches, resident v non resident or ratepayer v non ratepayer.

Table 4 - 1st preference by years resided on the Northern Beaches - survey

		Years resided in LGA				
1st Preference	Overall	Up to 10yrs	11-20yrs	20yrs+		
Option 1 Reduce service	51%	50%	52%	51%		
Combined Options 2-4	49%	50%	48%	49%		
Option 2 Maintain service	32%	29%	31%	33%		
Option 3 Improve service	11%	13%	11%	10%		
Option 4 Increase service	6%	9%	7%	5%		
Max No. responses	5584	1333	1136	3115		

Table 5 - 1st preference by ratepayer v non ratepayer - survey

		Ratepayer v Non Ratepayer			
1st Preference	Overall	Ratepayer	Non-ratepayer		
Option 1 Reduce service	51%	51%	50%		
Combined Options 2-4	49%	49%	22%		
Option 2 Maintain service	32%	32%	29%		
Option 3 Improve service	11%	11%	11%		
Option 4 Increase service	6%	6%	10%		
Max No. responses	5584	5469	115		



Table 6 - 1st preference by resident v non resident - survey

		Residents v Non Residents			
1st Preference	Overall	Resident	Non-resident		
Option 1 Reduce service	51%	51%	50%		
Combined Options 2-4	49%	49%	50%		
Option 2 Maintain service	32%	32%	33%		
Option 3 Improve service	11%	11%	11%		
Option 4 Increase service	6%	6%	7%		
Max No. responses	5584	5504	76		

^{* 4} respondents did not nominate a postcode

7.7 Preferred option - letters and emails

Submissions by letter or email were also reviewed to identify the preferred option. Respondents either specifically nominated an option or expressed a preference in their sentiment. In assessing sentiment, it was not possible to distinguish between Increase and Improve service options and they have been combined.

Some 467 respondents expressed a preferred option. The support for Reduce service is stronger at 64% compared to support for Combined Options 2-4 which is 36%.

Table 7 - 1st Preferred option - letters and emails

	Option 1 Reduce	Combined Options 2-4	Option 2 Maintain	Options 3/4 Improve & Increase
%	64%	36%	23%	13%
No. respondents	297	170	108	62

7.8 Themes from comments - Opt in survey, letters and emails

The online survey provided an open-ended question for respondents to comment on issues that influenced their preference ranking. Respondents by email and letter also provided feedback on issues influencing their preference. The themes are below with verbatim comments or curated statements that summarise similar sentiment. The percentage of submissions raising the issue is also included.

Table 8 - Themes

% of submissions	Themes
N/A – see Preference rating section 6.5 of the report	Desire to improve services and infrastructure Submissions expressed a desire to improve services on a proactive basis. This also included submissions where the preference was Reduce service. Sentiment expressed included: If we want a better society, increased and improved roads and services we
	must pay for it It's important to keep moving forward, improving, and investing in our community's future - that requires money The increased cost is affordable. Council should provide as many services as possible to our community



NBC Rate Rise Summary

Option	1	2	3	4	
Services	Reduce	Maintain	Improve	Increase	
3yr rate increase	10.7%	31.1%	39.6%	46.0%	
1st preference survey	51%	32%	11%	6%	100%
Survey respondents	2848	1787	614	335	5584
1st preference email	64%	23%	8%	5%	100%
Email respondents	297	108	47	15	467
Total respondents	3145	1895	661	350	6051
Total %	52%	31%	11%	6%	100%
Pro Rata 3yr rate increase					22.3%

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The conditions of assets as published in the Council's various documents, including the 2024 Annual Report released in November and the 2024 asset management plan, suggest that the Council has managed its assets well, with only a negligible amount of assets in each class rated in condition 4 and 5, renewal and maintenance ratios well within the benchmark set by the Office of Local Government. Therefore, given a large portion of the need for a 39.6% rate rise is asset related, IPART should critically examine this aspect of the Councils application.

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

24 March 2025 Independent Pricing and Regulatory Tribunal (IPART) PO Box K35 Haymarket, NSW 1240 Email: ipart@ipart.nsw.gov.au Subject: Objection to Northern Beaches Council's Proposed Rate Increase Dear Tribunal Members, I am writing as a concerned ratepayer of the Northern Beaches Council to formally oppose the councils application for a rate increase. Given the councils history of inefficiency and wasteful spending, I strongly believe that additional revenue through increased rates is neither justified nor in the best interests of the community. In recent years, Northern Beaches Council has demonstrated poor financial management, allocating significant funds to projects of questionable necessity while failing to adequately maintain core infrastructure and essential services. Ratepayers are already contributing substantial amounts, yet the council has not provided sufficient transparency regarding its spending or meaningful efforts to curb unnecessary expenditures before requesting additional funds from residents. The burden of rising living costs is already weighing heavily on households, and an unjustified rate hike would only exacerbate financial strain on residents without delivering proportional benefits. Rather than increasing rates, the council should prioritise fiscal responsibility, streamline its operations, and eliminate wasteful spending. I urge IPART to critically assess the efficiency of the Northern Beaches Council before considering any rate rise and to hold the council accountable for its financial mismanagement. The residents of this area should not be expected to fund further inefficiencies through higher rates. Thank you for your consideration of this objection. I look forward to your careful review of this matter in the interest of fairness and responsible governance. Sincerely,

Date of submission: Monday, 24 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

As a Northern Beaches Council ratepayer I am totally opposed to the application for a huge rate rise due to council ineptitude, financial mismanagement, self interest and fat cat executive pay packets. Why does the CEO earn more than the Prime Minister? \$574,000 is a ridiculous salary for someone leading a financially incompetent organization. Despite huge community feedback telling council we did not support option 4, they have applied for it because its self serving and in their own self interests. Please block or reject this application. Many thanks.

Date of submission: Monday, 24 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I submit that the proposed rate hike is too great. I believe that this Council could make major savings by reviewing its management structure and management salaries Additionally, this Council spends large amounts on activities which are not core eg art exhibitions, community events. Many of those should be handed back to the Community or divested to appropriate organisations. Thirdly, many initiatives are not actually what the residents want eg making all streets in a large area severely speed restricted. These are futile anyhow as I doubt whether the Council has the means to police them - and the police have better things to do. Finally, I cite as wasteful the consultation on rate rises. The option Council chose was far from being the popular choice. The rebuttal is that only 600 residents expressed their view. My rejoinder is that it's amazing that anyone bothered as our Community has a record of having our choice ignored . For example, 89 % of Pittwater voters opposed amalgamation. Our residents campaigned long and hard against the closure of Mona Vale Hospital. All ignored after hours and days and weeks of people's efforts.

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

My submission is against the rate increase for the Northern Beaches council. Inefficiencies in the council management are evident, with too many managers and obscene salaries for them. Council has not proposed any cost saving plan and has ignored the results of the consultation. This is sloppy work and not good enough.

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The amalgamation of the three existing councils to form the new entity was forced upon ratepayers to increase productivity and reduce duplication of services. The current council has seen a duplication of senior management and executive staff and a reduction in services for those who are paying for them. The council asked for ratepayers feedback with options ranging from an above CPI raise and threatening to reduce services to an exorbitant raise and telling us that if we vote for this it will be all sunshine and roses. We oppose the maximum rate being asked for in the strongest possible terms, fix the waste that is present, represent the people who elected you in the election mere months ago and get on within managing a budget and delivering key services for all of the northern beaches, not just Mamly

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In support of the raise council needs more money to fund such an LGA

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to formally object to the proposed rate rise and to express my concern that the Council has not sufficiently explored cost-cutting measures before proposing an increase in rates for local residents. While I understand the need for funding to support local services and infrastructure, it is disappointing to see that the Council has not made a more concerted effort to reduce expenditures. Many residents, including myself, are facing increasing financial pressure, and the proposed rate rise places an additional burden on our households. In times of economic uncertainty, it is crucial that the Council exhausts all possible avenues for savings before asking residents to shoulder the cost. This should include reviewing administrative expenses, identifying wasteful or inefficient spending, and ensuring that any non-essential services or projects are reconsidered or postponed. If cost-cutting measures had been given priority, it is likely that a more balanced solution could be found. Coming from a corporate environment, it is impossible to imagine that more efficient ways of operating cannot be found - particularly when the inefficient Council spend is often highly visible to residents (in the form of ineffective workers or expensive contracts for example). This I urge the Council to re-evaluate its budget and explore further ways to reduce costs and minimize waste before proceeding with any rate increases. A thorough examination of the spending habits and priorities could result in a more responsible approach, benefiting both the local economy and the residents who rely on these essential services. Thank you for your time and consideration.

