



Community Engagement Outcomes Report

Special Rate Variation (SRV) and Minimum Rates proposals

January 2025

Document status

Job #	Version	Written	Reviewed	Approved	Report Date
7820	1.0	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	21 January 2025
7820	2.0	[REDACTED]		[REDACTED]	22 January 2025
7820	3.0	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	28 January 2025

Contents

Executive Summary	1
Key Findings	1
Next steps	2
1 Introduction	3
1.1 Background and context	3
1.2 Proposed SRV Options	4
1.3 Proposed changes to special levies	5
1.4 Proposed Minimum Rates	6
1.5 Updated Delivery Program, Long-Term Financial Plan and Informing Strategies	7
2 Engagement Process	7
2.1 Engagement purpose and objectives	8
2.2 Engagement framework	8
2.3 Engagement level	9
2.4 Engagement Activities and Reach	10
2.4.1 Have Your Say site analytics	12
2.5 Adjustments during the consultation process	13
3 Engagement findings	14
3.1 Survey	14
3.1.1 Understanding the need for a rate rise	16
3.1.2 Feedback on SRV	16
3.1.3 Community willingness to pay	18
3.1.4 Feedback on Minimum Rates proposal	19
3.1.5 Feedback on the proposal to consolidate current special levies into ordinary rates	19
3.2 Community workshop	20
3.2.1 Participant selection	20
3.2.2 Workshop purpose	22
3.2.3 Workshop structure and process	22
3.2.4 Understanding the need for a rate rise	23
3.2.5 Feedback on the SRV	24
3.2.6 Community willingness to pay	25
3.2.7 Feedback on the Minimum	27

3.3	Self-initiated feedback	27
4	Key themes	28
4.1	Concerns about Council’s mismanagement of the NSOP project	28
4.2	Concerns over financial management of Council generally	29
4.3	Concerns about not being presented with a "no SRV" or smaller SRVs options	29
4.4	Council should find alternatives to an SRV	30
4.5	Cost of living and affordability concerns	30
4.6	Timing of consultation	30
4.7	Calls for greater accountability and transparency in how funds are managed	30
5	Conclusion	31
	Appendix A: Engagement Plan	32
	Appendix B: Communications and marketing collateral (samples)	33
	Appendix C: Fact Sheet	39
	Appendix D: Media coverage (samples)	40
	Appendix E: Social media posts (samples)	49
	Appendix F: Community forum and meeting presentations	53
	Appendix G: Survey	54
	Appendix H: Community Workshop Report	55
	Appendix I: Councillor and MP communications	56

Tables

Table 1	Proposed SRV options	4
Table 2	What does each SRV option provide?	5
Table 3	Proposed minimum rates for each SRV option and the base case	6
Table 4	Engagement Mechanisms	10
Table 5	Workshop feedback on the SRV Options	24

Figures

Figure 1	IAP2 Spectrum of Public Participation	9
Figure 2	Have Your Say page visitors summary	13
Figure 3	Survey Respondents identified themselves in the following categories	14
Figure 4	Suburb of survey respondents	15
Figure 5	Sources of community awareness	15
Figure 6	Survey response – Familiarity with Council's long-term financial plan (LTFP)?	16
Figure 7	Preferred SRV Option	17

Figure 8	Willingness to pay for services increases in Informing Strategies	18
Figure 9	Support for Informing Strategies	19
Figure 10	Suburbs of workshop participants	20
Figure 11	Length of time in North Sydney LGA	21
Figure 12	Age of workshop participants	21
Figure 13	Participant responses: To what level should Council maintain its infrastructure?	26
Figure 14	Survey and other responses that identified the themes	28
Figure 15	Sample of newspaper advertisement	34
Figure 16	e-Newsletter (sample)	35
Figure 17	Sample of signage	38
Figure 18	Excerpts from ABC News article by Tony Ibrahim from 18 November 2024	40
Figure 19	Excerpts from Sydney Morning Herald article by Megan Gorrey from 23 November 2024	42
Figure 20	Excerpts from Northern Sun article from 26 November 2024	43
Figure 21	Northern Sun article from 4 December 2024	45
Figure 22	Social Media Post from 27 November 2024	49
Figure 23	Social Media Post from 2 December 2024	50
Figure 24	Social Media Post from 11 December 2024	51
Figure 25	Social Media Post from 20 December 2024	52

Executive Summary

This Community Engagement Outcomes Report details the outcomes of the community awareness and engagement strategy undertaken by North Sydney Council (“Council”) in relation to a proposed application to the Independent Pricing and Regulatory Tribunal (“IPART”) for a Special Rate Variation (“SRV”), which was delivered from Wednesday, 27 November 2024 to Friday, 10 January 2025.

The engagement was planned with two key objectives:

1. **Inform:** to raise awareness of why an SRV is needed and inform the community of the options being considered and resulting impacts on service levels.
2. **Consult:** to publicly exhibit the draft Long-Term Financial Plan (“LTFP”) and seek community feedback on the proposed SRV options and the proposal to increase the Minimum Rates for residential and business rating categories.

Implementation of this engagement was carried out in accordance with the Community Engagement Action Plan considered by Council at its Ordinary Meeting held on Monday, 25 November 2024. Significant effort was made to effectively promote the engagement, with a wide range of communication tools and platforms utilised to inform the community of the engagement and explain how members of the community could participate and provide feedback on the four SRV options being considered by Council.

As part of the engagement, Council facilitated an online survey to gather community feedback on the proposed SRV options and changes to minimum rates. The survey was made available via Council’s dedicated SRV Have Your Say webpage. In total, 792 responses to the survey were received. Self-initiated written feedback received by Council up until 10 January 2025 totalled 227 submissions, emails and letters.

Council also conducted a workshop with 42 demographically selected residents. The workshop was designed to build capacity for participants to meaningfully engage with the content and make informed decisions. While the participants were presented with the same information as was available on the Have Your Say webpage and in the other community forums, they had the ability to dive deeper into the issues. The majority of the workshop participants indicated they understood the current and future financial challenges facing North Sydney Council. The majority believed it is important to address all the challenges, including continuing service delivery, ensuring a strong Council, ensuring intergenerational equity, and being proud of where they live (62%). SRV Option 3 – future growth (111.20% cumulative over three years) was typically the most preferred of workshop participants.

Key Findings

- Council’s communication and awareness efforts were successful, with extensive traditional and social media coverage from local, Sydney-wide and national media outlets, 4,494 discrete visitors to Council’s Have Your Say page, 6,885 receiving an electronic direct mail (EDM) and 426 attending a face to face or online information session, precinct committee meeting or workshop to inform themselves about the proposal.
- Of the 4,494 visitors to the Have Your Say page, 792 completed the online survey on the SRV and Minimum Rate proposals. Of the 792 survey respondents most respondents to the online survey understood why Council was proposing applying for an SRV and increasing minimum rates, 89 per cent indicated that they had read the Council’s Long Term Financial Plan (LTFP) containing the

proposals. Only two submissions indicated that they didn't understand the SRV proposal and three that they didn't understand the minimum rates proposal.

- If Council does proceed in applying for an SRV, the preferred option indicated in the survey was for Option 1 – Financial Repair (65.38% cumulative over three years), with 56 per cent of responses selecting this option. A substantial proportion of survey responses either did not indicate a preference (25 per cent of responses) or stated that they did not support an SRV but chose Option 1 as the lowest of the options. The next most favoured option was Option 3 – Future Growth (111.20% cumulative over three years), with 9 per cent of responses, followed by option 2b – Strength and Sustainability (a one-year increase of 75%) with 6 per cent of responses favouring this option and Option 2a – Strength and Sustainability (87.5% cumulative over two years) with 5 per cent of responses. Those who took part in demographically selected workshop and dove deeper into the issues, preferred Option 3 – Future Growth (111.9% cumulative over three years).
- Sixty per cent of survey respondents didn't express a preference for or against the minimum rates proposal, with 32 percent of responses disagreeing and seven per cent supporting the proposal.
- The most common objection to the SRV proposal was that residents should not have to pay for the increased costs associated with the North Sydney Olympic Pool (NSOP). Approximately 38 per cent of respondents suggested a range of alternatives to the SRV options including selling assets, cutting costs either through further operational efficiencies or service reductions, seeking government assistance, utilising debt or redistributing the rates burden to business or those that are currently exempt from paying rates (e.g. private schools).
- Affordability and ongoing cost of living was nominated as a concern by approximately 16 per cent of respondents. These respondents indicated that both proposed SRV options were unaffordable, with most objecting to the extent of the proposed rate increases. A small number of these respondents indicated that they agreed that an SRV was necessary, but that the increases proposed under the SRV options and minimum rates proposal were too significant.

Next steps

Should Council proceed in applying to IPART for an SRV and Minimum Rate increases, it will need to prepare and submit two applications to IPART in February 2025, one for the SRV and one for the Minimum Rates increases. IPART will publish the application (if any) and accompanying materials to its website and invite public submissions from members of the community via a community consultation process. IPART will review and consider all submissions it receives, prior to releasing its final decision in relation to the application.

The timeline, along with further information on the SRV process, including how IPART assesses SRV applications – is available from IPART's website at www.ipart.nsw.gov.au.

1 Introduction

1.1 Background and context

North Sydney Council ('Council') is a Sydney Metropolitan Council providing services to 72,014 residents as of 2023 across 10.5 square kilometres, with a population density of 6,862 people per square kilometre. The population is currently forecast to grow to 79,442 by 2036¹, which is an increase of 10.3 per cent over 13 years. However, the recent opening of two metro stations in the Local Government Area (LGA) and the identification of the Transport Oriented Development (TOD) accelerated precinct around the Crows Nest metro station have grown population forecasts for the LGA to 85,000 to 87,000 people by 2036 based on New South Wales (NSW) Government housing targets.

In May and June 2024, Council engaged the community in an important conversation about 'The Next Ten Years' for North Sydney. Through a series of thought-provoking discussion papers, panel sessions, surveys and workshops, the community considered where we are now and where we would like to be over the next decade. This work together with extensive research from external consultancies Council partnered with in several key areas has informed the development of seven draft Informing Strategies and will inform Council's new Community Strategic Plan. These strategies aim to ensure the community of North Sydney continues to enjoy a quality of life and a sense of community supported by responsive services and high-quality infrastructure that support this evolving community.

Critical to delivering these aspirations is Council's financial position. Council's financial strength and sustainability directly impact its ability to deliver services and infrastructure at a level both needed and expected from the growing community.

Council is facing significant financial challenges and is currently in an unsustainable financial position. Despite efforts to improve financial management through organisational restructuring and other improvement initiatives, the increased costs of the North Sydney Olympic Pool redevelopment, reductions in other sources of revenue, and rising infrastructure backlogs require immediate response to ensure long-term financial sustainability. These challenges are compounded by increased service delivery costs, ageing infrastructure, and the needs of a growing population. Without intervention, the funding gap will continue to widen, impacting Council's ability to maintain services and invest in essential infrastructure.

Funding the 10-year LTFP is critical for Council to meet the Office of Local Government's Integrated Planning and Reporting (IP&R) obligations. IP&R is a strategic framework used by councils in New South Wales to align their planning, decision-making, and resource allocation with 10-year community priorities and legislative requirements.

¹ <https://forecast.id.com.au/north-sydney> - These forecasts were last adjusted in March 2024 by .id, the population experts, on behalf of North Sydney Council.

1.2 Proposed SRV Options

To address these issues, Council has considered and consulted with its community on three primary options for a potential permanent SRV, each providing a different level of benefit. There are two potential SRV paths for Option 2; Option 2a proposes an SRV implemented over two years and Option 2b is a proposed one-year SRV. All four SRV options are as summarised in Table 1 below.

All the SRV options will address Council’s current deficits, provide sufficient funds to complete the committed North Sydney Olympic Pool project and allow council to implement systems and process improvements to enable more effective governance as per the Improvement Program and Governance Strategy. All options include the expected efficiency gains from Council’s improvement program.

Options 1 and 2 set aside some funds to renew infrastructure and reduce Council’s infrastructure back log over time. Option 3 allows Council to further improve the condition of infrastructure. Option 2 and 3 also allow sufficient funds to implement Council’s Informing Strategies. Table 2 below outlines what each SRV option will be able to provide. The timeframes set out in the options below were designed to balance the need to address Council’s current liquidity position with the community’s capacity to pay for rate increases as outlined in the separate Capacity to Pay report.

Table 1 Proposed SRV options

All options include the rate peg	2025-26	2026-27	2027-28	Cumulative
Option 1: Financial repair	50.00%	5.00%	5.00%	65.38%
Option 2a: Strength and sustainability (SRV over 2 years)	50.00%	25.00%	Rate peg	87.50%²
Option 2b: Strength and sustainability (one-year SRV)	75.00%	Rate peg	Rate peg	75.00%
Option 3: Future growth	60.00%	20.00%	10.00%	111.20%
Rate peg (base case for LTFP) ³	4.00%	3.00%	3.00%	

² The Office of Local Government SRV Guidelines and IPART Guidance requires that SRVs are stated at the cumulative impact of the proposed rate increase over the number of years that the SRV is proposed to be implemented. Option 2a is proposed to be implemented over two years and 2b is proposed to be implemented over one year, therefore its cumulative rates in the table above are compounded over two and one year’s respectively. However, this doesn’t provide an accurate comparison for these options against the other proposed options (option 1 and option 3) that are over three years, as the rate peg increases will then apply after the SRV is implemented. If the assumed 3% rate peg is applied for years two and three, the comparison rate for option 2a is 93.31% and for option 2b is 85.66%.

³ This is a somewhat conservative estimates in comparison to the current 2025-26 rate peg that were announced in November 2024, it assumes a continued decline in inflation over the coming years.

Table 2 What does each SRV option provide?

	Option 1	Option 2 (a and b)	Option 3
Deliver current services and address core deficits	✓	✓	✓
Deliver required systems replacement in Governance Strategy	✓	✓	✓
Maintain infrastructure renewals (80% renewal rate in first two years and 100% thereafter)	✓	✓	✓
Repay 70% of borrowings	✓	✓	✓
Reduce infrastructure backlog ⁴	✓	✓	✓
Deliver expanded services and new and upgraded infrastructure identified in the Informing Strategies.	✗	✓	✓
Improve building assets to a 'good' condition, with \$15.5 million per year from 2028-29 to further improve infrastructure.	✗	✗	✓

1.3 Proposed changes to special levies

Council has also undertaken a review of its rating structure and proposes to remove the infrastructure, environmental and main street levies, which are paid separately to ordinary rates. The income from these levies would be incorporated into the ordinary rates charged and permissible rates income would be raised entirely through ordinary rates. Making Councils' rating structure simpler and more equitable. Residents are paying approximately 90% of all the levies, whereas they pay 60% of total ordinary rates and receive approximately 60% of the benefits from Council services. These changes mean that residents would pay 60% of the total permissible income and businesses pay 40%.

⁴ Critical infrastructure addressed in first two years, \$15 million per year (indexed) from 2027-28 to bring assets to a satisfactory condition.

1.4 Proposed Minimum Rates

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

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

After 2024-25, minimum rates will increase by the approved rate path, which may either be one of the proposed SRV options or the rate peg, as outlined in Table 3 below.

Table 3 Proposed minimum rates for each SRV option and the base case

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

*For comparison purposes, it is important to note that in addition to the current minimum rate of \$715 in 2024/25, residential ratepayers currently pay an average of \$129.34 in infrastructure, environmental and

main street levies. These special levies will not be charged in addition to the minimum rate under the new SRV proposal.

1.5 Updated Delivery Program, Long-Term Financial Plan and Informing Strategies

Council has developed a revised Long-Term Financial Plan (LTFP), which includes four proposed Special Rate Variation (SRV) options and a base case without an SRV, which has been placed on public exhibition for comment alongside of the consultation on the SRV options. Council also exhibited an updated 2022-2026 Delivery Program, a revised Asset Management Strategy to support the revised LTFP. To ensure best practice in delivering Council's IP&R obligations, these documents focus on the longer-term future of the LGA, accommodating future growth and aspirations of the community as well as addressing the short term liquidity challenges that Council faces now.

Council also developed, exhibited and sought feedback on its draft Informing Strategies that were developed to the extensive consultation undertaken in May and June 2024. These included:

- Culture and Creativity Strategy
- Economic Development Strategy
- Environmental Strategy
- Governance Strategy
- Housing Strategy supplement
- Integrated Transport Strategy
- Open Space and Recreation Strategy
- Social Inclusion Strategy.

SRV Options 2a, 2b and 3 included funding to deliver these strategies, which included a small component of new assets and/or expanded services of no more than 13.5% of the total rates revenue.

The consultation for all of the above was undertaken in parallel to the SRV consultation, which ran from 27 November 2024 to 10 January 2025.

2 Engagement Process

Council developed a Community Engagement Strategy which was endorsed by Council at its meeting of 25 November 2024 and is included in Appendix A of this report.

This engagement was defined as 'high impact', which means that the issues have a real or perceived impact across the whole LGA. The issue has the potential to create controversy and has a high level of potential community interest.

It is also considered to have 'high complexity', as the information presented to the community was based on relatively complex financial analysis and needed to be expressed in terms that are easily understood.

2.1 Engagement purpose and objectives

The purpose of the community engagement was to ensure that the community is adequately informed and consulted about the impact of the proposed special rate variation and the impact of not applying for a special rate variation.

The objectives of this community engagement process included:

- To present the proposed SRV options and proposed minimum rates.
- To identify the impact of the SRV options on the average rates across each rating category.
- To gauge the community's willingness to pay for the new initiatives proposed in the Informing Strategies.
- To exhibit the draft Informing Strategies, an updated 2022-2026 Delivery Program and a 2025-35 Long-Term Financial Plan (LTFP) demonstrating the impact of the proposed SRV on Council's operating results from 2025-26 for feedback and final endorsement by Council.
- To communicate to the community the timeline and process for any potential SRV application.
- To gather and consider the community's feedback to inform Council's final decision on whether and how to move forward with an SRV application.

2.2 Engagement framework

The engagement strategy was developed to ensure that it meets the SRV and Minimum Rate assessment criteria set out by the NSW Office of Local Government, who sets policy and oversees the local government industry, and the Independent Pricing and Regulatory Tribunal (IPART), who will assess any SRV and Minimum Rate application submitted. It was also developed in compliance with Council's Community Engagement Policy and Protocol as well as the International Association for Public Participation (IAP2) Australasia Quality Assurance Standard.

Under Council's Community Engagement Policy, all engagements are guided by the following principles:


- **Focus and commitment:** Council will ensure that the rationale behind the engagement is clearly stated and will consult with affected parties before making decisions.
- **Resourcing:** Council will ensure that any proposed project is adequately resourced, and the level of community consultation relates to the level of community involvement required.
- **Timing:** Council will undertake community engagement at the earliest appropriate stage of the project.
- **Inclusiveness, accessibility and diversity:** Council will ensure that the groups or individuals invited to participate in the consultative process are representative of the overall target group, and that communication strategies are designed to reach the broadest appropriate sections of the community and attract the broadest range of community interests.
- **Provision of information:** Council will provide sufficient information to participants that is accurate and unbiased, and that will provide opportunities for them to form sound opinions and decisions. Council will undertake to provide information in plain English and, where appropriate, provide information in languages other than English and in alternative formats.

- **Responsiveness and feedback:** Council will provide regular updates to participants during the consultation process and at the project’s conclusion detailing the outcomes of the consultative process.
- **Evaluation and continuous improvement:** All consultation conducted by and on behalf of Council will include an evaluation component. The outcomes of all consultations will be used to better inform future Council decisions. A summary of all evaluations will be available to the public on request.

2.3 Engagement level

The level of engagement is defined from the IAP2 Spectrum of Public Participation in the figure below. This spectrum outlines the level of engagement required depending on the purpose and desired outcome of the project.

Figure 1 IAP2 Spectrum of Public Participation

INCREASING IMPACT ON THE DECISION 					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

© IAP2 International Federation 2018. All rights reserved. 20181112_v1

To meet the assessment criteria for an SRV application, Council must:

1. Demonstrate that the **need and purpose** of a different rate path for Council’s General Fund is clearly articulated and identified in Council’s IP&R documents.
2. Show evidence that the **community is aware** of the need for and the extent of a rate rise.
3. Show that the **impact on affected ratepayers** is reasonable.
4. Exhibit, approve and adopt the relevant **IP&R documents**.
5. Explain and quantify the **productivity improvements and cost containment** strategies in its IP&R documents and/or application.

- 6. Address any other matter that IPART considers relevant.

To meet criterion two, Council would only need to undertake engagement at the “inform” level, but a “consult” level would ensure it more fully meets criteria one and four.

Additionally, where the proposed SRV funds additional projects, services or service level increases, Council must consider the community’s willingness to pay for these increases with increased rates, as required for criteria three.

As a result, this community engagement action strategy was drafted to meet both the **inform** and **consult** levels of engagement. This means that Council provided the public with balanced and objective information to assist them in understanding the problem, alternatives, and preferred solution and to obtain the public’s feedback on analysis and alternatives. Council kept the public informed, listened to and acknowledged concerns and aspirations, and provided feedback on how public input influenced the decision made by Council.

2.4 Engagement Activities and Reach

Council’s engagement strategy included a number of mechanisms to engage with its community around the SRV options. These aligned to the essential and some desirable protocols for inform and consult engagements under its Community Engagement Policy as outlined in Table 4 below.

Examples of the collateral developed is provided in Appendix B and a copy of the Fact Sheet is provided in Appendix C.

Table 4 Engagement Mechanisms

Mechanism	Level of consultation	Recommended under Protocol	Activity and reach
Web page (Your Say North Sydney)	Inform	Essential	Have Your Say page for SRV including LTFP, Delivery Program and AMS. Separate pages for each Informing Strategy. The page received approximately 4,494 discrete visitors over the course of the engagement. Detailed analytics on visits are provided in the section below.
Newspaper advertisements	Inform	Essential	Developed and published in editions of the Mosman Daily and North Shore Times throughout the engagement period, a sample is provided in Appendix B.
Fact Sheet	Inform	Essential	Fact Sheet was developed and provided on the Have Your Say Page, as well as directly mailed to all residents. A copy of the Fact Sheet is provided in Appendix C.
Media Releases	Inform	Essential	Council developed a separate media plan to release information and manage media coverage. The information around the proposed SRV options and Minimum Rate increases was taken up and covered widely by a variety of media outlets. Sample media coverage is provided in Appendix D.