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council should be held accountable for their spending before attempting to raise residents rates even by 1%, better visibility around where and how these rates have been spent should also be made public. We are seeing rate payers money spent on unnecessary things, signs installed (proud beaches being one good example) that are completely unnecessary. Who is signing off on this expenditure? Road works are being completed that are absolutely not necessary (new roundabouts in Cromer is just one example of this), again why are these expenses getting the green light if they don't have the money to spend? Excessive salary increases reported across multiple councils, completely unnecessary waste at every turn. The already financially stretched rates payers are expected to pick up the cost of councils inability to effectively manage their budgets and finances, in the middle of a cost of living crisis? It isn't even an option for many families. A smaller increase may have been a more palatable option, maybe 10 or even 15%, as with everything costs do need to go up, but with the way that economy has been managed by both federal and state government, people just don't have the disposable income to be able to swallow a 40% increase to their rates. My opinion is that either a more reasonable increase should be put forward, or no increase should be permitted.

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir, I am writing to express my strong opposition to the Northern Beaches Council's application for a Special Rate Variation (SRV) that seeks to increase rates by 39.6% over the next three years. This substantial hike is both unwarranted and ill-timed, especially considering the current economic challenges faced by residents and businesses. Financial Mismanagement and Extravagant Expenditures The Council's justification for the rate increase includes addressing financial deficits and funding essential services. However, concerns and Councils own reports indicate significant mismanagement of funds and fiscal responsibility. Furthermore, the Council's wage bill is notably high, with 111 executives, managers, and directors collectively earning \$25 million annually. The CEO alone receives a remuneration package of \$540,000 These figures suggest that the Council has ample opportunity to reduce internal costs before considering burdening ratepayers with increased rates. Economic Strain on Residents and Businesses The proposed rate increase would result in an average rise of \$678 per year for residents and \$1,600 for small businesses Implementing such a significant hike during a period of economic uncertainty, where many are grappling with high interest rates and cost-of-living pressures, is both insensitive and detrimental to the community's financial well-being. Lack of Community Support Public consultation has shown overwhelming opposition to the proposed rate increase. Despite this, the Council has proceeded with the application, disregarding the concerns and preferences of its constituents This approach undermines the principles of democratic representation and community engagement. Conclusion In light of the Council's discretionary spending, high administrative costs, and the current economic challenges faced by the community, the proposed 39.6% rate increase is unjustifiable. I urge IPART to reject the Northern Beaches Council's application for the SRV and recommend that the Council explore internal cost-saving measures and alternative revenue sources that do not disproportionately impact ratepayers. Thank you for considering my submission. Yours sincerely,

Date of submission: Tuesday, 25 February 2025

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Council have a surplus of over \$40 million. Council also need to have an audit on their expenses and the waste of rate payers money on unnecessary items and events. Core critical services need the focus like rubbish, road maintenance etc. Far too many staff on the books! Why so many directors (111)? Why are we funding luxury cars? Only vehicles should be for infrastructure workers. Rate payers voted against this and it was ignored. My partner is a financial controller and former auditor and went through this in detail and found no reason for extra increase as they have enough funds.

Date of submission: Tuesday, 25 February 2025

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Put simply. The council has in no way shown any intention or approach to reducing costs associated with council. There are many aspects that represent wastage be it flags, food truck, vehicles to mention a few. The council is far too bureaucratic and needs fixing. The councillors are not broadly representing the community. We need to cease offering costly fringe services, reduce the size of management and have appropriate payments to the ceo. Council also needs to reimagine how it derives income eg remove the bias towards property value and base on user pays. Council have to be taken back to why they are there, waste and community infrastructure. Remove the rest!

Date of submission: Tuesday, 25 February 2025

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No special variaton should be applied when the majority of the community has voted against the 40% increase - which the counsellors ignored. An independent audit should be conducted where everything from wages to staffing levels to focussing on the core business should be looked at due to the fact that there is such large community opposition.

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

IPART Northern Beaches Council Rate Rise Please tell us about your complaint Council rates rise Council management has corruptly, fraudulently and with purposeful maladministration deceitfully misrepresented the response from a residential survey that sought a special rates rise. Then colluded with select Councillors to approve an exorbitant rate rise in direct conflict with resident demands. Council information On 12 November 2024 Council resolved to undertake community engagement via a survey from 18 November 2024 to 12 January 2025 seeking a special variation to rates. Per the councils own documentation (extract attached with full document at https://www.northernbeaches.nsw.gov.au/council/meetings) the residents response was: Option # Option choice Cumulative 3yr rate increase 1st preference response 1 Reduce services 10.7% 51% 2 Maintain services 31.1% 32% 3 Improve services 39.6% 11% 4 Increase services 46.0% 6% Yet management argued that if they added options 2, 3 and 4 together then there was 49% support for maintain, improve or support services, and therefore option 3 was really what residents wanted. To quote page 58: The ranking of options shows the community is divided on 1st preference in the opt in survey. Some 49% of respondents 1st preference was a special variation to either Maintain, Improve or Increase service with the remainder favouring Reduce service. (Total responses 5,584). The 1st preference option of those responding by email and letter was clearer. They favoured Reduce service at 64%, over the combined special variation options at 36%. (Total responses 467). And therefore management proposed on page 5: Based on the need to maintain financial sustainability and to continue to deliver services and assets as expected by our community, it is recommended that Council apply to IPART for a cumulative rate increase of 39.6% (including peg) over 3 years commencing in 2025/26. Managements argument is an outright lie. Residents were very clear they wanted to reduce services (51% by online survey, 64% by email and letter). Management fraudulently added options 2, 3 and 4 together to suggest 49% of residents really were happy with an increase and option 3 (at 11%) was the preferred option. This is fraud! Its not possible to add these options. And even if it was, I could add options 1 and 2 to suggest 83% of residents want an increase between 10.7% and 31.1% which mathematically is 18.6%. But this is also a fraud as the overwhelming option was 1 at 51% for 10.7%. Nothing else beats this, certainly not option 3 at 11%! This is a Council that consumes vast resources on pet projects like concreting the neighbourhood to create bike paths (approximately \$1m) which are seldom used as cyclists overwhelmingly prefer the road, and creating a Queenscliff walkway (\$1m) recently completed and perpetually empty. This is a bloated Council with 5 managers earning more than the premier! It is wasteful, spending vast resources on unused projects while still maintaining a huge debt. On the evidence over a considerable period of time, this is a Council out of control, prepared to fudge everything to get what it wants and maintain an overpaid fiefdom. More importantly, given the obvious resident voting, why have select Councillors colluded to approve these deceitful practices? Is there corruption here? The Council meeting itself was a debacle with residents silenced. As per the Minutes, a vote was taken and approved to proceed with the request to IPART for an increase of 39.6% directly contrary to resident preferences? There was no opportunity for recourse to council. The community is outraged. Action required As outlined, Council management has corruptly, fraudulently and with purposeful maladministration deceitfully misrepresented the response from a residential survey that sought a special rates rise. Then colluded with select Councillors to approve an exorbitant rate rise in direct conflict with resident preferences. To resolve it needs: 1. The special rates rise declined consistent with resident preferences - option 1 approved 51% by online survey and 64% by email and letter 2. Management sacked and held accountable for its deceitful and fraudulent practices 3. Select Councillors that approved this deceitful practice investigated for corruption 4. The appointment of an Administrator to run council so it stops wasting funds and resources in direct conflict with resident demands Attached pages 5-6 and 61-62 from Council meeting documents per link as whole file too big

7.0 CHIEF EXECUTIVE OFFICER'S DIVISION REPORTS

ITEM 7.1 SPECIAL VARIATION TO RATES - APPROVAL TO LODGE AN APPLICATION TO IPART

PURPOSE

The purpose of this report is to inform Council of the outcome of the public exhibition of options for a special variation to rates, to adopt the revised Long-Term Financial Plan 2024-2034 and Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and to lodge a special variation to rates application to the Independent Pricing and Regulatory Tribunal (IPART).

EXECUTIVE SUMMARY

- On 12 November 2024 Council resolved to undertake community engagement between 18
 November 2024 and 12 January 2025 on a revised Long-Term Financial Plan 2024-2034 and
 Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and proposed
 options for a special variation to rates.
- Council's community engagement commenced with the launching of a 'Your Say' page outlining 4 options with resources, including fact sheets, videos and frequently asked questions.
- Community engagement has been extensive, utilising information stations across Council locations (including customer service centres, aquatic centres, early learning centres and libraries), print advertising through local publications, 10 pop up sessions in the community, resident and business webinars, a letter box drop to all 96,156 ratepayers and an email distribution to over 80,000 subscribers.
- Community responses were over 6,300 (survey and submissions) with a number of
 overarching themes surfacing including a desire to maintain services and infrastructure, a
 desire for improved services and infrastructure, requests to look further for savings and
 efficiencies, affordability, harnessing benefits of amalgamation and holding rates to
 inflation/peg.
- Council maintains its commitment to productivity savings and in an effort to reduce the burden on rates, has been on a continuous improvement journey since its inception in 2016.
 While these initiatives have assisted Council's financial sustainability to date, they are not of a scale that can ensure its long-term financial security.
- The independent voting members of Council's Audit, Risk and Improvement Committee
 (ARIC) prepared a memo to Councillors advising, inter alia, that "the information and the data
 presented to it (by management) provides reasonable and reliable evidence to support
 utilising the IPART process for a special variation to rates".
- Minor amendments have been made to the draft Long-Term Financial Plan 2024-2034 and Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 to incorporate updated information being available since the draft documents were placed on exhibition, including the findings of the Capacity to Pay Report and the special variation engagement dates.
- Based on the need to maintain financial sustainability and to continue to deliver services and
 assets as expected by our community, it is recommended that Council apply to IPART for a
 cumulative rate increase of 39.6% (including peg) over 3 years commencing in 2025/26. The
 cumulative rate increase would comprise a special variation to rates of 29% and a rate peg of
 10.7% (rounded to one decimal place) which would remain in Council's rate base.

 Should Council endorse an application to IPART for a special variation to rates, an application including IPART's Special Variation Application Part A and Part B and all necessary documentation including the revised Long-Term Financial Plan 2024-2034, and the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 will be required to be lodged with IPART by 3 February 2025.

RECOMMENDATION

That Council:

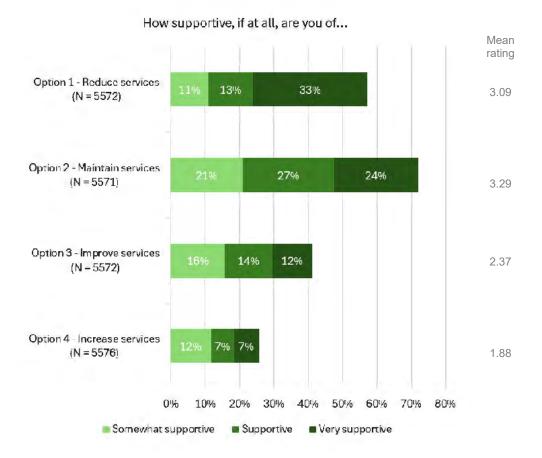
- 1. Note the community engagement activities undertaken from 18 November 2024 to 12 January 2025 in relation to the revised Long-Term Financial Plan 2024-2034, Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and special variation to rates options as required by the Independent Pricing and Regulatory Tribunal (IPART).
- 2. Note the community responses in respect of the community engagement undertaken in relation to the revised Long-Term Financial Plan 2024-2034, Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 and special variation options.
- 3. Note the opportunities for service reductions, property rationalisation and/or fee increase initiatives as outlined in this report are not of size and scale to reduce the need for a special variation to rates to maintain Council's long term financial sustainability.
- 4. Note the memo from the independent members of the Audit, Risk and Improvement Committee in consideration of a special variation to rates for Northern Beaches Council and their acknowledgement that a special variation is a sound financial initiative to maintain Council's long term financial sustainability.
- 5. Note the NSW Parliament's Standing Committee on State Development 'Inquiry into the ability of local government to fund infrastructure and services 2024' recommended changes to the local government rating system to address some of the cost pressures local governments face in delivering community services and assets and infrastructure.
- 6. Note that the special variation to rates application to IPART is consistent with Council's responsibility under the *Local Government Act 1993* to continue existing services, maintain and improve community infrastructure, support environmental and natural risk reduction programs and strengthen financial sustainability.
- 7. Adopt Option 3 of the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 included within Attachment 2.
- 8. Adopt the revised Long-Term Financial Plan 2024-2034 at Attachment 3.
- 9. Apply to IPART for a permanent increase in rates income for the period from 2025/26 to 2027/28 (inclusive) of 39.6% (Option 3 'Improve Services') under section 508A of the *Local Government Act 1993*, consisting of annual increases as set out below:
 - a. Year 2025/26 12.1% increase (8.3% + rate peg of 3.8%)
 - b. Year 2026/27 11.7% increase (8.3% + assumed rate peg of 3.4%)
 - c. Year 2027/28 11.5% increase (8.4% + assumed rate peg of 3.1%)
- 10. Delegate authority to the Chief Executive Officer to lodge the application for a special variation to rates to IPART, including IPART's Special Variation Application Forms Part A and Part B and all other necessary documentation such as the Addendum to the Delivery Program 2024-28 and Operational Plan 2024/25 for the adopted option at Attachment 2, Long-Term Financial Plan 2024-2034 at Attachment 3, Productivity Journey and Improvement Plan 2024 at Attachment 4 and Capacity to Pay Report at Attachment 5.

7.4 Opt in survey – Rate the level of support for each option

The SV option rating question in the opt in survey allowed participants to rate their levels of support for each option, without being required to rank all options. Respondents selected 1 of 5 sentiment ratings (from Very Supportive to Not At All Supportive) for each option.

Maintain service had the highest level of support with 72% of respondents at least Somewhat Supportive followed by Reduce service at 57% and Improve service at 42%.

Figure 4 - Level of support for each option opt-in survey





7.5 Opt in survey - Rank the options in order of preference

The preference ranking question on the feedback form online and in hard copy allowed respondents to choose each of the 4 options in order of preference, with 1 the most preferred and 4 the least preferred. Respondent were not required to rank all options.

A total of 5,584 respondents nominated a first preference and 4,811 respondents ranked all options. The graph below shows 1st preference of respondents. Support for the combined options of Maintain, Improve and Increase service is at 49% balanced against support for Reduce service.