Mechanism	Level of consultation	Recommended under Protocol	Activity and reach
Information Display or Kiosks	Inform	Essential	Kiosks with reference materials were set up at Council's Customer Service Centre, Stanton Library and North Sydney Community Centre.
e-Newsletter	Inform	Essential	Council drafted and delivered five (5) electronic direct mail (EDM) messages to a total of 6,115 subscribers for general council, events and precincts news on 28 and 29 November 2024 and on 2 and 6 December 2024. Of the 6,115 who received an EDM, 4,092 opened it. Sample e-Newsletter is provided in Appendix B.
Social media channels	Inform	Essential	Council utilised social media channels to inform the community of the SRV and Minimum Rates consultation. Samples of social media posts are provided in Appendix E.
Reference Groups – Citizen Jury	Inform and Consult	Essential	Council engaged an external facilitator (Cred Consulting) to run a 5 ½ hour workshop with a group of 42 demographically selected residents. Details of the workshop and outcomes are provided in Section 3.2 below. The full report from the workshop is provided in Appendix H.
Precinct Committee Session	Inform and Consult	Essential	<p>Council works with approximately 17 local precinct committees on a range of issues that are relevant to them. Senior Staff and the Mayor conducted a separate forum to brief and respond to questions from representatives of all the precinct on 3 December 2024 at Fred Hutley Hall. A sample forum presentation is provided in Appendix F.</p> <p>The Mayor also attended further Precinct Committee meetings as they fell during the consultation period, these included:</p> <ul style="list-style-type: none"> • Lavender Bay on 28 Nov 2024 (44 attendees) • Milson on 5 Dec 2024 (38 attendees) • Wollstonecraft on 10 Dec 2024 (80 attendees). Council's CEO also attended and presented at this Precinct Committee meeting. • Willoughby Bay on 12 Dec 2024 (32 attendees)
Face-to-face forums	Inform and Consult	Essential	Council conducted an in-person forum at 6pm on 4 December at Fred Hutley Hall. This session had 30 registrations and 23 attendees. A sample forum presentation is provided in Appendix F.
Online forum	Inform and Consult	Essential	An online forum at 6pm on 16 December 2024. This session had approximately 80 registrations and 167 attendees. A sample forum presentation is provided in Appendix F.

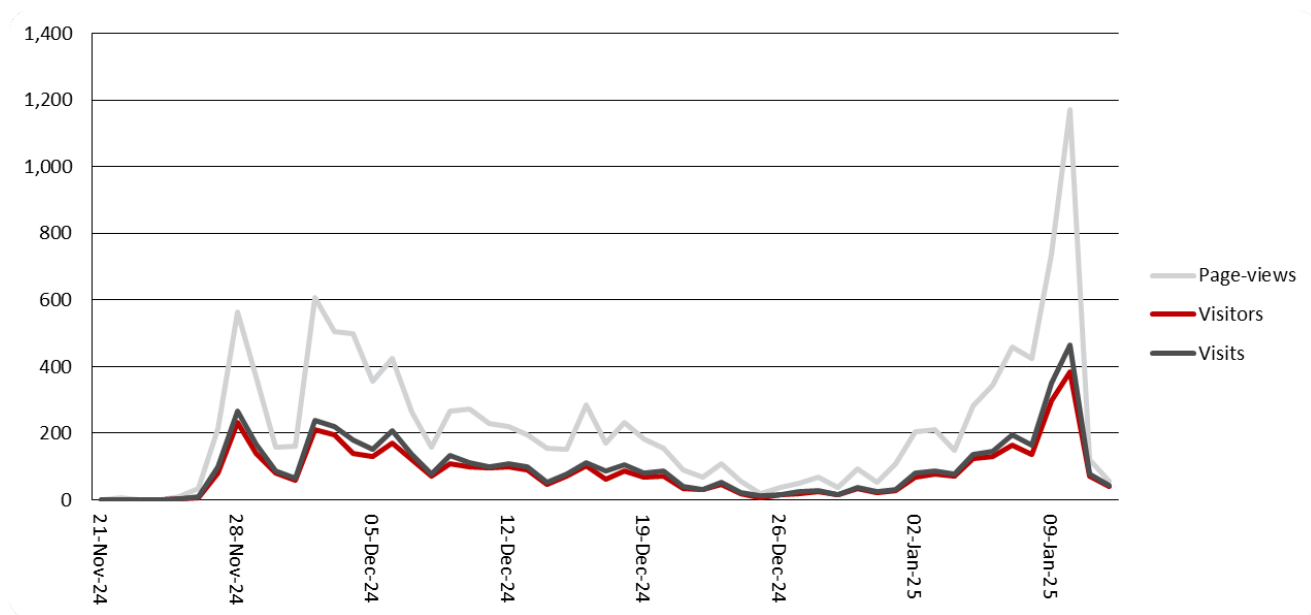
Mechanism	Level of consultation	Recommended under Protocol	Activity and reach
Email to engagement survey respondents	Inform	Desirable	Council emailed the Fact Sheet to approximately 770 people who had registered interest from “The Next Ten Years” engagement in May and June 2024, who wanted to be updated on the progress on the Informing Strategies.
Signage	Inform	Desirable	Sample signages is provided in Appendix B.
‘On Hold’ Music	Inform	Desirable	Council had messages on its telephone hold recording.
Video	Inform	As appropriate	Council developed a video published on YouTube (https://www.youtube.com/watch?v=u1Y_aEdzLWA), which outlined the need for, extent of the SRV options and minimum rates proposal. This video was linked into a wide range of collateral, including Council’s Have Your Say page, online news and social media posts.
Public Exhibition	Consult	Essential	Alongside the public information materials for the SRV, Council also publicly exhibited its updated Delivery Program, LTFP, Asset Management Strategy, and 10-year Informing Strategies.
Survey	Consult	Desirable	Council developed a survey which could be accessed via the Have Your Say page. Council received 792 response to the survey, with an analysis of the responses provided in Section 3.1 below. A copy of the survey is provided in Appendix G.

2.4.1 Have Your Say site analytics

Over the engagement period, Have Your Say page for the LTFP, SRV and Minimum Rates proposals received 4,494 visitors with 5,223 visits and 11,801 page views. Traffic to the site was initially strong, falling over late December and early January, with a significant spike in the last week of the consultation period, as shown in Figure 2 below.

Most visitors to the Have Your Say page are finding it via google or other search engine, or via links from Facebook.

Figure 2 Have Your Say page visitors summary



2.5 Adjustments during the consultation process

Over the course of the consultation process, Council responded to the feedback from a variety of stakeholders and adjusted its engagement activities as a result. These adjustments included:

- Further highlighting the Minimum Rates proposal and consolidation of special levies:** As a result of feedback and questions raised by some members of the community, Council elevated information on the Minimum Rates proposal impact to the front page of the Have Your Say page and delivered additional social media post and emails to remind people of the Minimum Rates proposal. Council also amended its feedback survey to include free text responses specifically on the Minimum Rates proposal.
- Development of responses to emails from community members on a variety of issues:** As the engagement progressed, Council developed responses to a variety of questions and feedback raised by community members. These were provided directly back to those that raised them but were also included in 34 Frequently Asked Questions responses published on the Have Your Say page.
- Allowing respondents not to select any of the SRV options:** The survey initially required a response to the preferred SRV options before proceeding. In week three of the engagement, Council relaxed this requirement in response to community feedback so that respondents could not select any option and continue with the survey.

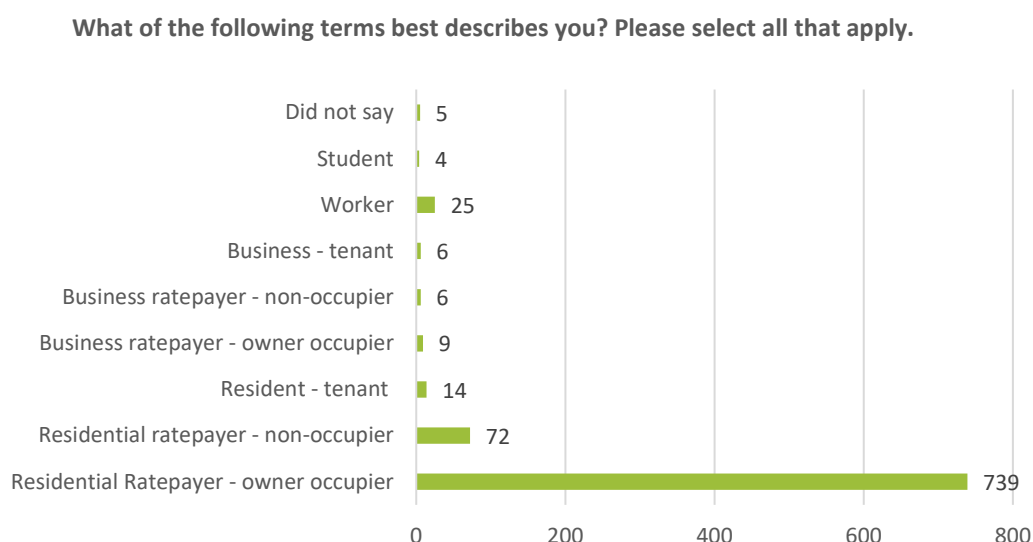
3 Engagement findings

3.1 Survey

Council received 792 survey responses. These responses have been analysed, and the results are summarised below in terms of the key assessment criteria for SRV and Minimum Rates. Each submission was also analysed in conjunction with the workshop and self-initiated feedback below to identify the key themes explored in Section 4 below. All submissions were considered without reference to any personal details provided. One submission was excluded from the analysis, as it was specifically requested by the respondent.

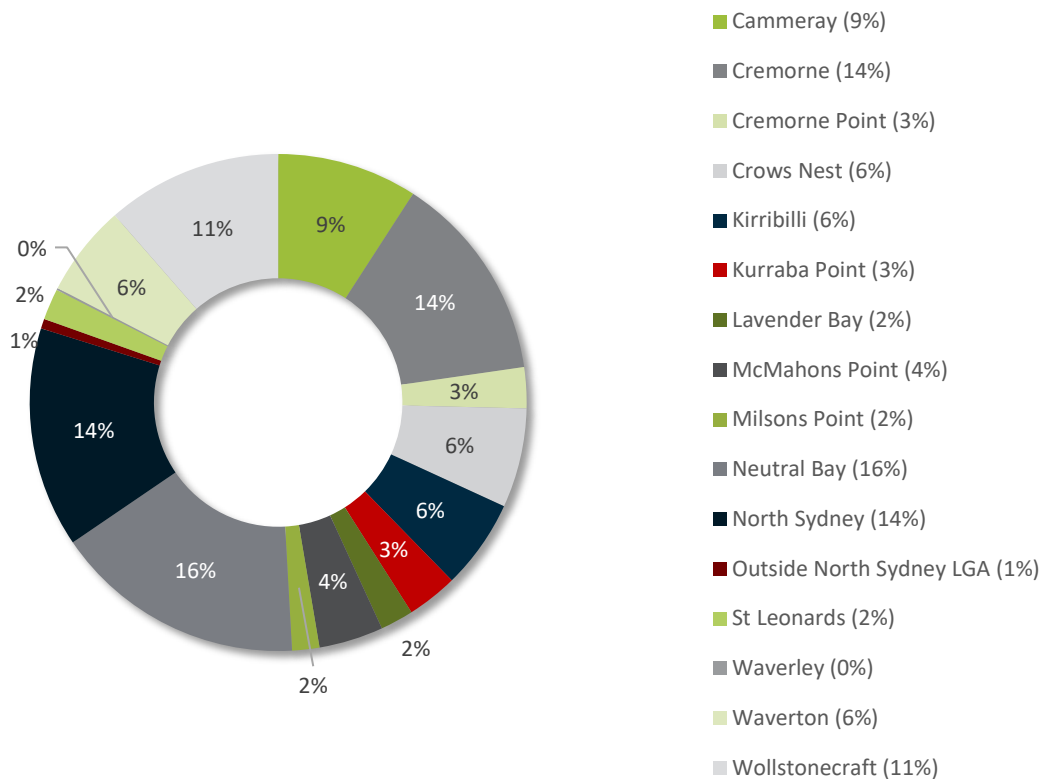
The majority of respondents were residential ratepayers, with business ratepayers, tenants, workers and students also providing their feedback. Figure 3 below outlines the types of respondents, 712 respondents identified as only one of the categories, 68 identified themselves in two categories and six identified as more than two.

Figure 3 Survey Respondents identified themselves in the following categories



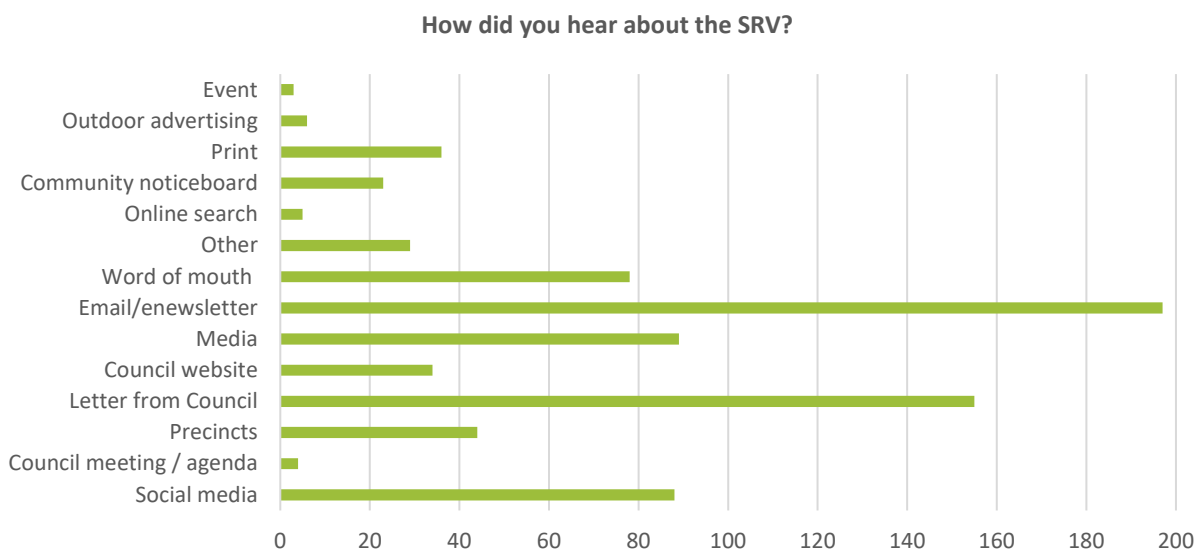
Survey respondents represented most North Sydney LGA suburbs, with 129 (16%) respondents from Neutral Bay, 113 (14%) from North Sydney, and 107 (14%) from Cremorne. Figure 4 below outlines the suburbs represented by survey respondents.

Figure 4 Suburb of survey respondents



Most respondents heard about the SRV and Minimum Rates proposal from an email or e-newsletter or the direct mail letter sent to all residents. Social media, media and word of mouth were the next most popular sources for awareness. Figure 5 below outlines how respondents heard about the SRV and Minimum Rates proposals.

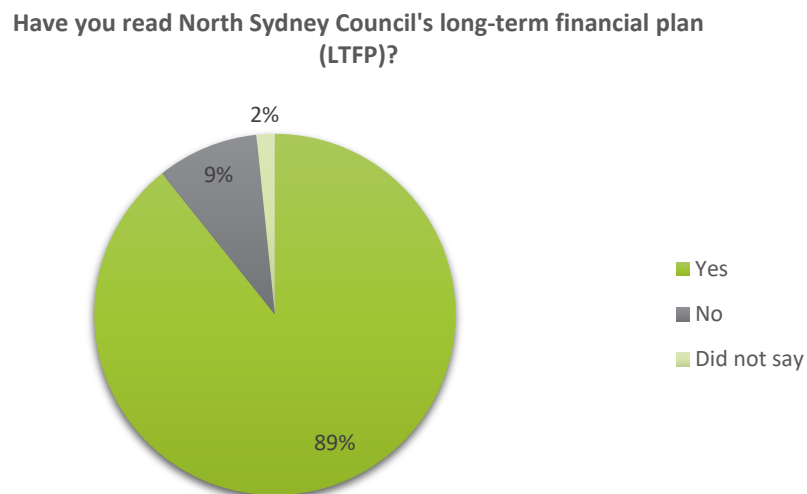
Figure 5 Sources of community awareness



3.1.1 Understanding the need for a rate rise

Survey responses demonstrated a strong understanding of the SRV options and the reasons for it presented by Council, with the majority of responses indicating that they had read the LTFP. Two survey responses indicated that they did not understand the SRV options or the LTFP.

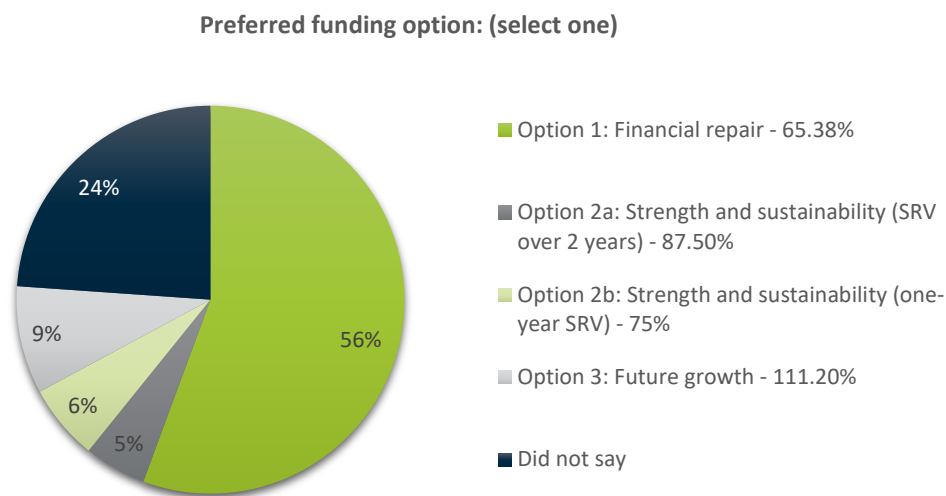
Figure 6 Survey response – Familiarity with Council's long-term financial plan (LTFP)?



3.1.2 Feedback on SRV

When asked which of the SRV options presented was preferred 56% indicated Option 1, 24% did not provide a response, 9% preferred Option 3, 6% preferred Option 2b and 5% opted for Option 2a. Many of those that selected Option 1, indicated that they only selected this option because the survey required a selection. In week 3 of the consultation period, Council responded to feedback from the community and altered the survey slightly to allow respondents to progress through the survey without selecting an option.

Figure 7 Preferred SRV Option



Most of the responses indicating that they didn't support the SRV options rejected the need for any increase above the rate peg. Although some did indicate that they were more favourable to a smaller SRV. Feedback from those that indicated a negative response was focussed on the following themes:

- 35% expressed concerns over the management of the North Sydney Olympic Pool (NSOP) project, most commonly indicating the view that residents should not have to pay for the increased costs associated with the project.
- 27% expressed concerns over the Council's ability to manage its finances generally.
- 27% expressed concern that there were not enough options, the lowest SRV being 65%. There was a variety of opinions around what other options should be considered, including a "no SRV" or rate peg only option, as well as options for lower SRVs combined with more significant cost cutting and other funding sources.
- 27% indicated that Council should cut costs and "live within its means".
- 23% expressed a view that the increases were not affordable, particularly in the current high inflation environment that has put significant pressure on the cost of living generally.
- 7% stating that the increase was just too high over too short a timeframe.

Several of the respondents noted they were completing the survey following receipt of newsletter from a State Member of Parliament or a letter from an elected Councillor, copies of these are provided in Appendix I. Many of those that referenced the newsletter and letter, indicated that they did not support the SRV and recommended that Council act in line with the recommendation in the newsletter or letter.

Of the responses that were supportive of one or all of the SRV options, the following themes were prevalent:

- 26% expressed a view or understanding of the SRV being required to ensure the ongoing financial sustainability of Council.
- 22% expressed an expectation of better services and improved assets
- 18% expressed concerns over the management of the NSOP project.

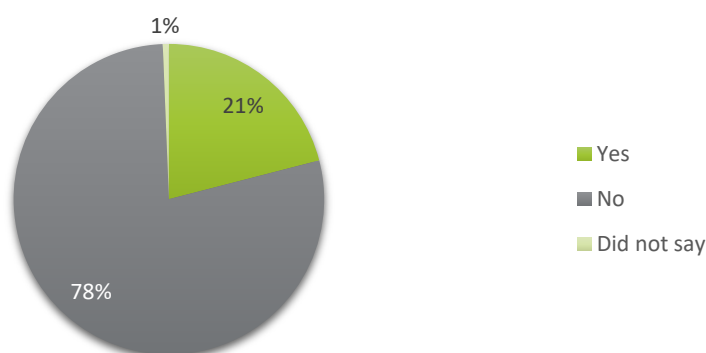
3.1.3 Community willingness to pay

A criterion for IPART to evaluate an SRV application relates to capacity and willingness to pay. Willingness to Pay is considered when an SRV is proposed to support increasing service levels or implementing new services, assets or projects. As Council’s Informing Strategies do include some aspects of increased service levels, which would be funded by Options 2a, 2b, and 3, a question was included asking about the community’s willingness to pay for this aspect of the SRV proposal.

When asked whether they would be willing to pay for the component of the SRV that included the new projects, services and initiatives from the Informing Strategies that were outlined in SRV Options 2a, 2b and 3, 78% of responses said ‘no’, 21% said ‘yes’ and 1% did not provide a response to this question.