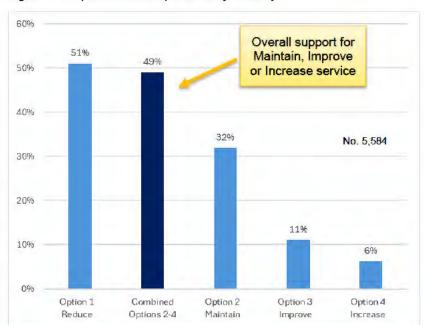


Figure 5 - 1st preference in opt-in survey - survey

Respondents that choose Maintain, Improve and Increase service as 1st preference continued to support options which at a minimum Maintain service. The table below shows the movement in ranking from 1st to 2nd preference between the options. Some 58% of respondents with a 1st preference of Maintain choose either Improve or Increase for their 2nd preference.

Table 2 - Ranking pattern from 1st to 2nd preference - survey

		1st preference rank						
		Reduce	Maintain	Improve	Increase			
	No. 2nd preferences*	2,380	1,595	581	327			
2nd	Reduce		41.8%	0.5%	0.3%			
preference	Maintain	97.9%	100	60.8%	1.8%			
distribution	Improve	2.0%	57.6%		97.9%			
	Increase	0.1%	0.6%	38.7%				

^{* 701} respondents only provided a 1st preference



Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The current proposal by the NB Council to increase rates is unreasonable. It does not in any way take into account the current pressures that residents are under with the cost of living, nor did the council consider that their survey (which was flawed) clearly indicated that people did not support the increases. The councilors voted 8 to 7 to take forward this increase which also indicates that even within their own ranks this is not a clear cut decision. There is a preconceived idea that all people who live on the Northern beaches have spare cash to spend and council seems to think they can take an unreasonable share of peoples hard earned money. I live in Dee Why, where we have a very diverse community, with many units, renters, migrants, aged retirees on pensions and people who are just trying to get by. The council fails to take into account that if they increase the rates by such an exorbitant amount then business will need to increase what they charge customers, landlords will increase rent and the cycle will just further fuel the increase in the cost of living. I don't believe that the council has the intellectual capacity to understand what this increase means to a significant majority of rate payers, or they simply do not care. Had the council put forward a measured, well communicated, and structured request I think they may have gained traction with the rate payers and people would have supported some level of increase beyond inflation - but not nearly 40% over 3 years. In summary these are the points I would like to draw your attention to: - No transparency from Council as to what they currently spend money on and what the increase rates would cover. The statements they made are far too vague and generic and don't give me any comfort that they know how to spend money reasonably - The community engagement prior to the meeting was woeful. I completed the survey and it was long winded, with questions asked and the re asked in such a way as to enlist the response council wanted. There was no detail around what the spend currently is and what additional services we would get if we added more money -Councilors then chose to ignore the survey as the response did not support that they wanted (note they quoted low response which is hardly surprising when a survey is too long and too complex) - At the meeting again there was no clear view as to what the money would be spent on, and the proposal that was taken forward was not even the middle ground. It honestly looked like they were set on doing this no matter what t issues and concerns the community raised - I am amazed that the CEO can earn what he does and then not even step up and be accountable for the financials. His salary alone is more than a lot of CEOs in the private sector and they are at least accountable to the Board and shareholders. The lack of leadership is not acceptable - I have seen this current council just waste money on items like one way street changes and using State Grants to "enhance" Dee Why with no long term view that this will put pressure on their operational budgets where they already can't manage what they have. They want to have all the nice things and have no ability to prioritize what has to be done and then where they can invest to improve rate payers life style - People simply cannot afford this. I also object how in all the propaganda council likes to say how much extra this is per week - trying to trivialize a 40% increase. They seem to think people can't see through what they are trying to do. It is not honest and it not ethical We need to do the right thing by the people on the Northern Beaches and ensure we have a strong financial management in an environment where people are doing it tough

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Please consider that as a rate payer in this area we have not been shown clear details of how this situation has occurred. In the recent council meeting the CEO refused to answer any questions. Surely a call out for such a huge rise should be backed up by a great deal of information showing how they have landed in this position along with detailed improvements planned. The majority of rate payers do not support this rise, some financially but many also morally. Please do not approve this variation and allow this council to remain unaccountable.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council voted on 3 predefined options given to the ratepayers via a survey. The information explaining why these increases were necessary was scant to say the least. What are the services that need extra funding and where is the rate payers money going. I believe an independent audit should be required for a hike as big as the proposed increase. There definitely seems to be a number of large salaries and possibly wasted resources in the council. Look at streamline and efficiencies before throwing money at the problems

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not support the council's increase beyond what I and the majority of ratepayers agreed to fund, i.e. Option 2 maintain services with an increase. I am a Project Director currently working on a team to build a in

In the late of the street already and didn't 'need' another footpath on the opposite side of the street. I see this 'nice-to-have' was quite expensive and wasn't immediately required and I had stated so when asked by council; however, this input was ignored. The workers were a bit sloppy, I showed them the broken drainage pipe to the street from my roof gutter, asked to see a manager and provided a business card. Later in the day, the breakage was NOT repaired, my card was stuffed into the drain and they poured cement over it. Also note the worker sleeping on our lawn. I have attached some photos to demonstrate my disappointment with the staff and results. This really feels like they could care less about the ratepayers and reach their decision making by 'Group Think'!! i.e. Darn the ratepayers, full speed ahead regardless of the outcome. I have lived here over 20 years and since the amalgamation of the councils, our services have gone done, and rates gone up. They say the right word with the mouth, but the feet move in a different direction. Please listen to not just myself, but the rest of the ratepayers. We support Option 2 and a smaller increase to our rates but NOT what the council has ignored and pushed ahead with in-spite of our views. The increase in projects will drive the necessity for increased maintenance and more staff that are NOT required at this juncture of time. Regards,

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly oppose the proposed massive rate increase. Council has not properly justified the swingeing rate hikes or considered alternatives. Council sought public feedback then completely ignored the adverse reaction and chose the least popular option making a farce of the whole community consultation process. Cost of living pressures on residents are intense and this huge rise exacerbates squeeze on household budgets. I have lost confidence in the management of this Council and urge you to disallow their ill-conceived application. Yours faithfully,

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Northern has a very top heavy organisational structure, with highly paid CEO, General Manager and numerous staff. Our Council rates are already substantial and the proposed 39 % increase is unjustified. No indication has been provided of what projects or expenditure is proposed for this substantial and grossly unfair increase. With people suffering under high interest rates this rate increase will cause much suffering in the NB community We are not all wealthy in this residential area.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

While we appreciate some of the recent efforts of the council, we are flabbergasted at some of the money that is spent unneccesarily and the flagrant disregard for community sentiment regardingt the rate increases. Examples - They spent \$200k on a consultation that showed them the majority of respondents were NOT in favour of an increase (over 6000 respondents) and chose to ignore that and do what they wanted in the first place. - The Avalon place plan which has taken away car parks and damaged local small businesses - The mismanagement of Avalon Surf Club leases, leaving them empty for months and months - The proposed change to Whale Beach & Palm Beach speed zones at an exhorbitant cost seems based on nothing but let's go spend a few million dollars! How many road accidents have there been on those streets? How many injuries? Most people don't speed on those roads, they drive to already obvious traffic conditions, so changing signs and introducing other traffic calming measures seem a huge waste. Councils are supposed to serve the community. And if the community is doing it tough, then why shouldn't council. The entire almagation process promised to save money - but that doesn't seem to be the case. In the scheme of your revenue from rates, the money you've saved is neglible. If the small business we run has to cut costs to be profitable, then why shouldn't council? I cannot understand how council cannot be run profitably - you know what your income is (rates & investment income), so your budget should reflect what you have to spend, not what you would like to spend. That is budgeting 101. Council should be forced to deal with the funds they have, not take more from already overburdened community families.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The council should look at cost cutting measures prior to putting up rates. So much money is wasted on projects, concept plans, staffing, community consultation on projects that they have no intention whatsoever of going to fruition. eg Jamieson Park Sports Centre concept plan to name one. The community has been told there is no money to build this building and yet they are not open to considering a modular construction which would be more economical to build and in keeping with the original like for like replacement that was originally mooted. It is not acceptable to spend money on architects and plans etc when there is no prospect of bringing the proposal to fruition.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I, like many others in the Northern Beaches, oppose the extraordinary rate hike that the council are proposing. My key reasons are listed below: - The council has failed to make a clear case as to why such a significant rate hike is needed. - They have not put a budget forward which focuses on key services only and removes non-essential services. All households and businesses are having to make cuts in this current economic environment, I would like to see a focus on efficiency and necessities rather than increased spending. - Most households in the Northern Beaches are already being squeezed with significant mortgage increases and the cost of living crisis. This would be yet another cost to put pressure on households