Figure 8 Willingness to pay for services increases in Informing Strategies

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

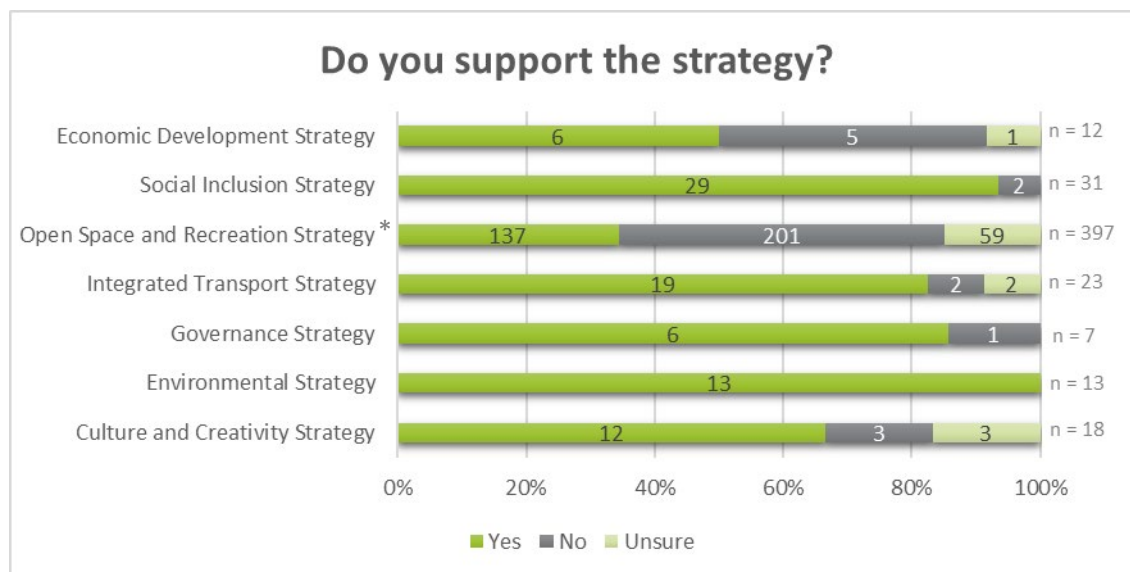


Alongside the community engagement around the SRV and Minimum Rates proposals, Council also exhibited and sought feedback on its Informing Strategies. As the question of willingness to pay relates to the expenditure for increasing service levels which are outlined in the Informing Strategies, the high-level support for these strategies is provided here. Data has not been provided on the feedback for the Council’s and Housing Strategy supplement.

For the remaining seven strategies, the feedback for support is provided in Figure 9 below, with the number of total responses (n) also provided for each strategy. This shows that for most of the strategies there was a high level of support for most of the strategies, indicating that there is a willingness to pay for these strategies, with over 80% support for the Environmental, Governance, Integrated Transport and Social Inclusion strategies and two thirds supporting the Culture and Creativity Strategy. While 50% supported the Economic Development Strategy. Albeit each of these strategies received a much smaller number of submissions than the SRV and Minimum Rates proposals.

The Open Space and Recreation Strategy received 397 survey responses, with 137 (35%) supporting the strategy and 201 (51%) not supporting the strategy. The results may not accurately reflect the views of the broader population as approximately 90% of the ‘No’ responses were received from Cammeray Golf Club members and affiliates who voted ‘No’ based on a single action within the strategy.

Figure 9 Support for Informing Strategies



More detailed analysis of the feedback from the Informing Strategies will be provided separately to this report.

3.1.4 Feedback on Minimum Rates proposal

There were fewer responses that expressed a view on the Minimum Rates proposal, with 60% not indicating a view, 7% agreeing with the Minimum Rates proposal and 32% disagreeing. Three responses indicated that they did not understand it.

Of those that disagreed with the Minimum Rates proposal, many did not distinguish between the SRV options and the Minimum Rates proposal, with similar themes coming through, including:

- 31% expressing the view that Council should cut costs and “live within its means”.
- 28% expressing concern over Council’s ability to manage its finances
- 28% expressing concern over the management of the NSOP project
- 23% identifying the cost of living crisis and affordability as an issue
- 22% expressing the view that there were not enough options, including a rate peg only option or lower SRV options.
- 6% stated that the minimum rate increase was just too high.

Of those that agreed with the Minimum Rates proposal, most indicated that it would improve equity in the rate burden across residential ratepayers, particularly between those in units and homes.

3.1.5 Feedback on the proposal to consolidate current special levies into ordinary rates

Most respondents did not express a view or expressed ambivalence towards this element of the proposal. Fourteen per cent of responses did not support the proposal and 10% supported it Two per cent or 14 respondents indicated that they did not understand this element of the proposal. Interestingly, in both those that supported and those that did not support it, the predominant theme of ensuring transparency and accountability came through. For those that did not support it, they were of the view that this proposal

would reduce transparency. For those that supported, they were either of the view that it would not impact transparency or that Council should ensure that transparency was not impacted by this change.

3.2 Community workshop

Council engaged an external consultant (Cred Consulting) to develop and run a 5 ½ hour workshop with a group of demographically selected residents.

This community workshop was held on Saturday 7 December, between 9.30am and 3pm at Fred Hutley Hall. 43 community members from North Sydney attended the workshop.

3.2.1 Participant selection

Participants were a pool of residents who had previously been engaged during consultation to develop the Informing Strategies, independently recruited by Taverner Research to ensure a representative cross-section of the community.

Figure 10 Suburbs of workshop participants

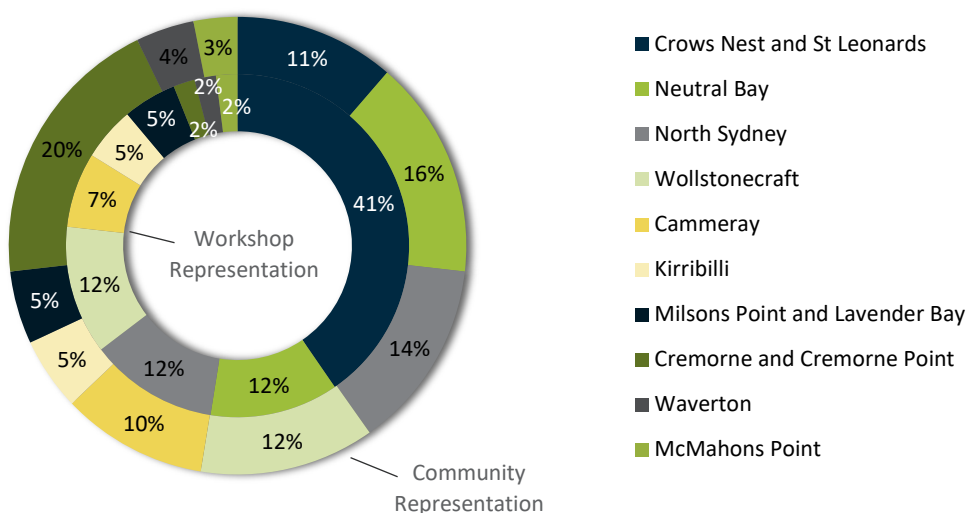


Figure 11 Length of time in North Sydney LGA

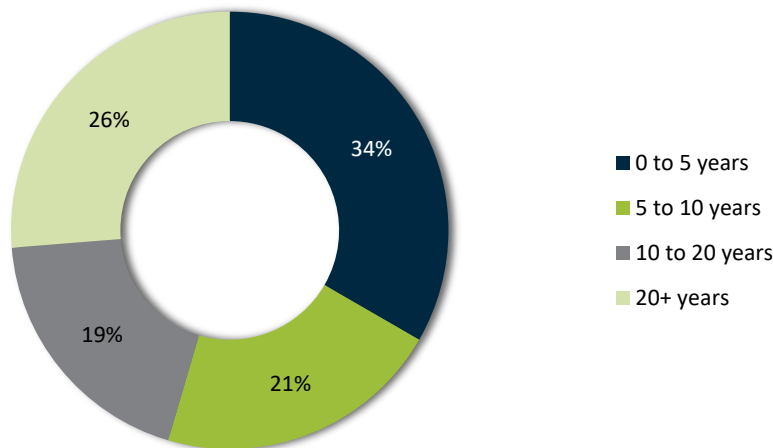
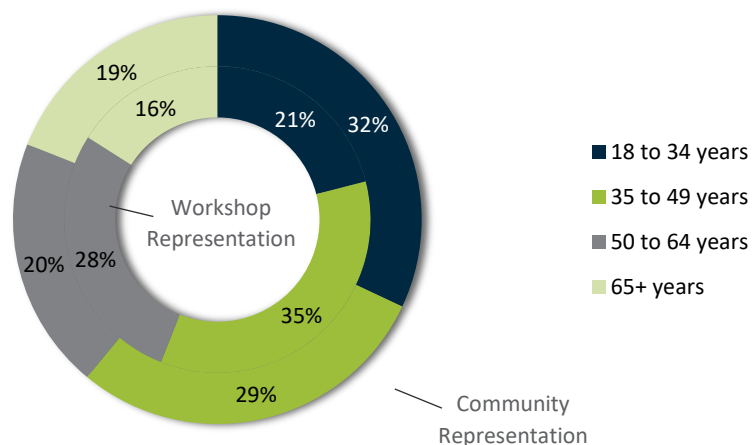


Figure 12 Age of workshop participants



Other demographic details included:

- 61% identify as female and 39% as male
- 51% were born overseas and 35% speak a language other than English at home
- 14% live with a disability
- 7% identify as LGBTIQ+
- 49% are renting and 51% own or part-own their home
- 78% live in apartments and 22% live in fully detached or non-detached houses
- 28% are couples living with children, 28% are couples without children, 26% live alone, 17% live in group households and 4% live with extended family.

3.2.2 Workshop purpose

The purpose of the workshop was to:

- inform the community on the current financial situation and the LTFP and proposed SRV
- understand community sentiment on the commercialisation of public spaces in North Sydney
- understand community sentiment on service levels and asset maintenance and renewal
- understand the community's preferred option for an SRV.

3.2.3 Workshop structure and process

The workshop agenda was designed to achieve the following outcomes:

- To build capacity for participants to meaningfully engage with the content and make informed decisions.
- To understand the community's preferred SRV option.
- To understand the community's views on increasing minimum rates.
- To understand the community's views on rolling levies into one income stream.

While the participants were presented with the same information as was available on the Have Your Say webpage and in the other community forums, they had the ability to dive deeper into the issues. The workshop was attended and facilitated by Council's senior staff and participants were asked to review the information putting themselves in the shoes of Councillors having to make a decision on a way forward. The high level agenda of the workshop is provided in the table below.

Agenda item	Topics
Introductions	
Setting the scene: <ul style="list-style-type: none"> • Presentation • Small group activity 	<ul style="list-style-type: none"> • Council's responsibilities • Legislated services • Discretionary services • Assets • Finances • Informing Strategies
The challenge: <ul style="list-style-type: none"> • Presentation • Q&A • Small group activity • Whole group menti 	<ul style="list-style-type: none"> • Why is council facing financial challenges? • Sources of income • Rates comparison with other councils • Efficiency improvements (past and present) • North Sydney Pool issues • Council systems issues • What happens if nothing is done

Agenda item	Topics
	<ul style="list-style-type: none"> • Draft LTFP • SRV options and outcomes • Other income opportunities and limitations
Asset and Services: <ul style="list-style-type: none"> • Presentation • Whole group menti • Small group activity 	<ul style="list-style-type: none"> • Cutting services to reduce costs • Asset service level expectations
SRV options <ul style="list-style-type: none"> • Presentation • Q&A • Whole group menti • Small group activity 	<ul style="list-style-type: none"> • Minimum rates proposal • Consolidation of levies into ordinary income • SRV options, including which option is preferred • What information does the community need to provide meaningful feedback on the proposals?
Next steps and close	<ul style="list-style-type: none"> • Complete survey

At the end of the workshop participants were asked to complete a survey. 39 participants completed the survey.

The below sections outline the outcomes of the workshop in line with the relevant SRV assessment criteria. The full workshop final report is provided in Appendix I.

3.2.4 Understanding the need for a rate rise

Participants were asked to discuss what financial strength and sustainability for Council means to them. Key points from the discussion included the importance of having realistic, long-term plans and the need to make sacrifices now to ensure financial sustainability in the future.

Participants suggested that financial strength and sustainability means diversifying revenue sources beyond parking fees and recognising that Council operates with community priorities at its core, rather than as a for-profit business. They also spoke about how having financial strength and sustainability will make North Sydney a better place to live.

The majority of the workshop survey participants (97%) indicated they understood the current and future financial challenges facing North Sydney Council. Some noted their understanding was still high-level and they would like more details.

Some participants also indicated they felt surprised and disappointed by the current financial situation in North Sydney.

The majority of workshop survey participants believe it is important to address all the challenges listed. This included:

- continuing service delivery (84%)
- ensuring a strong Council (78%)
- ensuring intergenerational equity (68%)
- being proud of where they live (62%).

Participants want to see these challenges addressed for several reasons. These included:

- a responsibility to future generations, protecting heritage and assets, ensuring that residents and businesses have their needs met
- preserving North Sydney’s social fabric and putting Council on a sustainable footing.

3.2.5 Feedback on the SRV

Option 3 – future growth (111.20% cumulative over three years) was typically the most preferred followed by Option 1 – financial repair (65.38% over three years).

Participants discussed the benefits and challenges of all of the SRV options, their feedback is summarised below.

Table 5 Workshop feedback on the SRV Options

Option	Identified Benefits	Identified Challenges
Option 1 – Financial Repair	<ul style="list-style-type: none"> • Cheaper for residents • Ensures financial repair without the extras • Maintains the current financial position 	<ul style="list-style-type: none"> • It would mean the engagement around the strategies was wasted • It’s a band-aid solution that doesn’t solve long-term financial shortfall or lead to any progress • There will be no adequate maintenance
Option 2a - Strength and sustainability (increase over two years)	<ul style="list-style-type: none"> • It’s a middle ground solution that maintains the current budget and some strategies • Community can see feedback implemented in strategies • It is affordable and sustainable which is good for future growth • Provides succession planning 	<ul style="list-style-type: none"> • It is a big jump for the community, especially those on the minimum rate • Need to ensure there is transparency across which strategies are implemented • High cost of living and financial stress experienced by community

Option	Identified Benefits	Identified Challenges
Option 2b - Strength and sustainability (single year increase)	<ul style="list-style-type: none"> Provides more planning and finance for strategies The 2026-2027 increases are not as drastic It is beneficial for the community and future growth Is fair to everyone It provides financial stability 	<ul style="list-style-type: none"> It is a big increase in the first year and some communities might not be able to pay
Options 3 – Future growth	<ul style="list-style-type: none"> It allows us to get on top of the financial situation and move quickly, therefore it will be more sustainable in the future Allows us to have the ‘nice to haves’ Allows income generated from buildings 	<ul style="list-style-type: none"> More expensive for ratepayers and residents may struggle No immediate benefits

One group suggested the following additional options:

- decrease staff pay
- increase efficiency and culture
- increase minimum to \$1,500 for everyone and business - pay minimum plus 50%
- decrease paid services and encourage volunteers
- big business (CBD tax) and tax for businesses with staff travelling to North Sydney LGA
- levies for private schools, hospitals and other businesses
- outsource admin to another council.

3.2.6 Community willingness to pay

Participants were asked to provide feedback on a range of approaches to raising revenue. Overall, participants were supportive of several strategies, including:

- Widespread advertising (92% of workshop participants) providing it preserves the community’s aesthetic appeal and aligned with community values.
- Commercialisation of public spaces (89%) including hiring public spaces such as Coal Loader, North Sydney Oval, North Sydney Pool and parks.
- Selling Council land (64%) with conditions to protect community interests.

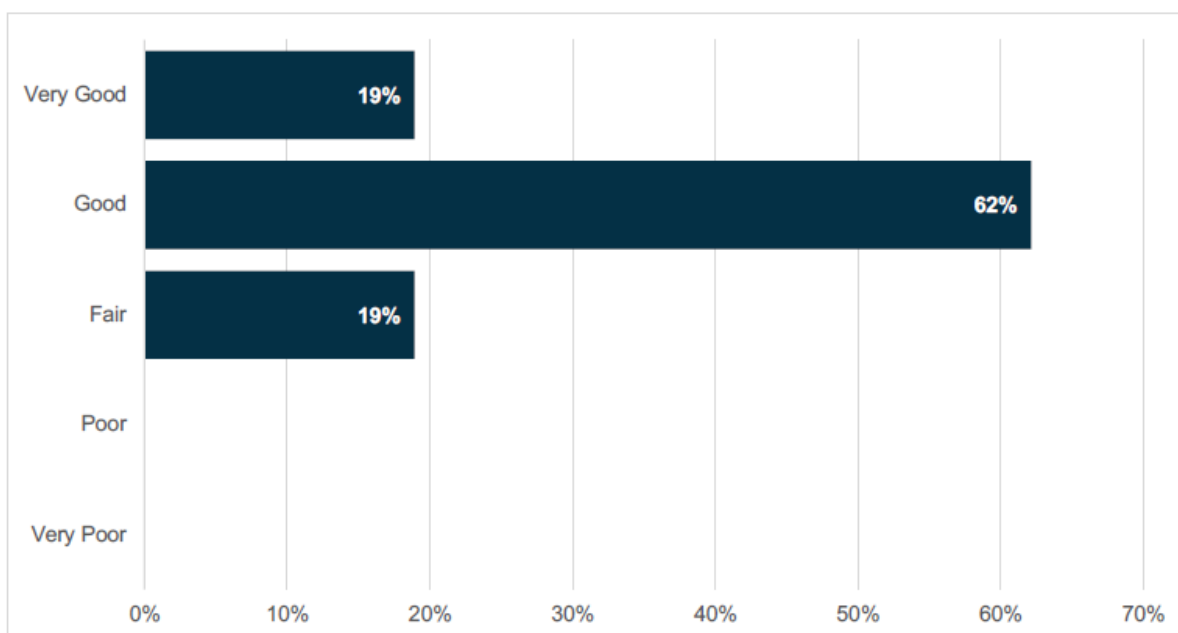
With each of the above, participants expressed the need for limitations in these potential revenue streams including:

- Impacts need to be managed, and community needs still need to be met.
- Mixed responses on land sales. – as a “last resort”.
- Didn’t support increase in debt.

Overall, across the different asset categories, participants generally ranked asset service levels at three or lower out of five, indicating they feel asset service levels do not meet broader community expectations.

All participants said that they believed it was important for council to maintain its infrastructure. All participants also suggested it should be maintained to a ‘fair’ or higher standard. with 81% suggesting a ‘good’ or ‘very good’ standard, as per .

Figure 13 Participant responses: To what level should Council maintain its infrastructure?



They were then asked what services Council should cut and/or reduce and the impact on community this might have. Suggestions include:

- Administration costs to improve efficiencies
- Waste collection including at community centres and childcares, however, this could lead to rubbish build up
- Hard waste collection
- Reduce street cleaning
- Garden and kerbside greenery maintenance
- Education officers
- Arts funding, and instead explore sponsorship opportunities
- Events, or move towards ticketed events
- Gym and pool management
- Bushcare education which could be managed by schools or volunteers instead

- Transfer air pollution marks to state government
- Urban design
- Leisure and aquatics
- Public art.

Participants were asked to rate on a scale of one to ten whether they believed the North Sydney community would benefit from the proposed actions within the Informing Strategies. The average rating was 7.3, indicating participants believe North Sydney would benefit from the proposed actions.

3.2.7 Feedback on the Minimum

Participants were generally in agreement with an increase in the minimum rate, although there was slightly less support for consolidating levies into a single income stream. While both measures were seen as fair and equitable, there were concerns about the costs to residents, particularly during a cost-of-living crisis, and transparency about where their money was going if the levies were rolled together.

Participants were asked whether they agree with increasing the minimum rate to ensure more equitable rating. The majority of participants agreed.

Participants who agreed provided the following reasons:

- It will help make a positive financial change and reduce the impact of bad financial decisions.
- It's a fair, equitable and affordable increase and rates have to go up eventually.
- To ensure buildings can be repaired and generate revenue through leasing.
- Loving the community and wanting everyone to be able to enjoy the area.
- The increase is in line with other LGAs.

Participants who did not agree provided the following reasons:

- The increase is too much in a short time especially with the cost-of-living increases.
- They don't feel like other options have been properly considered and they feel the figures are misleading.
- It's not fair.
- They are not confident Council will achieve the goals outlined in the long-term financial plan.

The majority of participants (82%) indicated they feel a minimum rate of \$1,300 is appropriate. Those that did not agree felt that it was unfair to make residents pay for poor management by Council, and that it is a large increase without much warning.

3.3 Self-initiated feedback

Council received 227 submissions via email in addition to those provided via the Have Your Say page survey. Many of these submissions indicated that they also completed the survey. The sentiment around the SRV in these emails was similar to that provided in the survey, with some minor differences:

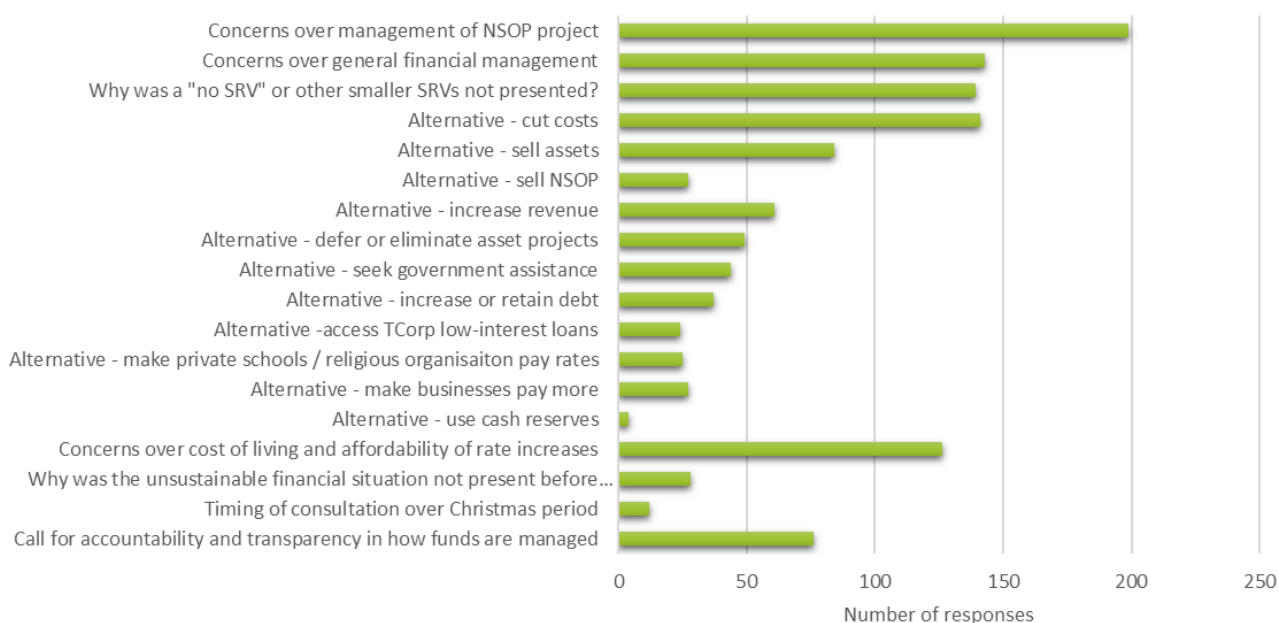
- Email submissions were more focused on requesting information around the SRV.

- A high proportion of emails raised the issue of the survey not providing a “no SRV” option in the question on preferred options.
- A number of email submissions sought more detail to calculate the impact of the options on their individual rates.
- Email submissions were almost entirely focussed on the SRV, there was only a limited number of email submissions that made mention of the Minimum Rates proposal, and none identified the proposal to consolidate special levies into ordinary rates.

4 Key themes

The feedback from surveys and self-initiated submissions, as well as issues and comments from the workshop and community forums have been considered in identifying the following key themes from the consultation process.

Figure 14 Survey and other responses that identified the themes



Council was provided with these themes prior to the finalisation of this report, and its response to these will be provided in Council’s *Engagement Key Themes - Council Responses* document.

4.1 Concerns about Council’s mismanagement of the NSOP project

Concerns over the NSOP project was the most prevalent theme in the survey responses, with 25% of responses noting this. The predominant commentary around this was concerns over mismanagement or the project and anger around the community being asked to pay for the budget blow out. These comments were also linked to a desire for better transparency and accountability for the project. There was also an element

of concern that the permanent SRV was not the right instrument to address the shorter term financial issues that have been created by the NSOP project.

Three per cent of responses stated that Council should sell the pool, some stating that the sale should be to the State Government. Many of those that identified seeking government assistance or utilising low interest Treasury loans as an alternative to the SRV indicated that this should be done to fund the NSOP project. Others expressed that there was no need to reduce the current debt burden associated with the NSOP project as quickly as indicated in the LTFP, some even comfortable with further increases in debt to fund the project. Continuing and increasing debt to fund the project, was also linked to improved intergenerational equity around the project.

Three per cent of survey responses wanted to see residents receive either **free or discounted access to the new pool development**. Although many responses indicated that they don't use the pool.

4.2 Concerns over financial management of Council generally

Concerns over general financial management at Council were expressed by 18% of survey responses. These responses were linked to needing to make the decisions required for the management of finances with the current level of rates. Of the responses that mentioned general financial management concerns, other main issues also mentioned, included:

- concerns around the NSOP project
- concerns that current services and assets are not adequate
- concerns about why there wasn't a rate peg or lower SRV option
- concerns around cost of living and views that Council should not put further financial burden on ratepayers
- views that Council should cut costs rather than increase rates.

4.3 Concerns about not being presented with a "no SRV" or smaller SRVs options

Eighteen percent of responses expressed concerns that there was no "rate peg only" or "no SRV" option or that there were no SRV options lower than Option 1. Concerns of a "no SRV" option was also prevalent in the email submissions that Council received. While the majority of these responses indicated that they did not support any SRV, some indicated that they would be comfortable with a lower SRV.

Much of the commentary around the lack of a "none of the above" option to the question around the preferred SRV expressed concern around being forced to choose an option. Regardless of the options selected to the preferred SRV question, if the respondent's feedback indicated that they didn't support the SRV, this was registered as a "disagree" in above.

Responses that raised this concern were also most likely to offer other approaches to ensure that no SRV was required, suggestions included selling assets, cut costs and services, seek government assistance, use low interest government loans, make businesses pay more, make private schools pay, increase revenues through privatisation or growth, or increase debt. See Section 4.4 below for further analysis of this theme.

4.4 Council should find alternatives to an SRV

Many survey responses identified alternatives to an SRV including:

- Finding **cost cutting measures** (18% of survey responses) with 20% of the responses that raised cost cutting as an option also noted reducing or eliminated services.
- **Sell or dispose of non-essential or under-performing assets** (11%), with 3% of respondents specifically identifying the **sale of the NSOP**. Email submissions and some survey responses pointed to the sale of approximately \$53 million of commercial property assets owned by Council.
- **Find other sources of revenue** (8%), including through increased user fees, increased rates from future growth, and increased developer contributions.
- **Defer or eliminate infrastructure and asset projects** (6%).
- **Seek assistance from State or Federal government** (6%).
- **Access debt** (5%) either through retaining current debt that is planned to be repaid or increasing debt.
- A further 3% suggested **accessing low interest State Government loans**.
- Ensuring **private schools and/or religious institutions pay rates** (3%).
- Shift the burden of **increased rates to businesses** and not residents (3%).
- Use Council's **current cash reserves** (1%).

Many of the respondents that offered alternatives to the SRV indicated that recovery should be planned over a longer timeframe.

4.5 Cost of living and affordability concerns

Cost of living and affordability concerns were raised by 16% of the survey responses. The recent high inflation environment with wages not keeping pace was the central concern. Many expressed specific concerns for those on a fixed income, especially pensioners.

4.6 Timing of consultation

Four per cent of responses raised concerns over why the information of Council's financial challenges and the proposed SRV options was not provided before the September 2024 council elections and 2% of response raised concerns about the engagement period being conducted over the Christmas and New Year period.

4.7 Calls for greater accountability and transparency in how funds are managed

Ten per cent of survey responses called for greater accountability and transparency around Council's financial management. Some of this was linked to the NSOP project, with a need to understand who was accountable while others wanted to ensure that the lesson had been learned and would not happen again.

5 Conclusion

Council extends its appreciation to all members of the public who took the opportunity to learn more about the proposed SRV, attend one of the community forum information sessions, and provide feedback on the proposed SRV, be that through completing the online survey or making a written submission.

At the commencement of the engagement period, Council published a page on its corporate website, available at <https://yoursay.northsydney.nsw.gov.au/srv>. As noted previously, various information resources and materials – including background documents and responses to Frequently Asked Questions – were made available to ratepayers and other members of the community via this webpage. Council will continue to make this webpage publicly available and a resource for information for the community, although the survey is now closed.

Should Council determine to progress with an SRV and/or Minimum Rate application, it must do so at a Council meeting. Council will present the outcomes of the consultation process and seek a decision on or not to proceed with these applications at the Council meeting on 10 February 2025. Council meeting business papers, including agendas and minutes, are published to Council's website approximately a week before the meeting and can be accessed here - <https://www.northsydney.nsw.gov.au/council-meetings>.

Should Council proceed in applying to IPART for an SRV, it will need to prepare and submit an application to IPART in early 2025. If an application is made, IPART will publish the application – along with accompanying materials and supporting documentation – to its website, available at www.ipart.nsw.gov.au. IPART will invite public submissions from members of the community via a consultation process and will review and consider all submissions it receives prior to making its final decision.



Appendix A: Engagement Plan

Special Rate Variation consultation



Community Engagement Strategy

November 2024

Contents

Introduction	1
Engagement Intent	2
Rationale for engagement	2
Engagement purpose and goals	3
Stakeholder analysis	4
Engagement Approach	5
Impact and complexity of engagement	5
Levels of engagement	5
Engagement timing and resources	6
Engagement method	6
Roles and responsibilities	8
Key messages	9
Frequently asked questions	9
Detailed action plan	10
Measures of success	12
Monitoring and risk assessment	12

Tables

Table 1	Proposed SRV options for community consultation.	2
Table 2	Benefits of each SRV Option	3
Table 3	Stakeholder groupings	4
Table 4	Engagement mechanisms	6
Table 5	Roles and responsibilities	8
Table 6	Action plan	10
Table 7	Risk assessment	12

Figures

Figure 1	IAP2 Spectrum of Public Participation	5
----------	---------------------------------------	---

Introduction

This community engagement action plan outlines the approach, key messages and timeline for community consultation on the potential SRV. This plan has been developed to ensure that it meets the SRV assessment criteria set out by the NSW Office of Local Government, who sets policy and oversees the local government industry, and the Independent Pricing and Regulatory Tribunal (IPART), who will assess any SRV application submitted. It has also been developed in compliance with North Sydney Council ('Council') Community Engagement Policy and Protocol as well as the International Association for Public Participation (IAP2) Australasia Quality Assurance Standard.

Under Council's Community Engagement Policy, all engagements are guided by the following principles:

- **Focus and commitment:** Council will ensure that the rationale behind the engagement is clearly stated and will consult with affected parties before making decisions.
- **Resourcing:** Council will ensure that any proposed project is adequately resourced, and the level of community consultation relates to the level of community involvement required.
- **Timing:** Council will undertake community engagement at the earliest appropriate stage of the project.
- **Inclusiveness, accessibility and diversity:** Council will ensure that the groups or individuals invited to participate in the consultative process are representative of the overall target group, and that communication strategies are designed to reach the broadest appropriate sections of the community and attract the broadest range of community interests.
- **Provision of information:** Council will provide sufficient information to participants that is accurate and unbiased, and that will provide opportunities for them to form sound opinions and decisions. Council will undertake to provide information in plain English and, where appropriate, provide information in languages other than English and in alternative formats.
- **Responsiveness and feedback:** Council will provide regular updates to participants during the consultation process and at the project's conclusion detailing the outcomes of the consultative process.
- **Evaluation and continuous improvement:** All consultation conducted by and on behalf of Council will include an evaluation component. The outcomes of all consultations will be used to better inform future Council decisions. A summary of all evaluations will be available to the public on request.

This plan addresses each of these principles in the sections below.

Engagement Intent

Rationale for engagement

Council is considering the need to increase rates by more than the rate peg, by IPART. This need to consider this increase results from work undertaken over the last two years across a number of areas and is critical to ensuring Council applies sound financial management practices in exercising its functions. This work includes:

- A structural review to ensure the right resources are in place to effectively and efficiently deliver services.
- An assessment of what is required to improve and maintain existing assets and infrastructure to meet the community's expected standards.
- A series of community engagement activities to gather input on priorities for North Sydney's next ten years, which shaped the development of Council's Informing Strategies, and will in turn inform Council's 2025-2035 Community Strategic Plan.

Before Council resolves to make an application to IPART to increase rates above the rate peg, it must first engage with the community so that the community is informed of the proposal and can provide its feedback on what is being considered.

Council will engage with the community on four SRV options, as outlined in Table 1 below. Options 1, 2 and 3 will provide different levels of revenue and be able to deliver different benefits, which are outlined in Table 2 below. Option 2a and 2b provide similar benefits, the difference between them is the implementation period of the SRV, with Option 2a over two years and Option 2b over one year.

Table 1 Proposed SRV options for community consultation

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

¹ The Office of Local Government SRV Guidelines and IPART Guidance requires that SRVs are stated at the cumulative impact of the proposed rate increase over the number of years that the SRV is proposed to be implemented. Option 2a is proposed to be implemented over two years and 2b is proposed to be implemented over one year, therefore its cumulative rates in the table about are compounded over two and one years respectively. However, this doesn't provide an accurate comparison for these options against the other proposed options (option 1 and option3) that are over three years, as the rate peg increases will then apply after the SRV is implemented. If the assumed 3% rate peg is applied for years two and three, the comparison rate for option 2a is 93.31% and for option 2b is 85.66%.

Table 2 Benefits of each SRV Option

	Option 1	Option 2 (a and b)	Option 3
Deliver current services and address core deficits	●	●	●
Deliver the committed North Sydney Olympic Pool project	●	●	●
Deliver required systems replacement in Governance Strategy	●	●	●
Maintain infrastructure renewals	● 80% renewal rate in 2025-26 and 2026-27, with 100% thereafter.	● 80% renewal rate in 2025-26 and 2026-27, with 100% thereafter.	● 80% renewal rate in 2025-26 and 2026-27, with 100% thereafter.
Repay borrowings	● Borrowings reduced by 70%	● Borrowings reduced by 70%	● Borrowings reduced by 70%
Reduce infrastructure backlog	● Critical infrastructure in 2025-26 and 2026-27, Level 3 reduced by \$15M per year (indexed) from 2027-28	● Critical infrastructure in 2025-26 and 2026-27, Level 3 reduced by \$15M per year (indexed) from 2027-28	● Critical infrastructure in 2025-26 and 2026-27, Level 3 reduced by \$15.0M per year (indexed) from 2027-28, with a further \$15.5M per year (indexed) from 2028-29
Deliver initiatives outlined in the informing strategies, including expanded services and new and upgraded infrastructure.	●	●	●

Engagement purpose and goals

The purpose of this community engagement is to ensure that the community is adequately informed and consulted about the impact of the proposed special rate variation and the impact of not applying for a special rate variation.

The objectives of this community engagement process include:

- To present the proposed SRV options.
- To identify the impact of the SRV options on the average rates across each rating category.
- To gauge the community's willingness to pay for the new initiatives proposed in the Informing Strategies.
- To exhibit the draft Informing Strategies, an updated 2022-2026 Delivery Program and a 2024-35 Long Term Financial Plan (LTFP) demonstrating the impact of the proposed SRV on Council's operating results from 2025-26 for feedback and final endorsement by Council.
- To communicate to the community the timeline and process for any potential SRV application.
- To gather and consider the community's feedback to inform Council's final decision on whether and how to move forward with an SRV application.

Stakeholder analysis

The key impacted stakeholders are those that pay rates in the Council's Local Government Area (LGA) or are renting property in the LGA, where there may be rent increases passed to cover the proposed rate increases fully or partly.

Stakeholder groups have been identified below to ensure that the specific considerations of these groups can be integrated into the community engagement plan. These groupings are not mutually exclusive, that is, individuals may fall into a number of different stakeholder groups. For example, individuals who own multiple properties in the LGA may be both resident ratepayers and landlord ratepayers.

Table 3 Stakeholder groupings

Stakeholder group	Who is in the group	Specific considerations
Resident ratepayers	Homeowners who are residents of the LGA	Proposed rate increases will be directly incurred by these stakeholders, although these costs may be passed on if the property is rented.
Residential renters	Renters who are residents of the LGA	It will be a decision of the landlord on whether and when any rate increases are passed on to renters.
Business ratepayers	Business property owners within LGA	Proposed rate increases will be directly incurred by these stakeholders, although these costs may be passed on if the property is rented. Rates are generally a business expense to this category of ratepayer.
Business renters	Business who rent property in the LGA	Similar to residential renters, it will be the decision for the landlords to pass the increase cost of the rate increase on to these businesses. Rent can be a business expense.
Culturally and Linguistically Diverse (CALD) members	Residents and business operators with CALD backgrounds	Culturally and linguistically diverse community members will require the option to have information presented in their preferred language.
Community stakeholder groups	Members of community groups that engage with Council	These community-led groups have a direct interest in their members/ residents and therefore, they need to understand why Council is proposing an SRV.

Within each stakeholder group, there will be a range of socio-economic factors that will be considered through a capacity to pay analysis and report; this will further inform not only the affordability of any SRV, but also may provide further insight to improve the consultation plan and key messages.

Engagement Approach

Impact and complexity of engagement

This engagement is defined as ‘high impact’, which means that the issues will have a real or perceived impact across the whole LGA. The issue has the potential to create controversy and has a high level of potential community interest.

It is also considered to have ‘high complexity’, as the information presented to the community will be based on relatively complex financial analysis and needs to be expressed in terms that are easily understood.

Levels of engagement

The level of engagement is defined from the IAP2 Spectrum of Public Participation in the figure below. This spectrum outlines the level of engagement required depending on the purpose and desired outcome of the project.

Figure 1 IAP2 Spectrum of Public Participation

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

© IAP2 International Federation 2018. All rights reserved 20181112_v1

To meet the assessment criteria for an SRV application, Council must:

1. Demonstrate that the **need and purpose** of a different rate path for Council’s General Fund is clearly articulated and identified in Council’s Integrated Planning and Reporting (IP&R) documents.
2. Show evidence that the **community is aware** of the need for and the extent of a rate rise.
3. Show that the **impact on affected ratepayers** is reasonable.
4. Exhibit, approve and adopt the relevant **IP&R documents**.
5. Explain and quantify the **productivity improvements and cost containment** strategies in its IP&R documents and/or application.
6. Address any other matter that IPART considers relevant.

To meet criterion two, Council would only need to undertake engagement at the “inform” level, but a “consult” level would ensure it more fully meets criteria one and four.

Additionally, where the proposed SRV funds additional projects, services or service level increases, Council must consider the community's willingness to pay for these increases with increased rates, as required for criteria 3.²

As a result, this community engagement action plan is drafted to meet both the inform and consult levels of engagement. This means that Council will provide the public with balanced and objective information to assist them in understanding the problem, alternatives, and preferred solution and to obtain the public's feedback on analysis and alternatives. Council will keep the public informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision made by Council.

Council is currently preparing a 2024-35 Long Term Financial Plan (LTFP), updated 2022-25 Delivery Program and informing strategies. These documents, which include the proposed SRV, will be exhibited, approved and adopted by Council in parallel to this community engagement process.

Engagement timing and resources

The proposed community engagement is expected to run over a six-week period commencing on 27 November 2024 and concluding on 10 January 2025.

This community engagement will build from inform to consult:

1. Inform: to raise awareness and inform all stakeholder groups of the options being considered.
2. Consult: to seek considered community feedback on these options to inform Council in their final deliberations on a potential SRV application.

At the conclusion of the engagement a detailed outcomes report will be prepared outlining the results of the engagement and summarising the feedback received.

This engagement will be conducted with a team consisting of both Council and consultant resources. This enables best value with the combination of Council Community Engagement professionals with a deep understanding of the North Sydney community and consultant resources (from Morrison Low) with extensive experience in communication and engagement around Special Rate Variations.

Engagement method

The proposed mechanisms to be used for this engagement are outlined in the table below.

Table 4 Engagement mechanisms

Mechanism	Level of consultation	Recommended under Engagement Protocol	Reach (stakeholder groups)
Web page (Your Say North Sydney)	Inform	Essential	Engagement platform that can provide a wide range of information and house the on-line engagement survey.
Newspaper advertisements	Inform	Essential	Key local publications: <ul style="list-style-type: none"> • Mosman Daily • Northshore Times
Fact Sheet	Inform	Essential	To include translation versions to cater for CALD communities.
Media Release	Inform	Essential	In line with a media plan

² International Association for Public Participation (IAP2) Australasia, 2018. IAP2 Spectrum of Public Participation. Retrieved from: https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf.

Mechanism	Level of consultation	Recommended under Engagement Protocol	Reach (stakeholder groups)
Information Displays	Inform	Essential	Unmanned displays in key locations (e.g. libraries) that provide information on SRV and details of where to go if they have questions.
e-Newsletter	Inform	Essential	Subscribers of the newsletter
Social media channels	Inform	Essential	Followers of Council's Facebook, Instagram and LinkedIn. Council's YouTube can be utilised for live streaming, as required.
Reference Groups – Citizen Jury	Inform and Consult	Essential	Small group of more informed residents to gain deeper feedback on proposal.
Combined Precinct Committee	Inform and Consult	Essential	A session with the combined Precinct Committee.
Online forum	Inform and Consult	Essential	An online forum to optimise reach.
Face-to-face forum	Inform and Consult	Essential	A face-to-face forum for those unable to attend online.
Email to engagement survey respondents	Inform	Desirable	Link from the Informing Strategies engagement to inform people who provided feedback on previous engagement of how it is now being considered and proposed resources allocated.
Signage	Inform	Desirable	Digital Billboards- one in Crows Nest and one at the Orpheum.
'On Hold' Music	Inform	Desirable	
Video	Inform	As appropriate	
Public Exhibition	Consult	Essential	For updated Delivery Program, LTFP and Informing Strategies
Survey	Consult	Desirable	Enable broader feedback from community and essential to meet the SRV assessment criteria for community engagement.

These external community engagement mechanisms will be coupled with internal communications to inform all staff about the proposed SRV and process and provide them with information to direct questions from members of the public that may arise in their day-to-day interactions. This will include:

- A managers' briefing
- Staff briefings by executive / managers
- Information and scripting for customer service and frontline teams
- Updates in staff e-news

Roles and responsibilities

The roles of Councillors, Council officers and Morrison Low in the engagement process are defined in the table below.

Table 5 Roles and responsibilities

Role	Responsibility
Morrison Low (consultant)	<ul style="list-style-type: none"> • Develop the community engagement plan • Draft background paper / information on the SRV and advise on translation into key engagement collateral • Assist Council in preparation for forums • Prepare report on community engagement outcomes
Council's communications and engagement team	<ul style="list-style-type: none"> • Develop collateral for the various written mechanisms, based on information provided • Publish and release materials in line with this community engagement action plan, including internal communications • Gather community feedback and provide to Morrison Low for analysis
Council CFO and finance team	<ul style="list-style-type: none"> • Update the LTFP model and document for exhibition • Support the development of background papers and other collateral with financial analysis and modelling • Manage the exhibition process and finalisation of the updated 2024-35 LTFP (which includes the SRV)
Council executive and management team (including CEO)	<ul style="list-style-type: none"> • Brief staff on SRV, process and community engagement activities • Attend community face-to-face sessions • Answer questions raised by the community in the engagement process
Mayor / Councillors	<ul style="list-style-type: none"> • Approve community engagement plan • Attend face-to-face community sessions (optional, but recommended) • Mayor to participate in media interviews as appropriate
Chief Executive Officer	<ul style="list-style-type: none"> • Approve / any adjustments to community engagement process as required during engagement • Participate in media interviews as appropriate

Key messages

The key messages for the community should clearly communicate what is not negotiable and what aspects are open for community feedback to inform the decision-making process.

Non-negotiables include:

- the legislative requirement for Council to employ sound financial management principals.
- the current core deficits in the General Fund need to be addressed, targeting sufficient surpluses over time to ensure the ongoing financial sustainability of Council.

Community feedback is sought to:

- assess the level of community understanding of the proposed SRV and its impacts and why it is needed.
- gauge the community's willingness to pay increased rates for the increased services/service levels or new projects/strategies that the SRV is proposing to fund.
- seek submissions on the proposed SRV and the updated Delivery Plan, Long Term Financial Plan and draft Informing Strategies.