Date of submission: Wednesday, 26 February 2025

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100% against any special variation or increase. Council has not been transparent with expenditure nor have they looked at reviewing existing contracts and service to look for optimisation. Council should be undertaking a internal audit, or better still, appoint a external auditor to review costs to look for savings and recommendations

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are struggling to make ends meet financially. The council has ignored their own survey. More than half of residents surveyed want the minimum increase to rates. The survey indicates that resonance are happy to have less services rather than increased cost. If you council can't understand this, from their own survey, then they are incompetent and /or out of touch with rate payers. The Logical responses to give them less money, not more to waste on projects that are not in the interest of their own community. If there is infrastructure projects to be upgraded then this should be done by special levies not by increasing the overall base of rates

Date of submission: Wednesday, 26 February 2025

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I support this increase. The Northern Beaches area is dense with a large amount of public infrastructure and amenities. It is

I support this increase. The Northern Beaches area is dense with a large amount of public infrastructure and amenities. It is dangerous for the council to not have sufficient funding to maintain the public areas, and we don't want the area to fall into disrepair. The most vocal against this increase are those that consistently vote against essential works for the Northern Beaches, such as the Northern Beaches Tunnel, and are a toxic vocal minority.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

A simple message. Am on a pension and the rate rise proposed due to council inability to manage its income and expense will cause nightmare debt or sacrifices in my health care. The council should be able to manage to reduce expense and selectively reduce some services. The rate payers are sacrificing; time for council to do the same

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

With the council amalgamation we were promised economies of scale. One larger council instead of several small ones would bring a reduction in costs. Staff numbers have risen instead of fallen! The Manly area have already had a rate rise and we certainly don't want a 39% rise again! The Northern Beaches Council is trying to be all things to all people - national surf carnivals, writers' festivals (second rate ones at that), food markets, festivals etc - all at the rate-payers expense, but of no benefit to ratepayers. The roads around the area are disgraceful - so many potholes and the road surface damage and breaking up....but not being repaired. maybe a 10% or 20% rise is acceptable, but 39% is just outrageous!!

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are a young family who has recently moved into the area. The rate increase will not only put stress on our family during a time when costs are already at an all time high, it is also perplexing that the sudden proposed increase in rates have come with no evidence of a plan to get back to financial management. Simply asking for more money to fix the lack of ability to manage it in the first place and fund exorbandant salaries whilst we see no real change or benefits in our community. I plead IPART to not allow this senseless increase and force the council to reassses their own finances and structure to encourage more efficient ways of running the council in future.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top). We were not provided with enough/detailed information on what the options were and impacts of each rate option (and satisfactory reasons for the predicament). Additionally, the statements were geared towards an unreasonable increase with negative word associations and fear mongering with lower rate options.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Rate rises will mean rental rises. And in turn make the cost of living very difficult for lower income earners that live and work in Manly. Inclusivity and diversity is what makes communities strong. The renters and property owners with low to no income will be bullied out. Is that the kind of society we want. We want wellbeing for all on the Northern beaches. Not just a select few. Please keep rates down. The rents will lose out when it's hard enough already. Think of others. We also don't see enough action from the council to do better for the community benefits, where do they spend the rates...on unnecessarily high council salaries.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hello, This variation is an example of poor tracking of expenditure. If known this would have been prepared for. The shortfall should have been noticed in year 1. Furthermore, it seems as though council has not audited and found genuine internal savings first. This practice could still be a path to deliver new infrastructure at a slower increase in rates. The increase in housing density for the area will highlight the improvement in infrastructure. The additional rates from the increased residents will also likely be a financial windfall. The residents deserve improved services, but initially the residents would like to know how the council has reduced operating costs and if those reductions are in areas the residents are happy with.

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Council services have been in decline since amalgamation. Nobody knows whats going on any more. Previously any questions were handled by a quick trip to the Avalon office (which no longer exists) who knew what was going on in their area. I asked a question about trails near the cliff edge on my street and waited months for the reply from Council, which was incorrect. We receive trails of information about how good they are which is such a waste of resources but the parks are no longer mowed properly. Bilgola pool was cleaned each week, well and with little incursion into swimming time, now the pool is often out of order. It is not as though the Council had to build the pools, they only have to maintain the gifts that other ratepayers previously paid for. The debacle over the coastal walk in the Serpentine, with options that show no understanding or interest in residents needs. I feel that allowing the rate rise would just be rewarding bad behaviour! The proof being that most people made submissions against the rise and the Council decided to go ahead anyway. If this rate rise goes ahead it will be impossible to gain control over Council spending in the future, it is just kicking the problem of Council spending more and providing less services down the road.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hi, As a northern beaches ratepayer and resident I voted to reduce rates as did a majority of voters. Cost of living pressure is high now so please ensure that Council does not raise rates. Instead council should reduce the huge salaries and expensives of its executives and ensure greater efficiency of its workforce. Thank you

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Council undertook a survey of ratepayers but the options provided were steering us towards an inevitable outcome. The choices were either grant the huge increase or cut essential services. This binary choice is not acceptable. There are many other options which Council have not considered. The main one of these being to defer so-called major projects for one or two years to allow the cash flow situation to be resolved. Many of these major projects are vanity projects and not required, certainly not immediately. For example they are planning a pedestrian footbridge at Queenscliff. There is a perfectly good bridge there now. We neither need nor have asked for another. All we really want Council to do is pick up the bins, repair the roads, and take away the stormwater. And to add insult to injury when the vast majority of ratepayers, who did complete the survey, said no to the increase, Council just ignored them. My fear is that if this increase is not granted, Council will react in a petulant fashion (they have form) and use it as an excuse to pull back on essential services in lieu of the unnecessary vanity waste that we all know and expect. For example the recent renaming of a playground in honour of a past Mayor. All well and good but did it really need two signs right next to each other (see attached). It just shows that Council have no desire to actually control expenditure. In my view IPART need to knock back this request but also place some controls on Council to responsibly manage their finances.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to formally object to the proposed rate increase. As a resident of over 37 years and a professional with more than 30 years in service delivery, I find this proposal excessive, unjustified, and fiscally irresponsible. Key concerns: Disproportionate Leadership Costs: Over \$100 million is allocated to leadership wages, with 39% of the total budget spent on employee benefits and on-costsnearly matching the 41% allocated to actual service delivery. This imbalance is unacceptable. Inefficient Leadership Structure: The organisation is top-heavy, with each director managing only 35 direct reports. Industry benchmarks suggest this should be 710, given the scope of services and compensation levels. Excessive Employee Expense Growth: Employee expenses are set to increase by over 12% year-over-yearfar exceeding inflation and unjustified given existing salary levels. Failure to Prioritise Cost Control: The submission does not outline any measures to reduce costs or improve efficiency. Cost containment should be the first course of action before imposing additional financial burdens on ratepayers. Misrepresentation of Stakeholder Engagement: The engagement report appears to manipulate data by merging multiple response categories to claim a 51% preference for service reductions versus 49% for increases. This is statistically misleading. Unjustified Capacity to Pay Argument: The premise that rates should increase simply because residents can afford to pay more is unacceptable. Charges should reflect the value of services received, not residents financial capacity. Lack of Justification for Increased Spending: Published Key Performance Indicators (KPIs) show that service levels are being met or exceeded. There is no demonstrated need for additional spending. This proposal fails to demonstrate fiscal responsibility. The majority of community submissions indicate satisfaction with current service levels, further underscoring that a rate increase is unnecessary. I urge you to reconsider and instead focus on cost control and operational efficiencies. Sincerely,