To support these key messages and the development of collateral for the community engagement activities, a background paper will be developed to articulate the need for, and level of SRV being sought.

In addition, Council will also have the following reports:

1. A capacity to pay report which will investigate, analyse and report on the community's capacity to pay against Council's rating categories and proposed SRV. This includes research of specific areas across the LGA and will undertake a range of comparisons and assessments of information for areas/locations within the LGA, and associated land use.

Any community communications and collateral will also include:

- how community members can seek further information or have their questions answered.
- how community members can provide their feedback on the proposed SRV.
- what to expect after the community engagement activity is completed, including IPART's public submission and assessment process.

Frequently asked questions

A set of frequently asked questions (FAQs) and their responses will be developed for this engagement process. While every effort is made to ensure that this is a complete list of FAQs at the commencement, these questions will be regularly reviewed and updated throughout the engagement process.

The below is a starting list of the questions we expect to develop for the FAQs:

- How will the proposed special rate variation impact my rates?
- Why do we need an increase to our rates?
- What is the alternative to the proposed rates increase?
- What action has Council taken to address its financial situation?
- How does Council work out what rates to charge each resident?
- What is Council doing to keep rates low?
- Can't you get more funding from other levels of government to help pay for things?
- What if I can't afford to pay my increased rates? (Hardship Policy)
- When would a rate increase be applied from?
- How has Council identified the priority initiatives?
- Who is IPART and what do they do?

Detailed action plan

Table 6 Action plan

Ref	Action	Responsible	By when	Dependency
1	Draft Background Paper / information for SRV	Morrison Low (consultant), with input provided by Council team	14 Nov	
2	Finalise LTFP for exhibition	Finance team	14 Nov	
3	Finalise updated Delivery Program for Exhibition		14 Nov	
4	Finalise Informing Strategies for Exhibition		14 Nov	
5	Develop FAQs	Communications & Engagement team and Morrison Low (consultant)	26 Nov	1
6	Draft engagement collateral, including: <ul style="list-style-type: none"> • Website copy • Newspaper ad • Factsheet • Media Releases • Newsletters • Social media posts • Forum presentations • Email to survey participant from previous engagement 	Communications & Engagement team, with advice and review from Morrison Low (consultant)	26 Nov	1
7	Develop video on SRV	Communications & Engagement team	26 Nov	1
8	Develop Survey	Communications & Engagement team and Morrison Low (consultant)	26 Nov	1
9	Build 'Have Your Say' page	Communications & Engagement team	26 Nov	1-8
10	Schedule face-to-face community sessions	Communications & Engagement team	26 Nov	
11	Develop media plan, draft release and social media content for commencement of engagement (including pre-engagement release leading up to Council meeting)	Communications & Engagement team	26 Nov	1-8
12	Develop and distribute information and scripting for customer service and frontline staff	Communications & Engagement team	26 Nov	1
13	Council resolves to proceed to community consultation on an SRV	Council	25 Nov	
14	Brief managers on Council decision and next steps	General Manager / Directors	26 Nov	13

Ref	Action	Responsible	By when	Dependency
15	Publish first newspaper advertisement on SRV	Communications & Engagement team	27 Nov	
16	Open the 'Have Your Say' page and Survey to the community	Communications & Engagement team	27 Nov	13
17	Engagement period commences		27 Nov	13
18	Publish e-newsletters and media releases	Communications & Engagement team		13
19	Manage social media	Communications & Engagement team		13
20	Manage media enquires	Communications & Engagement team		13
21	Conduct face-to-face and online community sessions and group meetings	Communications & Engagement team Morrison Low (consultant) to facilitate public forums Council executive and Councillors to attend		13
22	Conduct Citizen Jury	Communications & Engagement team		
23	Close engagement, exhibition of updated LTFP and survey, and gather all community feedback	Communications & Engagement team	10 Jan	17
24	Analyse submissions and survey results and draft community engagement report	Morrison Low (consultant)	21 Jan	25
25	Finalise Delivery Program, LTFP and Informing Strategies based on feedback over exhibition period	Council	27 Jan	25
26	Council resolves on whether to proceed with SRV application	Council	10 Feb	28

Measures of success

During the consultation process, the level of engagement will be monitored by Morrison Low and Council's Communications and Engagement team.

Any proposed adjustments to the plan will be approved by the General Manager before implementation.

Monitoring and risk assessment

The table below documents the key risks associated with this community engagement. The risk ratings are assessments of the residual risk after the documented risk responses are implemented.

Table 7 Risk assessment

Risk	Risk response	Residual likelihood	Residual consequence	Residual risk rating
Engagement doesn't meet IPART assessment criteria.	Engagement plan and activities to analyse and integrate requirement to meet criteria.	Low	Medium	Low
Impact on ratepayers of raising rates at a time of increasing inflation and cost of living pressures.	Capacity to pay analysis to understand the impacts of rate increase on community. Key messages to impact on Council of not seeking the SRV.	Medium	Medium	Medium

Appendix B: Communications and marketing collateral (samples)

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

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

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

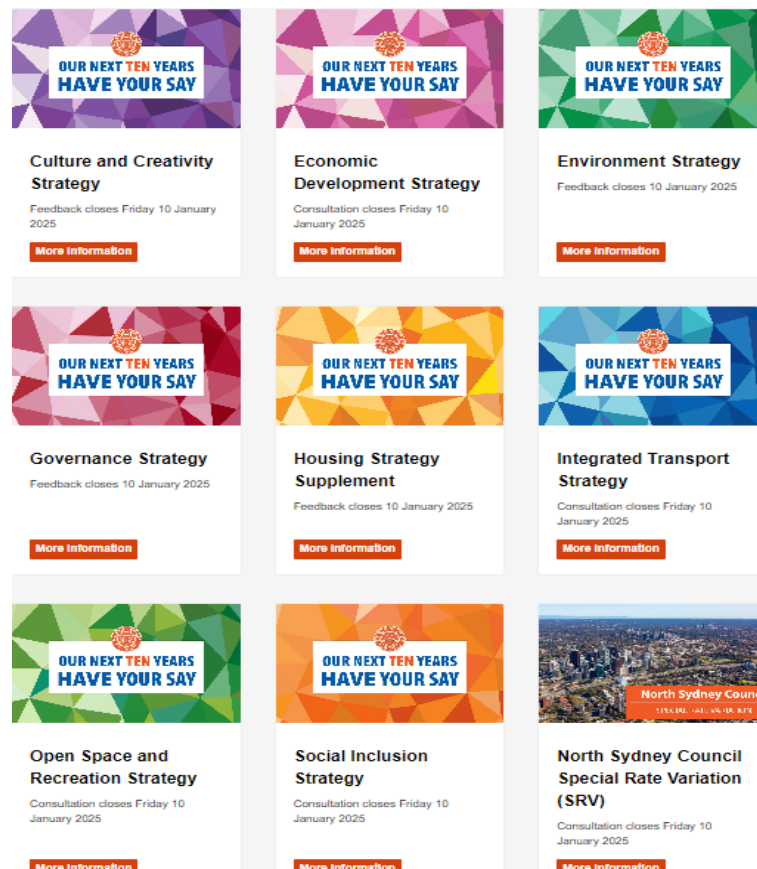


Figure 15 Sample of newspaper advertisement

The advertisement features an aerial view of North Sydney with the council's seal in the top left. Below the image is an orange banner with the text 'HAVE YOUR SAY on Council's proposed SPECIAL RATE VARIATION'. The main text explains the council's need for community feedback on a proposed SRV. It provides the website 'yoursay.northsydney.nsw.gov.au' and a QR code for more information, along with a contact number for assistance.

The seal of North Sydney Council, featuring a circular emblem with a central figure and the words 'NORTH SYDNEY COUNCIL' around the perimeter.

HAVE YOUR SAY
on Council's proposed
SPECIAL RATE VARIATION

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

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

A square QR code located at the bottom of the advertisement.

Telephone 02 9936 8100
if you require assistance.

Figure 16 e-Newsletter (sample)



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

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

Informing our future

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

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

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

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

[Culture and Creativity Strategy.](#)

[Economic Development Strategy.](#)

[Environment Strategy.](#)

[Governance Strategy.](#)

[Housing Strategy Supplement](#)

[Integrated Transport Strategy.](#)

[Open Space and Recreation Strategy.](#)

[Social Inclusion Strategy.](#)

Financial sustainability

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

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

immediate action to ensure long-term financial sustainability.

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

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

Please read our **Special Rate Variation fact sheet** to learn more.

Have your say

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

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

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

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

North Sydney Council

Figure 17 Sample of signage



HAVE YOUR SAY
on Council's proposed
SPECIAL RATE VARIATION

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

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

Wednesday 4 December
Hutley Hall – 6pm to 8pm

Monday 16 December
Online – 6pm to 8pm



Telephone 02 9936 8100 if you require assistance.

Appendix C: Fact Sheet



North Sydney Council

SPECIAL RATE VARIATION

Overview

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

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

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

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

What is a Special Rate Variation (SRV)?

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

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

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

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



Message from Mayor Zoë Baker

Dear North Sydney Community,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Please visit yoursay.northsydney.nsw.gov.au to share your feedback and register to attend our community forums.

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

Yours faithfully,



Zoë Baker

Why does North Sydney need to consider an SRV?

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

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

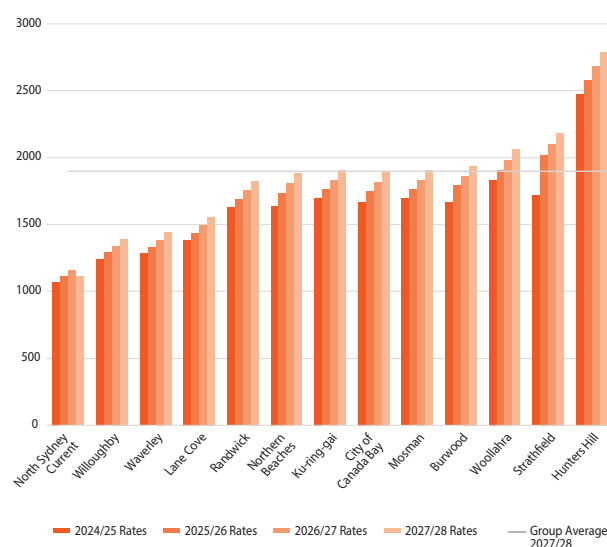
Declining revenue from other sources: Traditionally, around 45% of total operating revenue has been generated through user charges, fees, and other non-rate income. This includes on-street parking fees, fines, advertising revenue, and commercial rental income. While this strategy has lessened the financial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

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

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

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

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



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

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

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

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

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

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

What options is North Sydney considering?

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



Option 1: Financial repair

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



Options 2a & 2b: Strength and sustainability

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



Option 3: Future growth

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

Rate path proposals:

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

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

What does each SRV option provide?

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

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

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

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

What is a minimum rate?

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

What are the proposed changes to minimum rates?

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

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

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

Minimum rates:

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

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

What do the proposed SRV options mean for rates?

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

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

Proposed rates:

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

How can I find out more and have my say?

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

Next steps

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

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

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

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

Appendix D: Media coverage (samples)

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

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

Redevelopment of North Sydney Olympic Pool leaves council with 'cash flow problem', eyes steep rate hike

By Tony Ibrahim Local Government

Mon 18 Nov 2024 at 6:21 pm



The North Sydney Olympic Pool is heritage listed and considered 'historically rare'. (Supplied Facebook)

In short:

The costs to redevelop the iconic North Sydney Olympic Pool have blown out, with council looking at increasing its rates.

The mayor described the financial situation as a "crisis", saying that some property assets may need to be sold off.

North Sydney Council is considering lifting the rates paid by its landowners by 65 to 111 per cent over three years, as the \$90 million redevelopment of its Olympic pool tied up cash flow needed to maintain other facilities.

The council plans on asking the public for feedback on four rate rise options, before it makes a Special Variations application to the Independent Pricing and Regulatory Tribunal.

Councillors will vote in November on whether they are happy with the possible rate rise options before it is put to the public for consultation.

Four options between 65 and 111 per cent have been put forward.

North Sydney Council said the minimum residential land rate would rise from \$715 to \$1,300 within the span of a financial year, while ordinary business rates would increase from \$715 to \$1,400.

The council maintained the current rates were lower than other comparable councils, including Ryde, Randwick and Mosman.

"There'll be some [landowners], maybe most, who'll be really upset and angry that they're having to do this work because of a decade of chaos and poor decision making," Cr Baker said.

"But our ratepayers highly value the sorts of services that the council provides, and I think, reluctantly ... they will help to restore the council to the position it should be in."

Link to full article - <https://www.abc.net.au/news/2024-11-18/north-sydney-council-eyes-rate-rise-olympic-pool-upgrade-blowout/104614806>

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

National NSW [Sydney councils](#)

‘Crisis point’: North Sydney Council rates could double to fund pool



Megan Gorrey

November 23, 2024 – 9.45am



Listen to this article

5 min

North Sydney residents’ rates could double as the estimated cost to rebuild their storied Olympic pool soars past \$100 million, prompting the NSW local government minister to urge a rethink on whether councils should take on such large infrastructure projects.

Weeks after [North Sydney Council said it would need to make “critical decisions”](#) to salvage its finances, councillors will consider four options that would result in rate hikes of at least 65 per cent and possibly up to 111 per cent over three years.

On Monday, councillors will debate various suggestions for increasing revenue from rates to help repair the council’s finances.

The council is proposing to increase its minimum residential rate – which is paid by 77 per cent of landowners – of \$715 to \$1300, and its minimum rate for businesses from \$715 to \$1400 next year.

It also plans to consult the public on the four options for increasing rates above the 5 per cent rate peg for 2025-26 before the council applies to the Independent Pricing and Regulatory Tribunal for a so-called “special rates variation” early next year. Any changes would come into effect in July.

Link to the full article here - <https://www.smh.com.au/national/nsw/crisis-point-north-sydney-council-rates-could-double-to-fund-pool-20241108-p5kp08.html>

Figure 20 Excerpts from Northern Sun article from 26 November 2024

Push for lower rate rise options rejected by North Sydney Council majority vote

26 November 2024

North Sydney Council has voted to proceed with a public consultation on a Special Rate Variation that proposes steep rate increases for residents and businesses. The consultation, which begins on 27 November and runs through 10 January, will outline increases of around 80% on minimum rates and between 65% and 111% over three years overall.

Despite extensive debate, the council rejected an amendment from Councillor James Spenceley to include alternative, more moderate rate rise options in the consultation. Spenceley's proposal,

Under the council’s SRV proposal, the minimum residential rate—currently \$715, paid by 77% of residents—would rise to \$1,300 in 2025/26, an 81% increase. Minimum business rates would increase from \$715 to \$1,400, an 84% rise.

Overall proposed increases range across 50%, 60% or 75% next year and 65%, 75%, 87.5% or 111% over three years.

Council’s 2024/25 average residential rate is \$1,040 [1]. Based upon the proposed increases, combined with an adjustment to the minimum rate from \$715 to \$1,300, the average residential rate is estimated as follows:

	2025/26	2026/27	2027/28
Option 1	\$1,511	\$1,586	\$1,665
Option 2a	\$1,511	\$1,888	\$1,945 (assuming 3% rate peg)
Option 2b	\$1,762	\$1,815 (assuming 3% rate peg)	\$1,870 (assuming 3% rate peg)
Option 3	\$1,611	\$1,933	\$2,127
Rate peg (base case)	\$1,048 [2]	\$1,080	\$1,112

Council’s 2024/25 average business rate is \$6,724 [3]. Based upon the proposed increases, combined with an adjustment to the minimum rate from \$715 to \$1,400, the average business rate is estimated as follows:

	2025/26	2026/27	2027/28
Option 1	\$10,601	\$11,131	\$11,687
Option 2a	\$10,601	\$13,251	\$13,648 (assuming a 3% rate peg)
Option 2b	\$12,367	\$12,739 (assuming 3% rate peg)	\$13,121 (assuming 3% rate peg)
Option 3	\$11,307	\$13,569	\$14,926
Rate peg (base case)	\$7,396[4]	\$7,618	\$7,847

A Council financial report described its current position as “very weak,” citing a \$147 million infrastructure backlog and the \$122 million redevelopment cost of the North Sydney Olympic Pool as key drivers of the proposed rate increases.

Link to the full article here - <https://northsydneynews.com.au/community-politics/push-for-lower-rate-rise-options-rejected-by-north-sydney-council-majority-vote/>

Figure 21 Northern Sun article from 4 December 2024

Council launches quickfire engagement strategy on planned rate rises

4 December 2024

North Sydney Council has kicked off a quickfire six-week community consultation process to muster awareness of its plans for rate rises of 50% or more from next July.

The planned rate rise aims to address what the Council says are financial sustainability challenges and to fund infrastructure, including but not limited to the delayed North Sydney Olympic Pool project and other strategic priorities.

The engagement process aims to meet guidelines from the NSW Office of Local Government and the Independent Pricing and Regulatory Tribunal, which will ultimately rule on the Council's rate request.

The Council is working with New Zealand-based consultancy Morrison Low on the engagement and compliance plan underpinning the rate rises.

According to a Council spokesperson, "Morrison Low specialise in providing assistance to councils undertaking special rate variations, and were engaged under the Local Government Procurement Contract. The value for this engagement fell below that required for tender."

The spokesperson said that "approval" for Morrison Low to proceed with the strategy was granted on 19 September. This was just 5 days after the Council election at a time when votes were still being counted, with three of the sitting councillors in the outgoing council at the time – James Spencley, Ian Mutton and Jilly Gibson – all confirming to the Sun that they had no inkling of plans to increase rates or take such a proposal to ratepayers at that point.

Under the plan, ratepayers are being presented with four rate rise options:

- 65.38% cumulative rate increase by 2027-28.
- Cumulative increases of 87.5% (two years) and 85.66% (one year) respectively.
- A cumulative increase of 111.2%.

The minimum residential rate—currently \$715, paid by 77% of residents—would rise to \$1,300 in 2025/26, an 81% increase.

The Council spokesperson justified the Christmas/NY timing of the rate rise consultation on the basis that it was the culmination of a long and deliberative process.

“We understand this is a busy time of year for many people. Like other councils across the State, engagement is taking place between November and January to meet IPART submission timeframes. The proposal follows an extensive process of review and planning to ensure a financial strategy that achieved both financial strength and sustainability,” Council said.

“This included: an internal review and organisational restructuring in 2023; the ‘Next Ten Years’ consultation program between May and June 2024; the development of independent studies in August and September 2024 and subsequent development of strategies for five key areas including Integrated Transport, Open Space and Recreation, Culture and Creativity, Social Inclusion, and Economic Development; the briefing of newly elected Councillors following their first meeting in October 2024 and the development of Council’s new Long-Term Financial Plan and SRV proposal presented in November 2024.”

Council is undertaking a public meeting tonight from 6pm at Hutley Hall to an expected audience of up to 200 ratepayers, with an online meeting to take place on 16 December.

It has also convened a so-called “citizen jury” which will meet this weekend. “We have engaged a demographically selected group of community members to take part in a forum on the special rate variation next weekend. This group has been selected by an independent research company,” the spokesperson said.

Council will convene a special session with the Combined Precinct Committee, which represents neighbourhood activists across North Sydney. This session aims to engage community leaders who can disseminate information and advocate for their precincts' specific concerns and priorities.

Advertisements in what Council regards as key local newspapers, the Mosman Daily and North Shore Times, will inform the public about the plans. Social media campaigns will run concurrently across platforms like Facebook, Instagram, and LinkedIn to maximise reach, particularly among younger residents.

Fact sheets summarising the SRV options and impacts will be distributed online and in print. Materials will be translated into multiple languages to cater to North Sydney's culturally and linguistically diverse communities.

Council will even employ a billboard at Crows Nest to promote the campaign.

Morrison Low will present a detailed engagement outcomes report to council in January 2025, summarising key findings and the community's willingness to support the rate rise. This report will inform council's decision on whether to proceed with the IPART application.

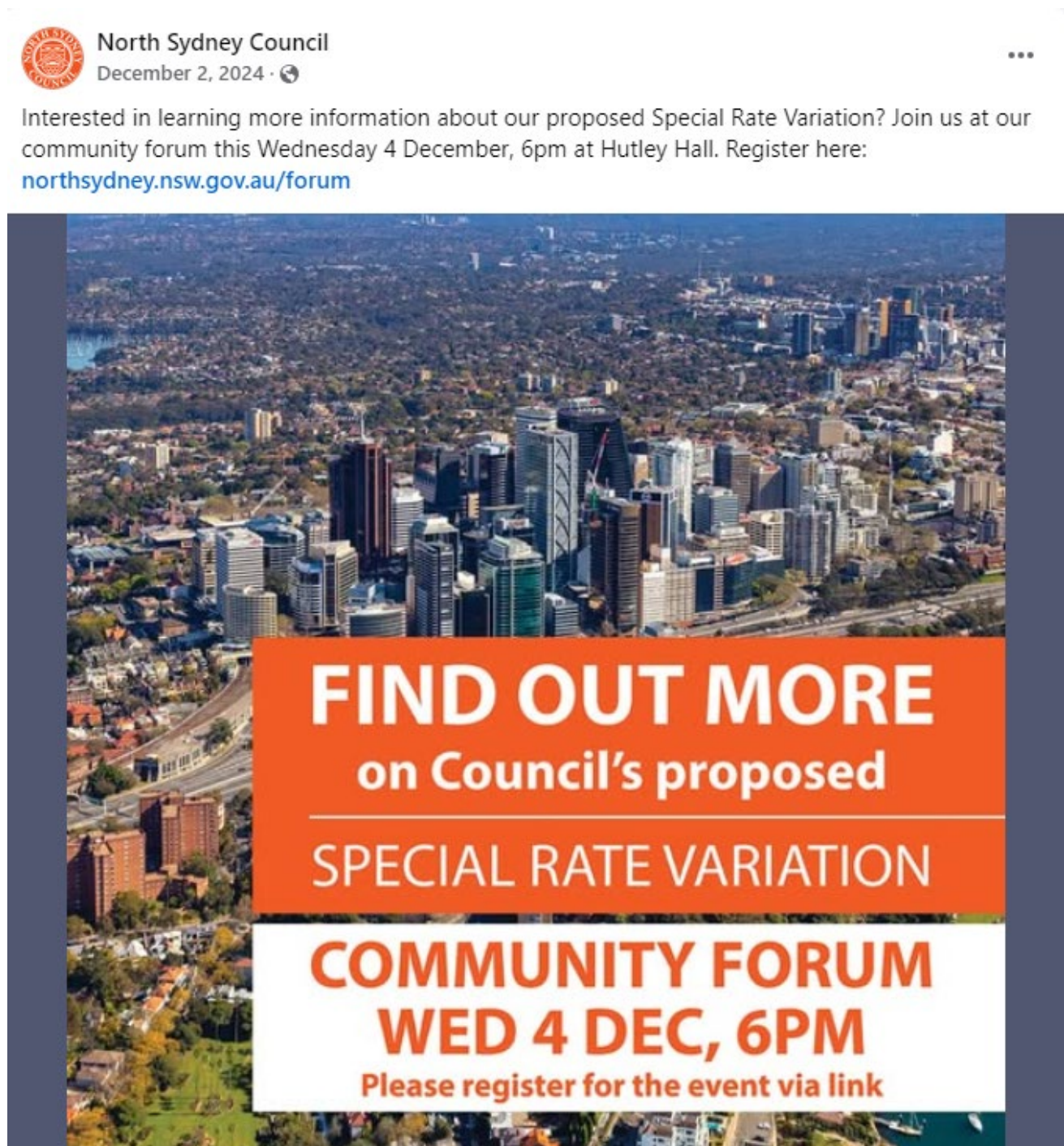
Link to the full article here - <https://northsydneynews.com.au/community-politics/council-launches-quickfire-engagement-strategy-on-planned-rate-rises/>


Appendix E: Social media posts (samples)

Figure 22 Social Media Post from 27 November 2024



Figure 23 Social Media Post from 2 December 2024



 **North Sydney Council**
December 2, 2024 · 🌐

Interested in learning more information about our proposed Special Rate Variation? Join us at our community forum this Wednesday 4 December, 6pm at Hutley Hall. Register here:
northsydney.nsw.gov.au/forum

FIND OUT MORE
on Council's proposed
SPECIAL RATE VARIATION

COMMUNITY FORUM
WED 4 DEC, 6PM
Please register for the event via link

Figure 24 Social Media Post from 11 December 2024



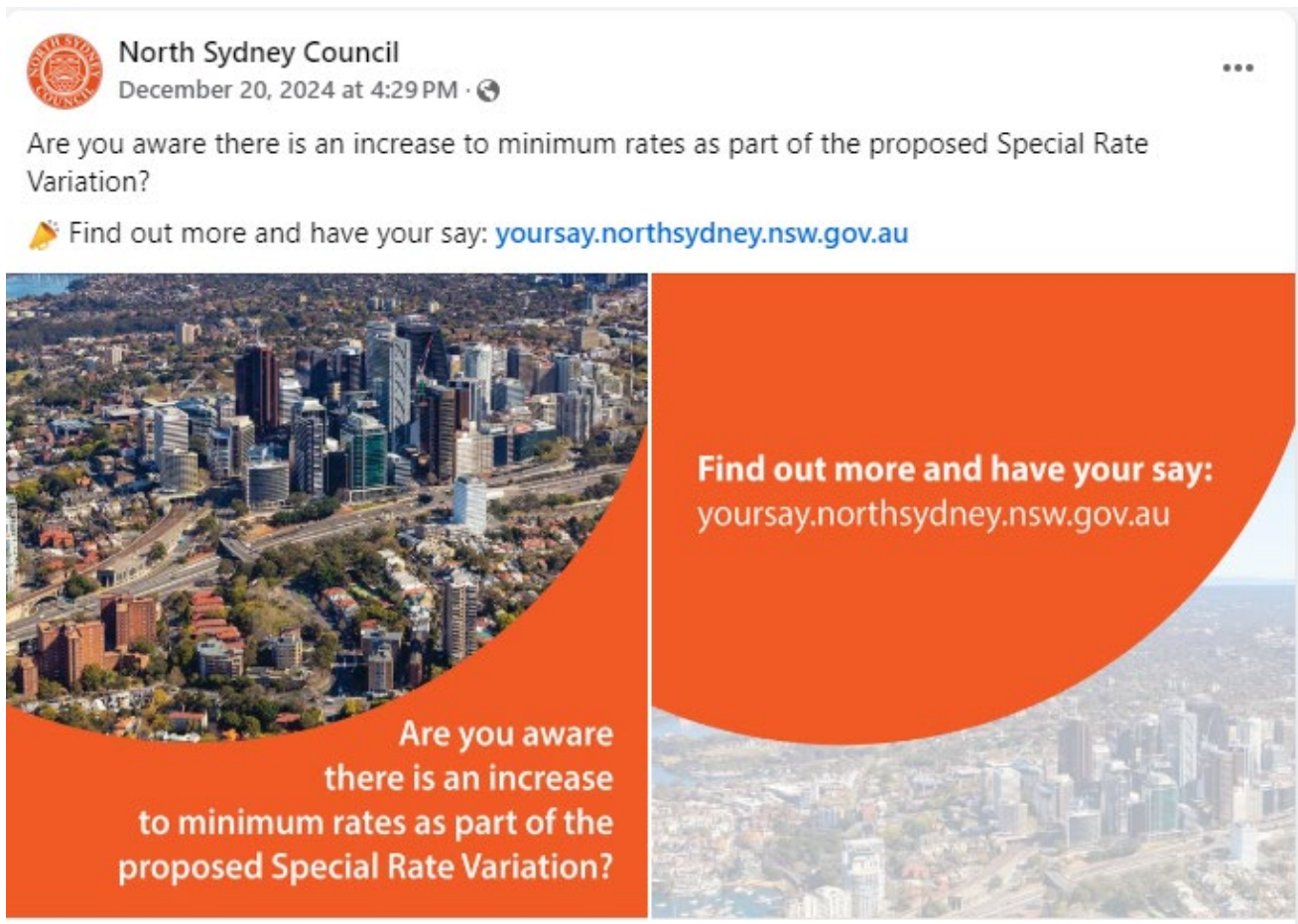
 **North Sydney Council**
December 11, 2024 at 11:02 AM · 🌐

Find out more about our proposed Special Rate Variation at our online community forum on Monday 16 December at 6pm. Please register to join the conversation:
www.northsydney.nsw.gov.au/srvforum

FIND OUT MORE
Council's proposed
SPECIAL RATE VARIATION

ONLINE
COMMUNITY FORUM
MON 16 DEC, 6PM
Please register to receive link

Figure 25 Social Media Post from 20 December 2024



Appendix F: Community forum and meeting presentations


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



1

Special Rate Variation Proposal

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



2

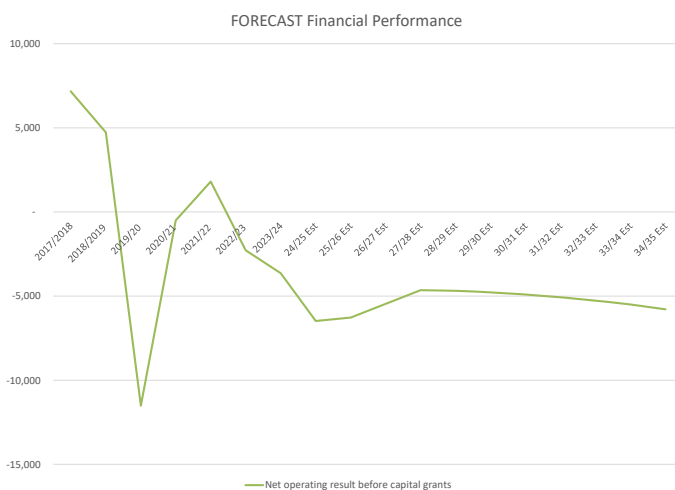
Our Financial Position

Where are we now?



3

Where are we now?



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

The Office of Local Government Benchmark OPR is 0%.

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

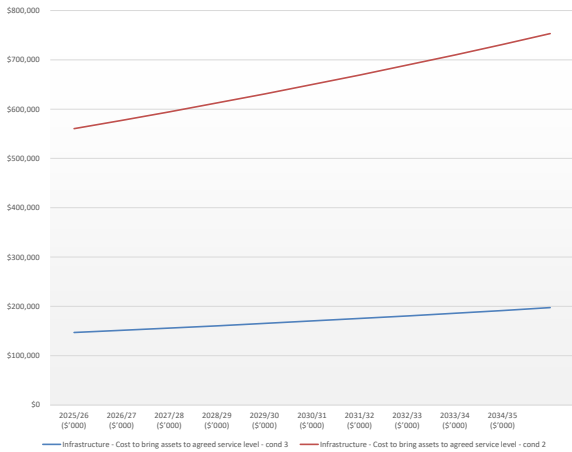
North Sydney Council should aim for an OPR of above 18%.



4

Where are we now?

FORECAST INFRASTRUCTURE BACKLOG



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

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

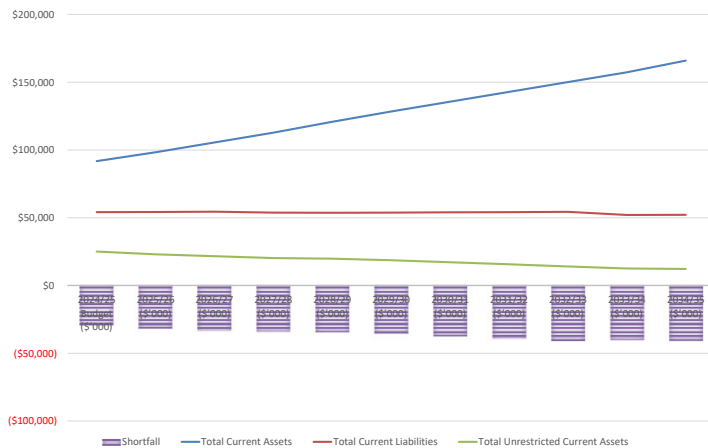
62.32% of building assets are currently below a good level of service, which has led to a range of service delivery issues, including:

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



Where are we now?

FORECAST LIQUIDITY



CRITICAL POSITION

Budgets being reviewed for reduction

Capital programs will be reviewed

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

Target \$7M (however still weak)

Timing is everything – cashflow management critical



A breakdown of costs

2024/25 financial forecast



Employee costs \$54.4M (46.96%)



Depreciation \$28.7M



Materials and contracts \$53.9M (46.60%)



Other expenses \$4.7M (4.13%)

Including:

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

Including:

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



7

Our Financial Position

Why are we here?



Heavy reliance on user charges and other sources of revenue



Revenue decline



Insufficient investment in infrastructure renewals



Poor investment in systems and process



North Sydney Olympic Pool



8

Why are we here?

Declining Revenue

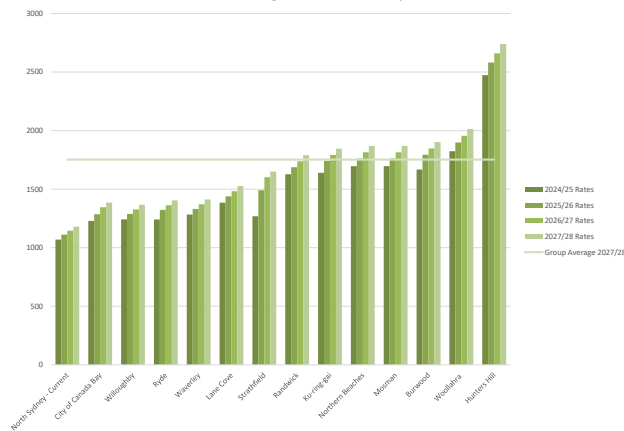
Historical - Total Income (excluding rates, annual charges, NSOP income and one off items)



Why are we here?

Relatively low reliance on rates

Council average residential rates comparison



Why are we here?

Critical infrastructure backlog

North Sydney Indoor Sports Centre



North Sydney Oval



Why are we here?

Critical infrastructure backlog

Crows Nest Community Centre

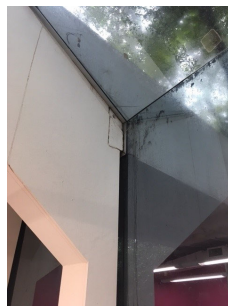
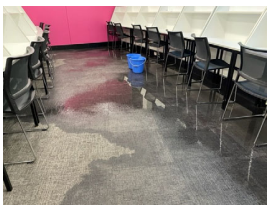


Bus Shelters



Why are we here?

Critical infrastructure backlog Stanton Library



Why are we here?

Lifecycle costs of new assets



Why are we here?

Construction costs

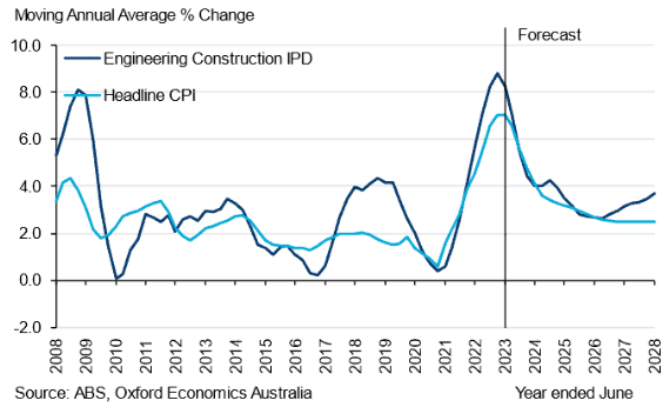


Fig. 1. Engineering Construction IPD and Headline CPI, 2008-2028



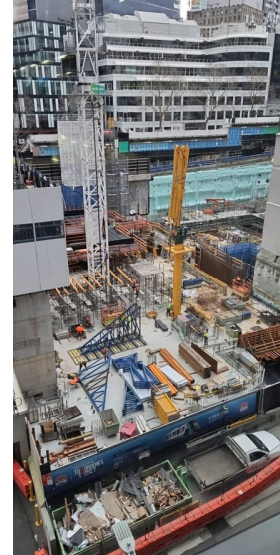
Why are we here?

Upgrades to meet community needs Coal Loader Centre for Sustainability



Why are we here?

Insufficient levels of developer contributions



Why are we here?

Underinvestment in Governance and Administration



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



Lack of documented processes.



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



Data and reporting capability maturity low.



Why are we here?

North Sydney Olympic Pool

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

\$122 million project

\$34.19 million internal borrowings

\$51 million external borrowings

Reduction in infrastructure renewals

Interest income forecast to decline as reserve balances decline



A Strong and Sustainable future

How will we get there?



Clear strategic direction



Improved governance and administration



Structural change to Revenue Policy



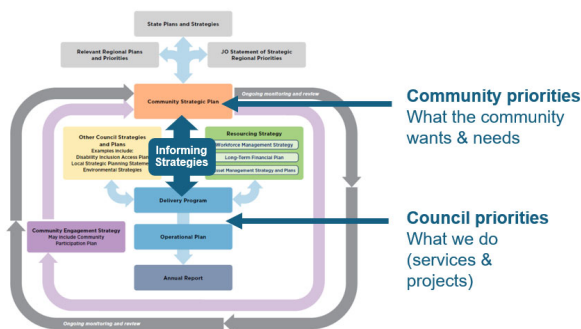
Objectives

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



How will we get there?

Clear Strategic Direction



Draft Informing Strategies

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



How will we get there?

Strategy Deliverables



Open Space & Recreation

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



Culture & Creativity

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



Environment

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



Social Inclusion

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



Economic Development

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



Integrated Transport

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



Housing

- Review the North Sydney Local Housing Strategy



How will we get there?

Improved Governance and Administration



Continued focus on organisational improvement efforts



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



New DA management platform



Review of Council workplace accommodation



Council building assets and commercial property review



Workforce Performance and development framework








Structural change – revenue policy



Minimum rates
Levies
Revenue levels

25

What we don't have control over

-  Rates must be levied on unimproved land value
-  Rates can't be levied based upon the number of bedrooms
-  Schools, churches and other institutions are exempt
-  The total revenue increase is limited to the rate peg outside of the SRV process.
-  Businesses can't be levied differently based on the type of business, e.g. small business vs large business



26

Rating principles

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

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

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



27

The minimum rating structure

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

Advalorem rates apply to 22.74% of residential properties

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



28

The recommendation:

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



29

Levies

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

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



Businesses currently only contribute 10% of environment and infrastructure levies



30

Residential vs Business

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

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

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

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

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



31

How will we get there?

Option 1 – Financial Repair Only

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

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

Required improvements to governance and administration are included.

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

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



32

How will we get there?

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

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

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

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

Required improvements to governance and administration are included.

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



33

How will we get there?

Option 3 – Financial Repair and Future Focused

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

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

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

Required improvements to governance and administration are included.

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

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



34

How will we get there?

Rating Increases Included in Options

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

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

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

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



How will we get there?

Minimums

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

Average

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



10-year breakdown

Where will the money go?



Asset backlog \$139M



New or upgraded assets \$101M



Expanded services \$64M



Loan Repayments \$74M



Financial repair \$151M



Questions?





Appendix G: Survey

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

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

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

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

PRIVACY INFORMATION

[Access to Information Policy](#)

(Choose all that apply) (Required)

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

[GIPA](#)

(Choose all that apply) (Required)

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

Privacy Statement

(Choose all that apply) (Required)

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

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

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

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

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

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

(Choose any one option)

Yes

No

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

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

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

Preferred funding option: (select one)

(Choose any 1 options)

Option 1: Financial repair - 65.38%

Option 2a: Strength and sustainability (SRV over 2 years) - 87.50%

Option 2b: Strength and sustainability (one-year SRV) - 75%

Option 3: Future growth - 111.20%

Note: Required so submissions can be categorised for analysis purposes

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

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

(Choose any one option) (Required)

- Yes
 No

Note: Required so submissions can be categorised for analysis purposes

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

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

Note: Answer this question if it applies

Attach related file(s) as required

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

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

ABOUT YOU

Name (required)

(Required)

What of the following terms best describes you?

Please select all that apply.

(Choose all that apply) (Required)

- Residential ratepayer - owner occupier
 Residential ratepayer - non-occupier (property is tenanted)
 Business ratepayer - owner occupier
 Business ratepayer - non-occupier (property is tenanted)
 Resident - tenant

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

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

Business name (if applicable)

Unit number

Street address

Suburb (required)

(Required)

Email address (required)

(Required)

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

(Choose all that apply)

- Yes
- No

How did you hear about the SRV? (required)

(Choose any one option) (Required)

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

North Sydney Council Special Rate Variation (SRV)

Your Say North Sydney

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



Appendix H: Community Workshop Report



SRV community workshop

Engagement report

North Sydney Council

January 2025



Report title: SRV community workshop engagement report

Client: North Sydney Council

Version: Final

Date: January 2025



This work is copyright of Cred Consulting. Reproduction of this document or any part thereof is not permitted without written permission of Cred Consulting. The ideas, experiences and reflections of all people who were involved in this project or contributed to its findings are acknowledged. Appropriate acknowledgement is requested for the use of any quotations from this document. All reference and image sources are acknowledged and referenced in figure captions and in text citations.

This material is made available by Cred Consulting on the understanding that users exercise their own skill and care with respect to its use. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith. Cred Consulting is not liable to any person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to in this document.

Cred Consulting acknowledges the Traditional Custodians of the lands on which we operate.

We pay our respects to the Traditional Owners, Ancestors and Elders past and present.

We recognise the strength, resilience and contributions of First Nations Peoples, and the eternal and spiritual connection held in the lands, skies and waters, through cultural practices and beliefs.

Our team is proud to live, learn and thrive in the place we now call Australia, and recognise sovereignty has never been ceded by First Nations Peoples of this continent.

As embedded in our values, we are committed to building connected, healthy and resilient communities and creating purposeful outcomes that reflect our deep **appreciation for the peoples and cultures that make us who we are and shape where we are going — together as one.**

Table of contents

Executive summary	4
1. Introduction.....	5
1.1 Background	5
1.2 Purpose of the workshop.....	5
2. Community workshop	6
2.1 About the community workshop	6
2.2 Participant profile.....	6
2.3 What we heard	8
3. Survey.....	19
3.1 About the survey	19
3.2 What we heard	19
4. Appendix	25

Executive summary

This report captures the key outcomes of a community workshop to gather community feedback on options to help resolve North Sydney Council's (Council) significant financial challenges. The workshop was attended by 42 community members and facilitated by Cred Consulting. This report also captures the outcomes from a survey that participants were asked to complete at the workshop .

Approaches to raising revenue

Participants were asked to provide feedback on a range of approaches to raising revenue. Overall, participants were supportive of several strategies, including:

- **Widespread advertising** (92% of workshop participants) providing it preserves the community's aesthetic appeal and aligned with community values.
- **Commercialisation of public spaces** (89%) including hiring public spaces such as Coal Loader, North Sydney Oval, North Sydney Pool and parks.
- **Selling Council land** (64%) with conditions to protect community interests.

The majority of workshop participants also strongly support Council exploring ticketed events.

Cutting assets and services

Overall, participants were supportive of cutting assets and services to reduce costs, suggestions where reduced service could be considered included replacing some heritage bus shelters for slimline glass versions, reducing the quality of street gardens, cutting the free fortnightly waste collections and reducing verge mowing and events.

Minimum rates and levies

Participants were generally in agreement with an increase in the minimum rate, although there was slightly less support for consolidating levies into a single income stream. While both measures were seen as fair and equitable, there were concerns about the costs to residents, particularly during a cost-of-living crisis, and transparency about where their money was going if the levies were rolled together.

Preferred SRV option

Participants were presented four SRV options. Option 3 and Option 1 were the most preferred choices. Feedback on each option is outlined below:

- **Option 1 (Financial repair):** A short-term solution that might not address long-term needs but does not require residents to pay increased rates during the cost-of-living crisis.
- **Option 2a/2b (Strength and sustainability):** Balances affordability and strategic planning but presents some financial burden, particularly in the short-term.
- **Option 3 (Future Growth):** Expensive for ratepayers but provides long-term financial sustainability.

1. Introduction

1.1 Background

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

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

To address these issues, Council has developed a draft LTFP, which includes a proposed SRV. The SRV will strengthen Council's financial position, reducing deficits, reducing debt and providing the necessary resources to deliver services and infrastructure for the community, ensuring a positive legacy for future generations.

As part of Council's community engagement approach, they engaged Cred Consulting to independently facilitate a community workshop.