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly object as a long term resident and ratepayer to the special rates variation proposed by Northern Beaches Council, for the following reasons: . the proposed increase is excessive at almost 40% over the next 3 years . under the current economic conditions, many ratepayers will be unable to afford this increase . key workers in particular will be hard hit by this increase on top of the extremely unaffordable housing market on the Northern Beaches; we are losing teachers, nurses, aged care, emergency service workers and retail staff to more affordable areas, and the excessive rates increase will further drive this exodus from our community and undermine the proper functioning and social mix of our area. the rates increase will add to the inflationary environment and will eat up what little reprieve the Reserve Bank has offered so far in lowering of interest rates this year, and the outlook is not good for further relief. Council has not done was the business world has to do in inflationary and tight economic conditions which is to reduce wasteful spending and focus on the core functions and the basic needs of the community. Council had millions \$ in the bank after amalgamation and if it has truly all been spent, then this is appalling because no amount of weather-related pot holes or losses due to COVID can be blamed on the draining of what was a massive and very healthy budget after amalgamation . I have worked for the Council for 10 years, including pre-amalgamation and I have witnessed firsthand in this new NB Council huge amounts of wasteful spending on woke projects (which benefit few but might win them some awards), glossy PR stunts from a bloated Comms and Media team designed to trick the community into thinking they are doing great work, and way too much reliance on expensive consultants to give the impression of 'independent' expertise when it is not really needed far too much ratepayer money is spent on unnecessary 'quick win' highly visible, eye-catching road or park features or special services that benefit only a small number of people, when they should be focused on the basic fundamental infrastructure that the community needs . so much time is spent by staff chasing awards and recognition, and promotional initiatives that don't achieve anything practical . many times I have been asked by neighbours and friends why is Council wasting money on useless pursuits? . when I have questioned at work the amount of money being spent on projects of little benefit for the broader community, I have been ignored IPART please look closely at where the amalgamation funds have gone and why a Council should be earning income from investments when that money could be spent instead of burdening already stretched ratepayers with even more unnecessary bills. The timing of this SRV proposal is out of order and cruel. The overwhelming majority of the community oppose the rates increase and the Council has ignored their views. They should be trying to help their community through this difficult period, by eliminating waste, improving efficiency and keeping costs down wherever possible.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I believe the special variation is far too high. The council should stop spending on unnecessary projects ie. nice to have but not essential community events. I went to an event at manly library last year which was \$5 a head. I doubt very much it broke even after paying the author, staff to work late and catering costs. The council needs to work within their means just like ordinary people living within theirs. I am a single mum of adult children still at home but none of us earn very much and every second week of the fortnightly pay is a struggle. I really hope Ipart listen to the northern beaches community.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This proposal is ridiculous and lazy by the Council. In the first instance have a look at some of the waste and overspend occurring frequently across many council managed jobs. For example, the Oliver St Freshwater Cycleway. I have never seen so much money wasted on rounds and rounds of public consultation. It was appropriately exhibited once, construction actually started and then stopped, and the excessive consultation begun. And the outcome, the council decided on a construction method which they couldn't afford anymore (due to waste on staff and consultants time and actual spec) so only about 20% of the cycleway will now be built. This is representative of a pattern of much the same behaviour, all of which wastes the communities money. Too many staff at the council creating work to justify their own jobs.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I will admit, we have a good stable council in our area. However, like most councils, we get the absolute bear minimum. It is egregious to request an increase of 39.6% over the next 3 years and is not in line with even the wildest inflationary or CPI increase numbers. I do not know a single person in my Northern Beaches Neighborhood who supports the outrageous ask. We all get it costs go up (even though wages do not). But the percentage ask is NOT acceptable. Government needs to accurately explain in minute detail what such an increase could translate to in terms of benefits to the community. The roads are a mess (the ones they are responsible for), park furniture is falling apart, and the balance in my view is not there. I run a business, we have budgets which includes CAPEX spending plans and OPEX running costs. If I put this in front of my board, I would be shown the door. Big NO from me. Make the increase sensible, not offensive.

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I strongly object the near to 40% rate rise that Northern Beaches Council has imposed on its ratepayers. This rate rise was opposed by a good majority of the residents of the Northern Beaches who took part in the survey provided to us by the Council, yet the Council still approved it with the Mayor casting 2 votes to bring it over the line. I find this approval abhorrent given there was only a very small percentage of residents who agreed with the rate rise, compared to the much higher percentage who didn't (more than 50%). Clearly the survey was a smokescreen given the Council did not take into consideration the views of the residents. I would like to see the Northern Beaches Council, under Section 438U of the Local Government Act investigated as to how they are spending their ratepayer funds including their performance and efficiency, given there was a: - \$40 million increase on employees in 2023-24 compared with 2014-15. - \$14.6 million increase on contractors in 2023-24 compared with 2016-17. Given the above figures, it appears the Council is taking out their inefficiency and lack of performance on the residents, hence an investigation is needed. The rate rise will have a significant impact on the ratepayers given the already high cost of living including high interest rates on mortgages, despite the small reduction by the Reserve Bank on interest rates recently. The rate hike that the Northern Beaches Council has approved by 1 vote (the Mayor's vote) is downright unfair to the residents no matter what their socioeconomic status is. As a Northern Beaches Council ratepayer for some 30 years, I implore you to intervene and stop this preposterous decision by the Council.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In an ideal world, the proposed rate increases may well be justifiable by Council however it is not an ideal world and certainly not in recent years with the prevailing well publicised increased cost of living conditions. While we all would like to simply increase our incomes to deal with it, it doesn't happen that way and we have to adjust our spending accordingly. So should Council. Citizens can rationalise why we need more income until we are black in the face but it doesn't change a thing, we need to adjust and live within our means. No doubt many businesses would also like to hike their prices by the percentages proposed but once again it simply doesn't happen like that. Unfortunately Council is divorced from reality. While it may well be nice to be able to maintain or expand all existing services, ratepayers expect Council to live within its means just like in the real world. Effectively they are saying that to maintain our standard of living our incomes must increase by the same percentage as the proposed rate increases, it is illogical and unacceptable. There will certainly be a rate increase but it should be linked to the CPI with savings realised through improved efficiencies (always possible even in the best run organisations), review of salary scales (that are clearly ridiculous when so many execs are paid more than the Prime Minister) and trimming of existing programs to must have rather than nice to have.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I do not support the rate rise. The council should manage its funds better and reduce its costs before slugging the rate payers with a ridiculous rate rise. The 10.7% increase is surely enough and the council should listen to the majority of its rate payers surveyed.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Northern Beaches Council is going against the majority wishes of its constituents who voted option 1 in their survey to reduce services. This is undemocratic. The 40 % rate hike will be very difficult for myself and many people to pay who are on low incomes. I don't have faith in the councils ability to manage the areas assets. I would like the council sacked and replaced with more experienced management who are able to run it like a viable business. There are too many niche services catered for and too many staff. Please don't allow the council to ignore their own process. Have your say surveys are useless if they are not taken seriously. Thank you