1.2 Purpose of the workshop

The purpose of the workshop was to:

- inform the community on the current financial situation and the LTFP and proposed SRV
- understand community sentiment on the commercialisation of public spaces in North Sydney
- understand community sentiment on service levels and asset maintenance and renewal, and
- understand the community's preferred option for an SRV.

The findings from the workshop can be found in section three of this report. At the end of the workshop participants were asked to complete individual surveys. The outcomes from the survey have been reported in section four.

2. Community workshop

2.1 About the community workshop

The community workshop was held on Saturday 7 December, between 9.30am and 3pm at Fred Hutley Hall.

42 community members from North Sydney attended the workshop. Participants were a pool of residents who had previously been engaged during consultation to develop the informing strategies, independently recruited by Taverner Research to ensure a representative cross-section of the community.

2.2 Participant profile

Suburb

As shown in **Table 1**, workshop participants came from various suburbs across the North Sydney local government area (LGA) including St Leonards (21%), Crows Nest (19%), Neutral Bay (12%), North Sydney (12%) and Wollstonecraft (12%).

Table 1 – Suburbs of workshop participants

Suburb	Percentage
St Leonards	21%
Crows Nest	19%
Neutral Bay	12%
North Sydney	12%
Wollstonecraft	12%
Cammeray	7%
Kirribilli	5%
Lavender Bay	5%
Cremorne/Cremorne Point	2%
Waverton	2%
McMahons Point	2%
Kurraba Point	2%

Length of time in North Sydney LGA

As shown in **Table 2**, the majority of workshop participants have lived in North Sydney for less than 10 years.

Table 2 - Length of time workshop participants have lived in North Sydney LGA

Length of time in North Sydney LGA	Percentage
0 to 5 years	33%
5 to 10 years	21%
10 to 20 years	19%
20+ years	26%

Age

As shown in **Table 3**, the majority of workshop participants were aged between 35 and 64 years old.

Table 3 - Age of workshop participants

Age	Percentage
18 to 34 years	21%
35 to 49 years	35%
50 to 64 years	28%
65+ years	16%

Other demographics

- 61% identify as female and 39% as male
- 51% were born overseas and 35% speak a language other than English at home
- 14% live with disability
- 7% identify as LGBTIQ+.
- 49% are renting and 51% own or part-own their home
- 78% live in apartments and 22% live in fully detached or non-detached houses, and
- 28% are couples living with children, 28% are couples without children, 26% live alone, 17% live in group households and 4% live with extended family.

2.3 What we heard

What financial strength and sustainability means

In small groups, participants were asked to discuss what financial strength and sustainability for Council means to them. Key points from the discussion included the importance of having realistic, long-term plans and the need to make sacrifices now to ensure financial sustainability in the future. Participants suggested that financial strength and sustainability means diversifying revenue sources beyond parking fees and recognising that Council operates with community priorities at its core, rather than as for-profit business.

Participants also spoke about how having financial strength and sustainability will make North Sydney a better place to live.

Commercialisation of public spaces

In small groups, participants were asked to complete a series of worksheets on their thoughts about the commercialisation of public spaces in North Sydney. Overall, participants noted there are many benefits to the commercialisation of public spaces as a means of raising revenue, including increasing funds to improve social infrastructure and provide services to help improve community wellbeing, becoming more financially sustainable, and ensuring public spaces are better maintained.

However, participants also raised some challenges, including reduced access to public spaces, which can negatively impact sense of community and people's mental health, the loss of public assets that cannot be regained, increased insurance costs and parking difficulties.

Advertising in public spaces and places

Workshop participants were asked about the benefits, challenges and potential impacts of advertising in public spaces..

Benefits

- increased revenue that can be used to fund social infrastructure and services
- community awareness and education, and
- increased community participation.

Participants suggested sponsorship of North Sydney Oval could be a good way to raise revenue through advertising

Challenges

- advertising could create visual "noise," become an eyesore and detract from the attractiveness of public spaces
- increased development application workload for Council staff
- potential for damage and graffiti, and

- ensuring the products and services being advertised are in line with community values e.g. participants do not want to see fast food, alcohol or gambling advertisements.

Impacts on the North Sydney community

- lower quality of life and community experience in public spaces
- reduced trust in Council if there are potential conflicts of interest or the wrong brands provided advertising space, and
- negative impacts on town planning.

Ticketing for Council events

Participants expressed strong support or somewhat support for Council exploring the introduction of ticketing prices for Council events. They indicated the North Sydney community is engaged and would be open to paying for events, and they suggested Council explore tiered pricing options for major events such as NYE. They also highlighted that North Sydney has a range of public spaces that will provide great settings for paid events.

Benefits

- increased revenue that can be used to fund social infrastructure and other events
- trial new events that may lack funding, and
- events can be aligned with the culture and creativity strategy to encourage participation.

Challenges

- impacts people's experiences in North Sydney
- cost of living may impact people's ability to pay for events which will reduce people attending and ability to raise revenue
- possible increased need for maintenance of roads, infrastructure and public spaces, and
- attracting attendees from other areas where events are free.

Closing North Sydney Pool for private use

The majority of participants (all but one table group) strongly support or somewhat support the closure of North Sydney Pool for private use. The stand-out group indicated they were neutral about the idea.

Two groups suggested one to two closures per month would be appropriate, while another group suggested five per year. Participants suggested the pool could be closed for special events such as NYE, or other smaller scale events like outdoor movie nights or markets. They also suggested revenue could be raised through higher prices for priority lanes and extending opening hours. However, they emphasised the importance of ensuring the pool continues to serve the community's needs and that the social impacts of closures are properly researched.

Hiring other public places

All but one group strongly support the hiring of other public places such as the Coal Loader and North Sydney Oval. The last group indicated they were neutral. Participants suggested that while this could help support local businesses it is important to maintain community access to these spaces, especially during major holidays.

Private hire of public parks and foreshores

All groups strongly support the private hire of public parks and the foreshore within Plans of Management for North Sydney's parklands, especially for weddings.

Land sales

Participants expressed mixed opinions on land sales for revenue growth. Three table groups indicated they strongly support or somewhat support this proposal, one group was neutral and one indicated they do not support it at all.

Participants suggested that if Council were to consider land sales it should be on the following basis:

- the circumstances e.g. when the land no longer serves a purpose to the community, or when it will improve revenue
- the type of land and what it will be developed for, and
- as a last resort to accommodate growth in the community.

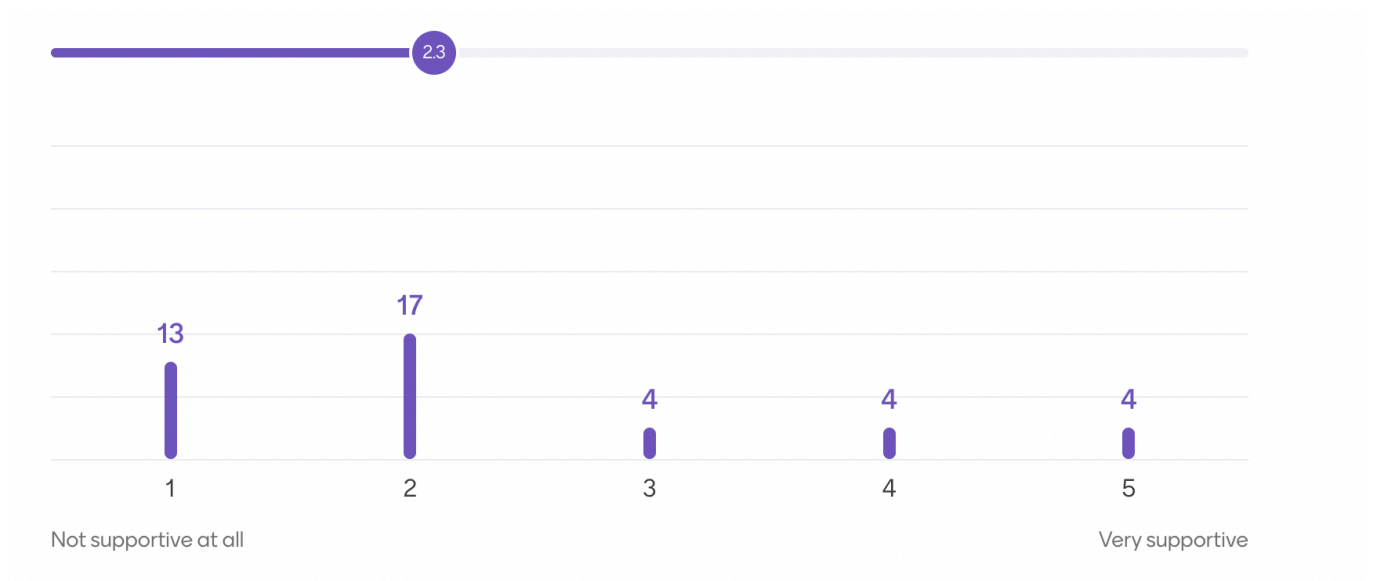
Increasing Council debt

Participants were asked, via Menti, how supportive they are of Council increasing its debt. As shown in **Figure 1**, the majority of participants were not supportive of this. The main reasons cited were that debt is not a reliable source of income and that, if the borrowed amount is unable to generate income, it could become more difficult to service the debt, leading to a worse financial situation. Participants emphasised that increasing debt should be considered only as a last resort, and that alternative methods of financing, such as public-private partnerships or borrowing from residents should also be considered.

However, some participants pointed out that not all debt is bad, particularly if it helps create income-producing assets. They suggested that borrowing to bring assets up to code or to support community services might not necessarily result in long-term financial strain. Other participants discussed the possibility of Council acquiring open space or commercial properties with low-interest rates that could provide potential for capital growth in the future.

Overall, there was a call for more creative and innovative thinking when it comes to managing debt. Participants also noted that the North Sydney Pool is a major source of financial trouble for Council, and that this should be viewed separately from other financial issues.

Figure 1 - How supportive are you of Council increasing its' debt?



Assets

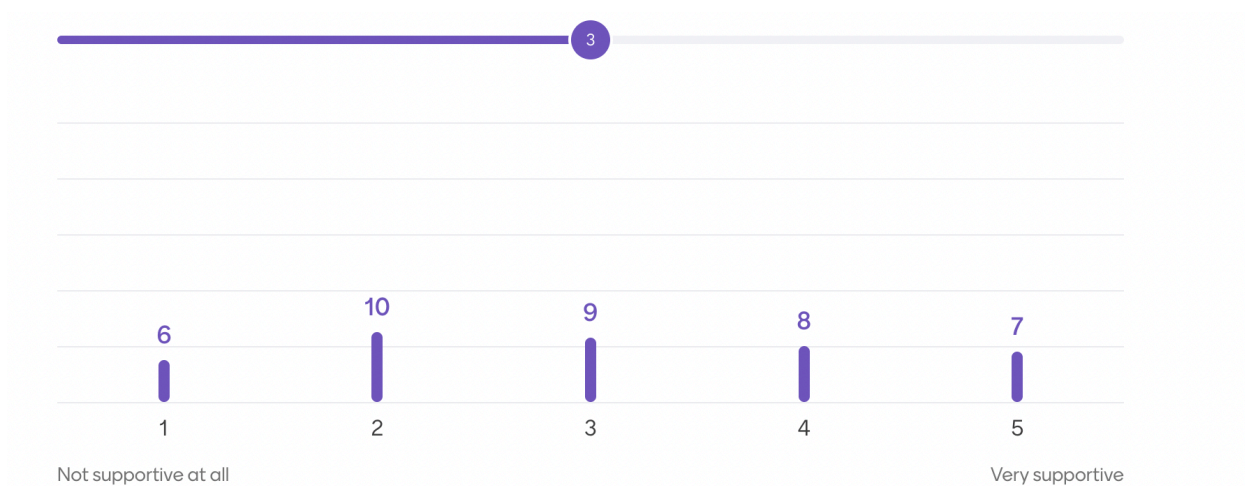
In small table groups, participants were asked how well current asset service levels meet community expectations. Overall, across the different asset categories, participants generally ranked asset service levels at three or lower out of five, indicating they feel asset service levels do not meet broader community expectations.

Participants suggested Council should start thinking like a commercial entity. This could involve selling buildings and then leasing them back for community use. They also discussed the viability of Council hiring an in-house electrician to save costs and partnering with other councils.

Services

Participants were asked how much they support Council cutting services to reduce costs. As shown in **Figure 2**, the average score was three out of five, indicating participants are neutral but somewhat in favour of cutting services.

Figure 2 - How supportive are you of Council cutting services to reduce costs?



They were then asked what services Council should cut and/or reduce and the impact on community this might have. Suggestions include:

- administration costs to improve efficiencies
- waste collection including at community centres and childcares, however, this could lead to rubbish build up
- hard waste collection
- reduce street cleaning
- garden and kerbside greenery maintenance
- education officers
- arts funding, and instead explore sponsorship opportunities
- events, or move towards ticketed events
- gym and pool management
- bushcare education which could be managed by schools or volunteers instead

- transfer air pollution marks to state government
- urban design
- leisure and aquatics, and
- public art.

Participants suggested the impact of this could mean reduced opportunities for social interactions and reduced community satisfaction with service levels.

Minimum rates and levies

Participants were asked whether they agree with increasing the minimum rate to ensure more equitable rating. As shown in **Figure 3**, the majority of participants agree.

Participants who agreed provided the following reasons:

- it will help make a positive financial change and reduce the impact of bad financial decisions
- it's a fair, equitable and affordable increase and rates have to go up eventually
- to ensure buildings can be repaired and generate revenue through leasing
- loving the community and wanting everyone to be able to enjoy the area, and
- the increase is in line with other LGAs.

Select quotes from workshop participants who agreed

"It's very clear we need to make a positive financial change."

"Rates have to go up at some point as everything goes up. Same with strata levies. We can't expect Council rates to stay the same."

"Because I love North Sydney and want it secure for future residents to enjoy."

"I want to help bring back Council to a reasonable level of maintenance and good facilities To improve the sinking fund for the future."

"Because everyone deserves to enjoy the local area to the fullest and if that means people have to pay more, then so be it."

Participants who did not agree provided the following reasons:

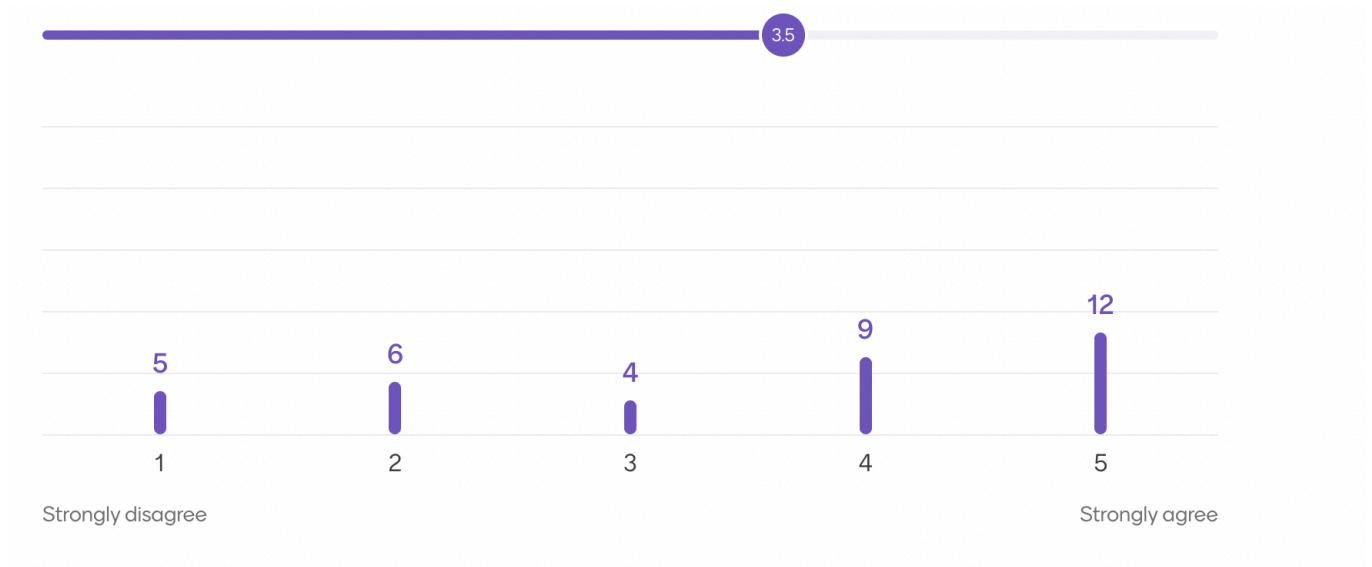
- the increase is too much in a short time especially with the cost-of-living increases
- they don't feel like other options have been properly considered and they feel the figures are misleading
- it's not fair
- they are not confident Council will achieve the goals outlined in the long-term financial plan.

Select quotes from workshop participants who disagreed

“The cost of living is too high now, I don’t think ask the residents to pay extra money out of pocket is fair.”

“That was not a solution We need to improve the inefficiency in the Council culture before we can talk about increase rate.”

Figure 3 - Do you agree with increasing the minimum rates to ensure a more equitable rating?



Participants were then asked whether they agree that Council should roll levies into one income stream. As shown in Figure 4, the majority of participants support rolling levies into one income stream.

Participants who agreed provided the following reasons:

- it’s fair and equitable between residents and businesses, and
- it is simple and easy.

Select quotes from workshop participants who agreed

“It simplifies and creates a more equitable collection of funds.”

“More equitable as businesses will pay more. More fair for residents.”

Participants who did not agree provided the following reasons:

- more details needed
- less transparent if it changes to one income stream and they want to know where money is going
- residents will pay more as costs are hidden, and

- the examples are misleading.

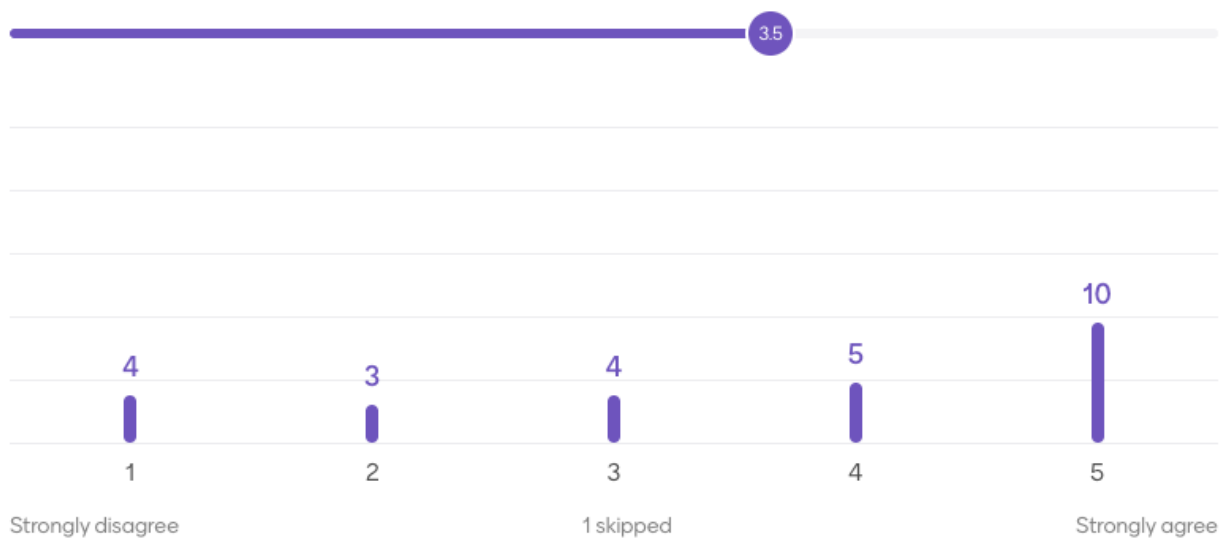
Select quotes from workshop participants who disagreed

"I think it's less transparent if it changes into one income stream."

"Levies should be explained more in detail."

"I disagreed because I need to know where my money is going."

Figure 4 - Do you agree that Council should roll levies into one income stream?



Preferred SRV option

Participants were asked to complete worksheets to identify what they see as the benefits and challenges of each SRV option presented, before deciding on their preferred choice. Three table groups completed the worksheet, while three did not. Some tables reached a consensus, while others had divergent opinions. Option 3 was typically the most preferred followed by option 1. Appendix 1 details the comments and breakdowns per table.

Option 1: Financial repair

Benefits

- cheaper for residents
- ensures financial repair without the extras
- maintains the current financial position

Challenges

- it would mean the engagement around the strategies was wasted
- it's a band-aid solution that doesn't solve long-term financial shortfall or lead to any progress, and
- there will be no adequate maintenance.

Option 2a: Strength and sustainability

Benefits

- it's a middle ground solution that maintains the current budget and some strategies
- community can see feedback implemented in strategies
- it is affordable and sustainable which is good for future growth, and
- provides succession planning.

Challenges

- it is a big jump for the community, especially those on the minimum rate
- need to ensure there is transparency across which strategies are implemented
- high cost of living and financial stress experienced by community.

Option 2b: Strength and sustainability

Benefits

- provides more planning and finance for strategies
- the 2026-2027 increases are not as drastic
- it is beneficial for the community and future growth

- it is fair to everyone, and
- it provides financial stability.

Challenges

- it is a big increase in the first year and some communities might not be able to pay

Option 3: Future growth

Benefits

- it allows us to get on top of the financial situation and move quickly, therefore it will be more sustainable in the future
- allows us to have the 'nice to haves', and
- allows income generated from buildings.

Challenges

- more expensive for ratepayers and residents may struggle, and
- no immediate benefits.

Additional options

One group suggested the following additional options:

- decrease staff pay
- increase efficiency and culture
- increase minimum to \$1,500 for everyone and business - pay minimum plus 50%
- decrease paid services and encourage volunteers
- big business (CBD tax) and tax for businesses with staff travelling to North Sydney LGA
- levies for private schools, hospitals and other businesses, and
- outsource admin to another council.

Questions

Participants were also given the opportunity to ask questions. Below is an overview of the key questions raised by the community:

- What is the interest rate on external borrowings? What percentage of external borrowing relates to pool and what relates to other issues?
- Why was none of this made public before the last election?
- How did we get into this situation with the North Sydney Pool?
- How will we avoid this in the future?
- If this was a commercial enterprise would have many lawyers taking further action. Is there any potential of recovery due to negligence?
- Is someone external going through finances?
- Is the selling of the pool being considered?
- What actions do other councils take in this situation?
- Is the selling of assets being considered?