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Dear Sir / Madam, In response to the Northern Beaches Council submission to IPART for a special rate variation I make the following observations. The basis of the variation request by council as stated in reference [1] being rising inflation on construction and materials and day-to-day Council operations, loss of income from the pandemic and the massive cost shifting from other tiers of government are threatening our long-term financial sustainability. 1. Rising inflation on construction and materials and day-to-day Council operations; Rising inflation is not a valid reason for a special variation request. Inflation is a macroeconomic issue for the whole economy which affects all LGAs not just Northern Beaches Council and is to be addressed by IPART in the setting of maximum rate rises applicable for all LGAs as part of its normal process. 2. Loss of income from the pandemic: From the northern beaches financial reports reference [2] for 2018/2019 and reference [3] for 2023/2024 it can be seen that total income excluding grants and contributions and rates is \$114.1million for 2018/2019 and \$139.5 million for 2023/2024. While there is now a slightly larger proportion of the income coming from sources other than rates 59% in 2018/2019 and 56% in 2023/2024, there is no evidence to support the council statement of a loss of income. 3. Massive cost shifting from other tiers of government: Again the financial reports do not support councils case. The Grants & Contributions (Operating and Capital purposes) for 2018/2019[2] total \$33.6 million, 2023/2024[3] total \$55.75 million and the budget for 2024/2025[4] total \$54.8 million. The latest budget represents only a slight decrease in the budget which may or may not eventuate. The facts show that government support has in fact been increasing from 2018/2019. The northern beaches council explanation [1] goes on to state that the additional funds will be used to improve the quality of services for the community. This proposition was put to the community in the form of a survey contained in reference [5] - Community and Stakeholder Engagement Report. The feedback from the northern beaches community was to reduce services- Option 1 (51%), maintain services Option 2 (32%), improve services Option 3 (11%) and increase services Option 4 (6%). The overwhelming feedback from the community was to reduce or maintain services (83%) versus improve or increase services (17%). The northern beaches council have totally ignored the community and proceeded to IPART with Option 3 (39% increase in rates) against the wishes of the community. The northern beaches council explanation [1] further goes on to outline its cost saving efforts including savings in employee costs. What is galling to the community is that the northern beaches council executive continue to remunerate themselves handsomely. The northern beaches council executives are among the highest paid councils in the country per reference [6]. While other NSW government agencies have frozen executive pay during this inflationary period the northern beaches executive continue to remunerate themselves presumably with increases at or above inflation while expecting the community to suffer substantial increases to rates. In summary given the above I would request IPART reject the northern beaches council special variation request as: 1. There are no special circumstances. 2. There is no substantiated loss of income contained in the council financial reports. 3. The Option 3 (39% rate increase) and the supposed improvement of services is not supported by the ratepayers. In addition if there are any special circumstances that are supported by the northern beaches council submission to IPART that are substantiated, then any increased variation to rates should be limited in duration to that circumstance (eg. for a specific construction project) and not a general irrevocable increase. Regards



SUBJECT: IPART Special Rate Variation Request - Northern Beaches Council - 2025

Dear Sir / Madam,

In response to the Northern Beaches Council submission to IPART for a special rate variation I make the following observations.

The basis of the variation request by council as stated in reference [1] being "rising inflation on construction and materials and day-to-day Council operations, loss of income from the pandemic and the massive cost shifting from other tiers of government are threatening our long-term financial sustainability".

1. Rising inflation on construction and materials and day-to-day Council operations:

Rising inflation is not a valid reason for a special variation request. Inflation is a macroeconomic issue for the whole economy which affects all LGA's not just Northern Beaches Council and is to be addressed by IPART in the setting of maximum rate rises applicable for all LGA's as part of its normal process.

2. Loss of income from the pandemic:

From the northern beaches financial reports reference [2] for 2018/2019 and reference [3] for 2023/2024 it can be seen that total income excluding grants and contributions and rates is \$114.1million for 2018/2019 and \$139.5 million for 2023/2024. While there is now a slightly larger proportion of the income coming from sources other than rates 59% in 2018/2019 and 56% in 2023/2024, there is no evidence to support the council statement of a "loss of income".

3. Massive cost shifting from other tiers of government:

Again the financial reports do not support councils case. The Grants & Contributions (Operating and Capital purposes) for 2018/2019^[2] total \$33.6 million, 2023/2024^[3] total \$55.75 million and the budget for 2024/2025^[4] total \$54.8 million. The latest budget represents only a slight decrease in the budget which may or may not eventuate. The facts show that government support has in fact been increasing from 2018/2019.

The northern beaches council explanation ^[1] goes on to state that the additional funds will be used to improve the quality of services for the community. This proposition was put to the community in the form of a survey contained in reference [5] - Community and Stakeholder Engagement Report. The feedback from the northern beaches community was to reduce services- Option 1 (51%), maintain services – Option 2 (32%), improve services – Option 3 (11%) and increase services – Option 4 (6%). The overwhelming feedback from the community was to reduce or maintain services (83%) versus improve or increase services (17%). The northern

beaches council have totally ignored the community and proceeded to IPART with Option 3 (39% increase in rates) against the wishes of the community.

The northern beaches council explanation [1] further goes on to outline its cost saving efforts including savings in employee costs. What is galling to the community is that the northern beaches council executive continue to remunerate themselves handsomely. The northern beaches council executive's are among the highest paid councils in the country per reference [6].

While other NSW government agencies have frozen executive pay during this inflationary period the northern beaches executive continue to remunerate themselves presumably with increases at or above inflation while expecting the community to suffer substantial increases to rates.

In summary given the above I would request IPART reject the northern beaches council special variation request as:

- 1. There are no special circumstances.
- 2. There is no substantiated loss of income contained in the council financial reports.
- 3. The Option 3 (39% rate increase) and the supposed improvement of services is not supported by the ratepayers.

In addition if there are any special circumstances that are supported by the northern beaches council submission to IPART that are substantiated, then any increased variation to rates should be limited in duration to support that circumstance (eg. for a specific construction project) and not a general irrevocable increase.

Regards

[1] What you need to know about the rates special variation

https://www.northernbeaches.nsw.gov.au/council/news/what-you-need-to-know-about-rates_special-variation

Why is this special rate variation being considered?

The impacts of rising inflation on construction and materials and day-to-day Council operations, loss of income from the pandemic and the massive cost shifting from other tiers of government are threatening our long-term financial sustainability.

The increases to rates applied under the NSW Government's rate peg system (which is similar to a CPI for councils) have not kept up with the increasing external costs Council faces and this gap is increasing every year.

Without a Special Variation Council would need to cut the services the community reasonably expect us to deliver.

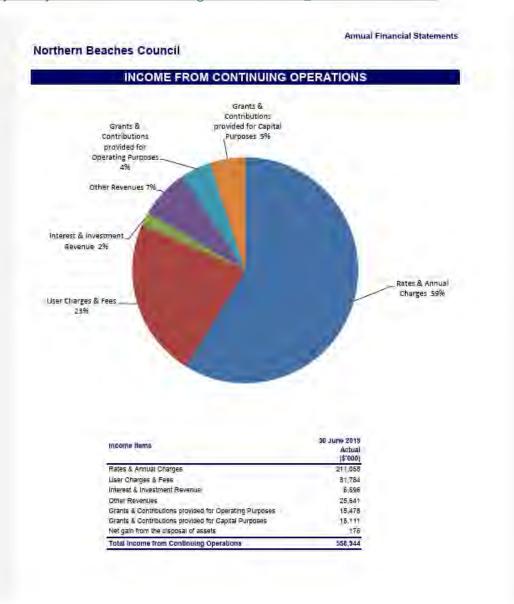
If approved, what will the additional funds be used for?

Additional funds will allow Council to continue to invest in quality services for our community, which will be used to:

- · improve existing services
- · invest in natural risk reduction programs such as stormwater works, bushfire protection and beach nourishment
- · enhance environmental projects including bushland and invasive species management.
- · deliver larger renewal projects (e.g. renewal of the Warringah Aquatic Centre)
- · address the asset renewal and maintenance gap
- · improve roads and expand footpath programs
- · establish a fund for natural disaster recovery.

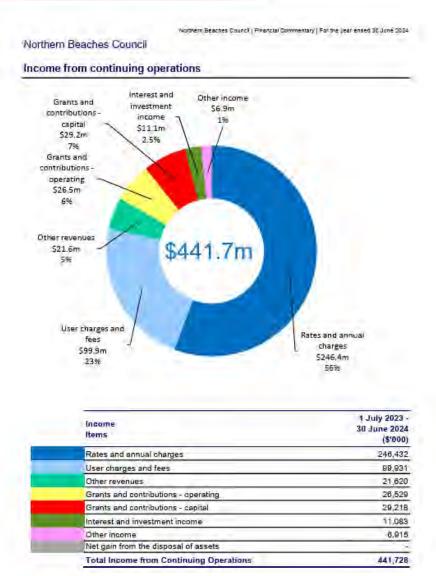
[2] General Purpose and Special Purpose Financial Reports, 1 July 2018 - 30 June 2019.

https://yoursay.northernbeaches.nsw.gov.au/download_file/view/2221/1885



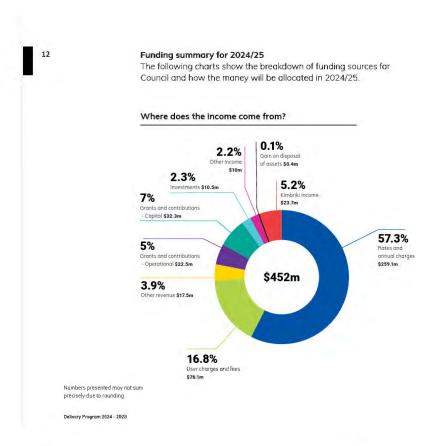
[3] 2023-2024 Annual Report with Financial Statements

https://files-preprod-d9.northernbeaches.nsw.gov.au/nbc-prod-files/media/files/2024-11/annual-report-202324-with-financial-statements.pdf



[4] <u>Delivery program 2024 - 2028 and Operational Plan and Budget 2024/25</u> - Amended Council meeting 28 January 2025

https://eservices.northernbeaches.nsw.gov.au/ePlanning/live/Common/Output/Document.aspx?t=webdoc&id=sWLgLkWJxI0V0A60ki4OEg==



Operational Plan and Budget 2024/25

_						_					
CSP	Projects	2024/25	2025/26	2026/27	2027/28	CSP	Projects	2024/25 \$'000	2025/26 \$1000	2026/27 \$'000	\$1000
G2 G17	Investigate and implement viable options to reduce minor flooding on Wakehurst Parkway						Coastal protection works				
	EM Environment and Climate Change					G2	Collaroy-Narrabeen coastal protection works	3.776	3.737	3.196	3,000
G2	Develop and review flood, bushfire and coastal management strategies and plans EM Environment and Climate Change						Stormwater program				
G3 G4	Expand and optimise volunteer, sustainability					G2	Planned stormwater new works	1,955	1,942	1,930	1,917
03 04	and environment programs in response to community priorities					G2	Oxford Falls Road west flood mitigation	3,000	-	-	
	EM Environment and Climate Change					Total n	w works - Environment and sustainability	8,731	5,679	5,126	4,917
G1 G2	Develop and implement a Catchment Rehabilitation Plan EM Environment and Climate Change	•	•			Capito	Capital - renewal				
G 6	Develop and implement a Transition from Gas Plan for Council facilities		- · -				Stormwater program				
	EM Environment and Climate Change	•		•		G2	Planned stormwater renewal works	4.060	5.972	6.272	6,429
G1 - G6	Report on the State of the Northern Beaches					G2	Reactive stormwater renewal works	1.006	1.029	1.053	1.078
	Environment EM Environment and Climate Change	•				62	Gross pollutant trap renewal works	102	104	106	109
G 5	Develop a Northern Beaches Recovery Plan Director Environment and Sustainability						Water and energy saving initiatives				
	The second secon					G4 G5	Energy savings initiatives program	113	321	321	329
						G4 G5	Water saving and re-use initiatives	25	77	86	90
						Total re	newal works - Environment and sustainability	5.305	7.503	7.838	8,035

[5] Community and Stakeholder Engagement Report

https://yoursay.northernbeaches.nsw.gov.au/download_file/10604/3105

7.5 Opt in survey - Rank the options in order of preference

The preference ranking question on the feedback form online and in hard copy allowed respondents to choose each of the 4 options in order of preference, with 1 the most preferred and 4 the least preferred. Respondent were not required to rank all options.

A total of 5,584 respondents nominated a first preference and 4,811 respondents ranked all options. The graph below shows 1st preference of respondents. Support for the combined options of Maintain, Improve and Increase service is at 49% balanced against support for Reduce service:



Figure 5 - 1st preference in opt-in survey - survey

Respondents that choose Maintain, Improve and Increase service as 1st preference continued to support options which at a minimum Maintain service. The table below shows the movement in ranking from 1st to 2nd preference between the options. Some 58% of respondents with a 1st preference of Maintain choose either Improve or Increase for their 2nd preference.

[6] Top paid council general managers earn more than \$500,000 a year, new NSW data reveals

NSW councils' general manager remuneration in 2022/23

Council	General managers' remuneration			
Walgett	\$745,467			
Penrith	\$698.487			
Parramatta	\$607,000			
Northern Beaches	\$569,669			
Liverpool Plains	\$559,348			
Canterbury-Bankstown	\$544,676			
Sydney	\$541,510			
Blacktown	\$532,867			
Central Coast	\$531,298			
Maitland	\$514,000			

- Office of Local Government NSW / Get the data

[Extract of newspaper article not published due to copyright reasons]

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Hello and thank you for the opportunity to respond. Firstly, I'm aware that relatively few Ratepayers will actually get around to participating in a Survey or Submission; likely because most are flat out trying to keep up with all that a busy, modern life throws at them; and especially so in these times which are making ends meet, more difficult than ever. I believe one Northern Beaches (NB) Councilor who is clearly pro Rate Rise stated that as relatively few had turned out to make their voices heard at the Council meeting, that meant that the rest, ie the majority of Ratepayers, supported the Rate Rises. This is clearly nonsense and I know from my discussions with normal folk, that these rises, if approved will make life very difficult for many to remain in the NB area. I can't understand how it can be acceptable that there are over 100 members of the NB Management Team. Why do we need so many? This seems way too top heavy. And I understand some of the senior members are paid more than the State Premier. How can someone running a NSW Council get remuneration in excess of the NSW Premier. That's clearly not right. Secondly, the Management Team appear to be doing a very poor job of effectively managing Ratepayer funds. Here's an example which is especially irksome: The decision some years ago to replace all our Waste Bins with new ones, when the existing "fleet" of Bins were fine. If I understood correctly, the main advantage of the new Bins is that they are chipped, but that tech isn't being used, and nor can I see it ever being of much use. Further, the new Bins design is inferior to the old Bins as the new Bins leak water into them from the lid, in heavy rain. So, \$Millions wasted and the old Bins weren't all recycled, so more unnecessary waste created to further limit the usable life of our current Tips. There are many more examples, such as the poor maintenance of our Roads, and the ineffective way Council repairs potholes, but I'll leave it there for now. I urge you not to approve the Council's request for a Special Variation on Rates and tell them to go away and work on cutting their costs, esp the number and value of salaries, and budget within their means, just as each of us Ratepayers needs to. With thanks.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the

dropdown list of councils, at the very top).

The increased rates will be accompanied by no increase to services. The current budget has much fat yet to be trimmed before such a substantial increase should be considered.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are very happy to pay this rate for the reasons given by council. Most northern beaches residents have no idea how much services cost and they want a lovely environment but without paying to look after it. They also don't much like sharing it with visitors. So please approve the rate rise requested by council.

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The option chosen by council received less than 15% of the consultation votes, shows a total lack of empathy & understanding to the current economic climate of residents, and in any normal business decision where costs outweigh revenue, the sensible choice would be to restrict the costs/services offered. The current proposal makes a mockery of residents and their concerns raised