3. Survey

3.1 About the survey

At the end of the workshop participants were asked to complete a survey. 39 participants completed the survey.

3.2 What we heard

Understanding of current and future financial challenges

The majority of survey participants (97%) indicated they understand the current and future financial challenges facing North Sydney Council. Some noted their understanding was still high-level and they would like more details. Some participants also indicated they felt surprised and disappointed by the current financial situation in North Sydney.

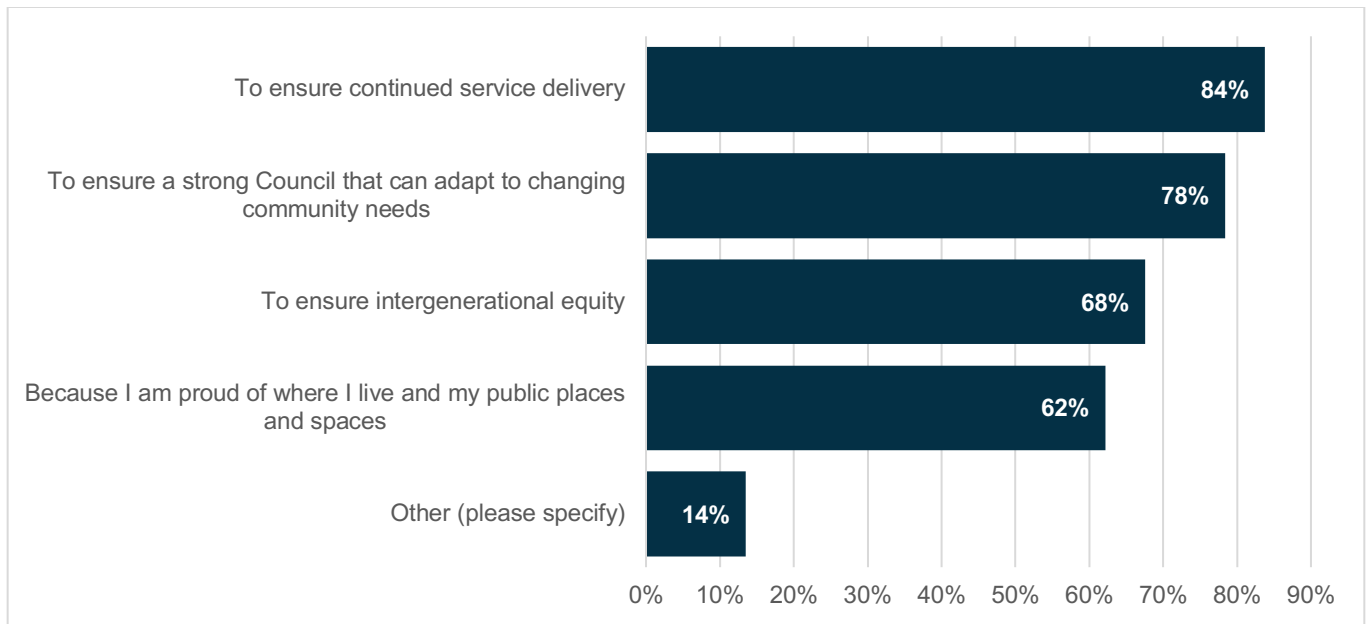
Importance of addressing key challenges

As shown in Participants want to see these challenges addressed for several reasons. These include a responsibility to future generations, protecting heritage and assets, ensuring that residents and businesses have their needs met, preserving North Sydney's social fabric and putting Council on a sustainable footing. Some participants mentioned that focusing on non-essential services is unnecessary.

Figure 5, the majority of survey participants believe it is important to address all the challenges listed. This includes continuing service delivery (84%), ensuring a strong Council (78%), ensuring intergenerational equity (68%) and being proud of where they live (62%).

Participants want to see these challenges addressed for several reasons. These include a responsibility to future generations, protecting heritage and assets, ensuring that residents and businesses have their needs met, preserving North Sydney's social fabric and putting Council on a sustainable footing. Some participants mentioned that focusing on non-essential services is unnecessary.

Figure 5 - Do you believe it is important for these challenges to be addressed? And if so, why?



Maintenance of infrastructure

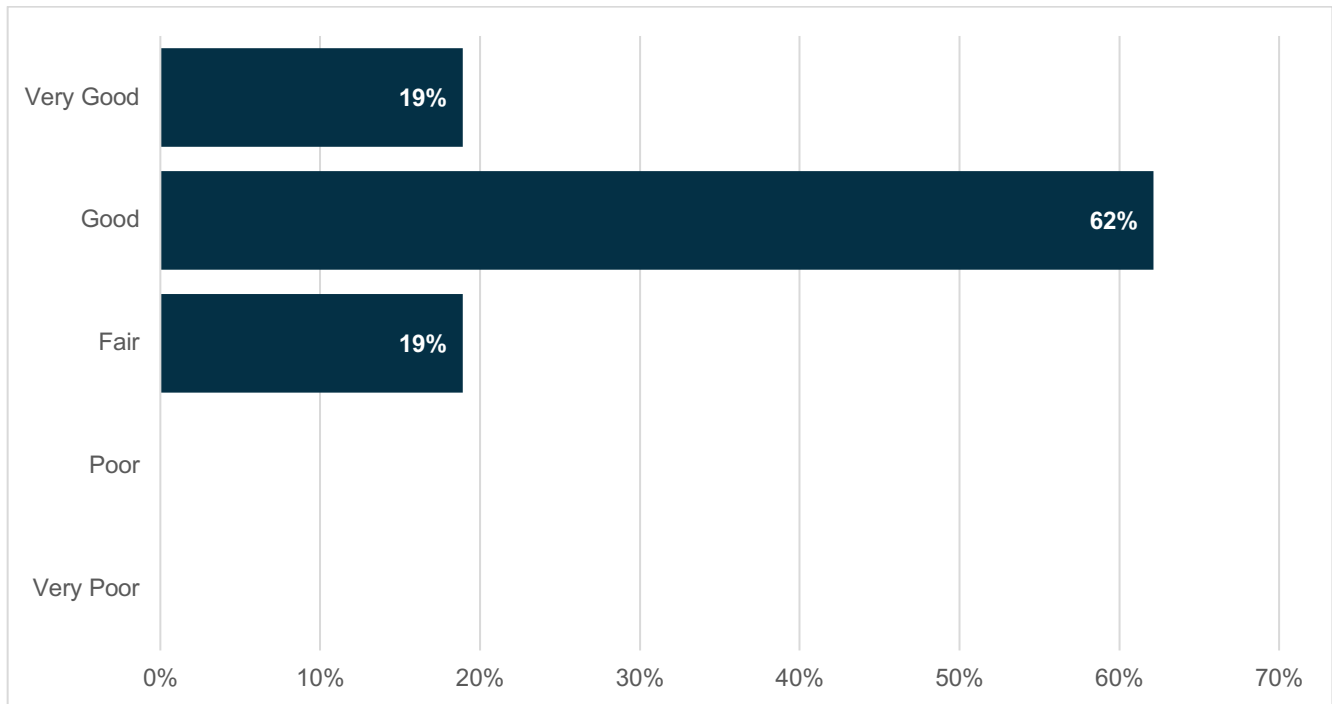
As shown in Figure 6, the majority of participants believe it is important to maintain Council infrastructure at a “good” level. No survey participants selected “poor” or “very poor”.

Select quotes from workshop participants

“Usable is sufficient when we need to be money conscious.”

“Aim to keep all infrastructure to at least fair with the majority of assets to at least good.”

Figure 6 - Do you believe it is important for Council to maintain its infrastructure? If so, to what level?



Participants suggested some heritage bus shelters could be replaced with slimline glass ones to reduce costs, though participants do want to preserve certain heritage bus shelters across the LGA. We also heard that slimline glass does not provide protection from the sun and may be unsuitable for people with health conditions or older people. Other infrastructure that participants told us can be reduced in quality include street gardens, North Sydney Oval, Milsons Point Swimming Pool and parking meters. Some participants indicated that any infrastructure that would reduce costs they would be happy to see reduced in quality.

Maintenance of services

In terms of services, they feel could be reduced, the overwhelming majority of participants would be happy for rubbish/waste collections to be reduced or paid for by residents who want them. Other ideas for potential reductions include arts, events, verge mowing, animal compliance, childcare, men's shed programs, in-person services and education.

Selling Council land

The majority of participants (64%) agree with selling Council land as a means to raise revenue. They suggested it should be sold on the following basis:

- not to certain organisations such as the Catholic Church or private schools
- providing it is not detrimental to the community
- when it can be leased back to Council
- if the land is not well utilised, and
- if it provides housing, especially affordable housing.

Commercialisation of public spaces

The majority of participants (89%) agree with the commercialisation of public spaces and places as a way to raise revenue. They suggested it should be commercialised on the following basis:

- sponsorship, advertising and naming rights
- when it's in the best interest of residents
- generates income and protects Council assets
- on a temporary basis and only for certain businesses (e.g. no alcohol or gambling), and
- commercialise North Sydney Oval similar to Olympic Park and Moore Park.

Select quotes from workshop participants

"This is a good idea. They're using it anyway so why not charge. Council pays for the clean-up."

"Sometimes bringing in extra money can help improve facilities and the appeal of spaces."

Widespread advertising

The majority of participants (92%) agree with widespread advertising within North Sydney LGA. However, they don't want it everywhere or in spaces where it will make the space feel unattractive and cheap. They also suggested careful thought needs to be given to the type of business, product or service that is advertised.

The importance of public open spaces and community facilities in high-density environments

Participants were asked to rate on a scale of one to ten how important public open spaces and community facilities are in high-density environments. The average rating across participants was 8.6, indicating that the community views open spaces and community facilities as very important in high-density living environments such as North Sydney.

Increase in minimum rate

The majority of participants (82%) indicated they feel a minimum rate of \$1,300 is appropriate. Those that did not agree felt that it was unfair to make residents pay for poor management by Council, and that it is a large increase without much warning.

Select quotes from workshop participants

"I feel it is an unfair rate hike and there is a lot of ill feeling around the pool."

"Too low, given the ability of residents to pay we are in an amazing and affluent precinct."

"I think it is high but appropriate as long as there is a way to bring it down in the future."

"If that is what needs to happen to assist with a better financial position and reduce later"

Council's approach to a strong future

Participants overwhelmingly supported a planned approach to financial management, emphasising the need for a well-informed and proactive approach to address current and future challenges. Many highlighted the importance of involving the community in shaping financial decisions. Some participants acknowledged that while planning is ideal, the current financial situation may require reactive measures in the short term to address certain issues.

Participants who did not specify a preference for a planned or reactive approach expressed a desire for more efficiency, transparency and accountability in Council's approach to financial management. Key suggestions from participants include selling assets like the North Sydney Pool, reducing staff numbers, addressing wasteful spending, learning from past failures, seeking specialist advice and accelerating debt reduction.

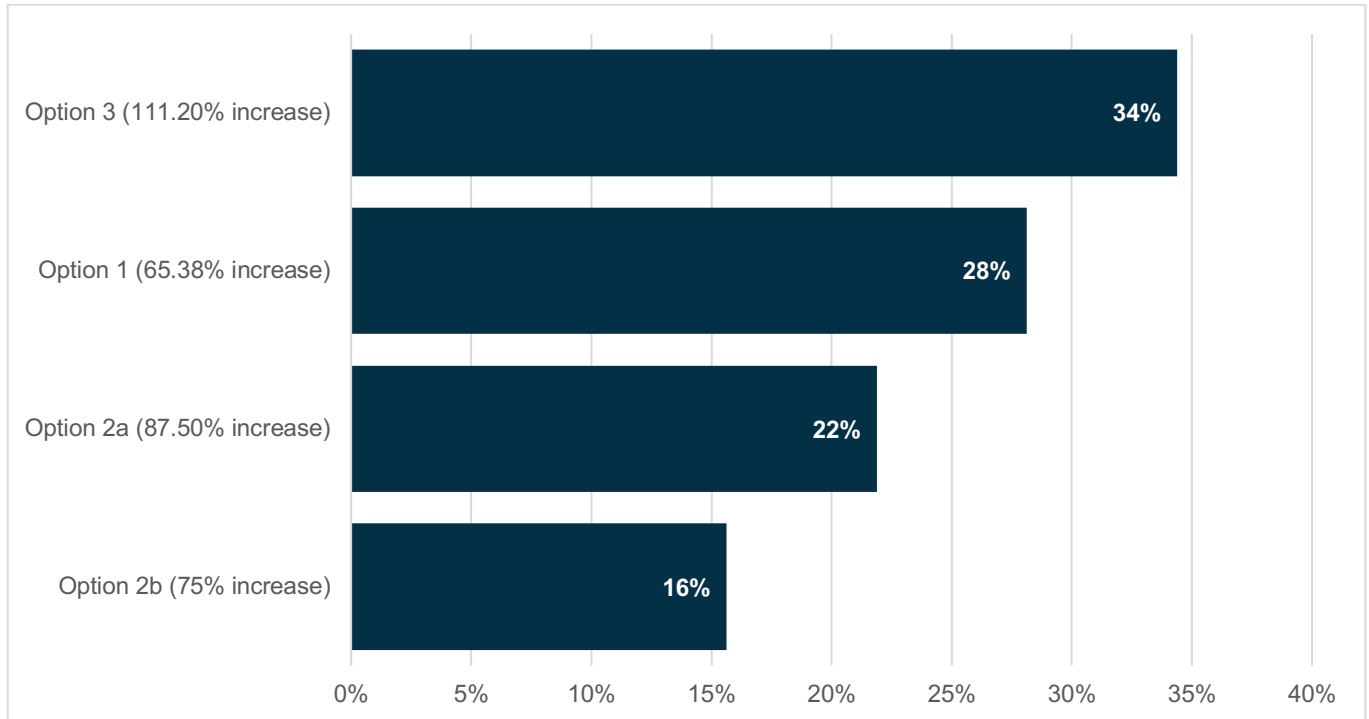
Proposed actions within the informing strategies

Participants were asked to rate on a scale of one to ten whether they believed the North Sydney community would benefit from the proposed actions within the informing strategies. The average rating was 7.3, indicating participants believe North Sydney would benefit from the proposed actions.

Preferred SRV options

As shown in **Figure 7**, survey participants have varied opinions on the preferred SRV option. The most commonly selected choice was option three (34%), followed by option one (28%), option 2a (22%) and option 2b (16%).

Figure 7 - In considering the SRV options presented, which would you prefer (if any)?



Some participants suggested the following alternative actions to address Council’s financial challenges:

- Improving efficiency and accountability through reducing wasteful spending and improving internal efficiency and culture. Specific ideas included reducing staff by up to 50%, outsourcing management to more efficient operators and conducting independent audits to identify better financial strategies.
- Generating revenue by diversifying revenue streams, such as increasing business levies, raising rates, charging for certain events, leasing land for private functions, charging levies from private schools and exploring advertising opportunities.
- Reviewing potential assets that can be sold. Several participants also recommended halting work on the North Sydney Pool or selling it.
- Considering actions such as appointing administrators, liquidators or involving the Office of Local Government to investigate past mismanagement.

Some participants suggested Council should consider implementing a hardship waiver for vulnerable community members facing financial difficulty.

4. Appendix

Appendix 1: Table breakdown of SRV options

The data in this section is sourced from worksheets completed by participants in groups during the workshop. As a result, it may differ from the data shown in Figure 7, which reflects individual survey responses collected at the end of the workshop.

- Table 1 – all agreed on option 3
- Table 2 – split between an alternative option (FY26 75%, FY27 25% and FY28 25%) and option 3
- Table 3
 - Option 1: 4 votes
 - Option 2a or 2b: 2 votes
 - Option 3: 1 vote, however, would like to see less funding for the strategies

Three tables did not complete this worksheet.

Cred
CONSULTING



Appendix I: Councillor and MP communications

Letter from North Sydney Councillor

Dear Fellow Ratepayer

North Sydney Council is proposing to increase residential rates by up to 75% next year and over the following three years, rates are proposed to climb by up to a staggering 111%. This is at a time of unprecedented cost-of-living pressures, this proposal demands serious scrutiny.

Ratepayers should only be asked to take the burden of such an unprecedented rate rise as an absolute last resort.

After careful consideration, I **strongly oppose this proposed rate rise**—and I believe you should too. Here's why:

1. The Olympic Pool overrun doesn't justify such drastic increases

The Council claims the rate rise is needed to cover the cost overrun of the North Sydney Olympic Pool, which is now three years behind schedule and at least \$50 million over budget. Yet, the proposed rate increase is so excessive that it would recover the entire overrun in not much more than a year or two — clearly an unreasonable approach given the pool is designed to serve the community for 50+ years.

With the proposed rate rise, we are being asked to pay for the majority of the pool upfront. However, instead of burdening today's ratepayers, the pool could be funded through long-term, low-interest government loans. Annual user fees, which are expected to generate millions of dollars in revenue and will grow with inflation can cover these loans or if absolutely required, then a small increase in rates.

2. Council hasn't explored other financial options

Despite calling this a "financial crisis," Council has refused to consider viable alternatives;

- **Cost control / Spread projects out further:** Instead of tightening its belt, Council plans to **increase** spending by \$20 million (14%) next financial year, largely on salaries and new projects. This is hardly the behaviour of an organisation in financial distress. In addition, the justification for the excessive rate rise also includes a \$32 million upgrade for North Sydney oval, again paid for upfront by current ratepayers and contributing to the requirement for the unprecedented rate rise.
- **Government debt to spread out costs.** If we must spend this increase in costs, then don't be fooled by the argument that debt is just passing the buck to future councils, using debt for these projects is in fact responsible and equitable. It is matching the payment of the work closer to the period they'll be used. Simply put it is not asking us, the current ratepayers to pay upfront with 100% rate increases but it enables our rates to stay lower and for future rate-payers to also contribute fairly to the costs of these works and upgrades, ones they will also use and enjoy.
- **Asset sales:** Council owns over \$50-100 million worth of commercial investment property. Selling some of these non-community assets (like office space, luxury apartments and retail stores) these assets could offset the pool shortfall and reduce or eliminate the need for steep rate increases. This isn't a sale of community assets; you can't use them like a park or library but the sale of these offices and retail shops means the proceeds will go into true community assets and your rates can stay lower.
- **Business rates:** Multinational corporations and large businesses in the North Sydney CBD currently enjoy relatively low rates. The original concept from the 1980s—where residents accepted the high-rise CBD in exchange for lower residential rates—should be honoured. With ongoing high-density development boosting the rate base, Council could reasonably shift more of the burden to these businesses. Rate rises for businesses are fully tax deductible but for regular residents they are not.



3. Questionable financial projections

Council's justification for the rate rise is based on projections that include significant increase in salaries and projects from next year, but not only that, these projections include non-cash items such as depreciation and amortisation these are the calculations which are used as justification for the rate rise. These accounting entries do not represent actual cash outflows.

4. A sudden "crisis" after the election

This so-called financial crisis was not raised before the September 14 election. As a sitting councillor, I received no indication of such a requirement to raise rates. The June financial report gave no warning of an impending need for such drastic rate hikes.

Shockingly, Council engaged marketing consultants to prepare to promote this rate rise just five days after the election, with the results known but in fact while votes were still being counted. This timing raises serious questions about transparency. Not only that, it is also us the ratepayers that are paying for this marketing company to cleverly package this unprecedented rate rise to us.

5. Consultation is clearly a Hobsons choice,

Asking you to provide feedback on if you prefer a 65% or 111% rate increase is a no choice at all and is not transparent nor open community consultation. Unfortunately, my motion to include in the consultation a much lower option of 10%-15% and 20% was defeated. However, you can still have your say, and it doesn't have to be a preference for either 65% or 111%.

What you can do Take action now!

Unfortunately, a majority of councillors—being the Real Independents, Labor, and Greens—are backing this extraordinary rate hike and have been unwilling and in fact voted down my proposal and suggestion for lower rates increases along with alternative methods such those I've outlined in this letter.

If you agree that the 65-111% rate increase proposal is excessive and that more reasonable options should be explored using a Variety of methods as I've outlined, I urge you to speak up:

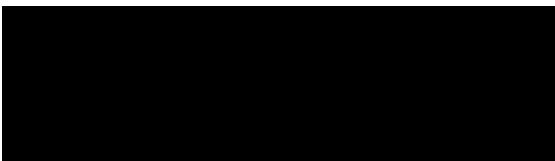
- Give your feedback at yoursay.northsydney.nsw.gov.au to demand a more balanced approach and suggest a choice between a 65% or 111% rate rises is not a choice or acceptable
- Share your views on social media and help raise awareness
- **Contact me directly**— This is very useful and will ensure your feedback is passed on to both Council and also to IPART (who must finally approve the rate increase)
- Tell your neighbours and friends who may not be aware of this rate increase or espically that there are alternatives, send them my email address for feedback.

The majority of councillors are supporting the proposed massive increases, so the power is only in your hands now. At a time when residents are already under financial strain, we need solutions that are fair, sustainable, and equitable and that does require your action.

Councils consultation process is unfortunately over the holidays and ends on Jan 10th. Before and after this date you can continue to submit your views and feedback to me at any time on this matter and it will very much assist with both Council deliberations and my submission to IPART.

Let's reject this unprecedented rate hike and push Council to explore the many options for a smarter and more common-sense alternative.

Sincerely,



James Spenceley
North Sydney Councillor
Cr.james.spenceley@northsydney.nsw.gov.au



North Sydney Council proposes to double your rates

Register for updates

[Click here to have your say on North Sydney Council's proposed rate rises here](#)

As you may know, **North Sydney Council is proposing to dramatically raise rates over the next three years.** Residents have reached out to me with their concerns on these rate hikes and their inability to oppose this proposal in Council's own consultation process.

Council reported a surplus in its budget in June 2024 and identified no financial risks in its 2024 Financial Statements. Mere months later it has stated that its "unsustainable financial position" has led to the proposal to more than double residential and business rates starting in 2025.

Locals have expressed concerns to me that **Council has not proposed any cost cutting or efficiency mechanisms.** In fact, it proposes maintaining existing spending along with **increased spending on new items of \$57.4 million over just the next three years.**

Families who are already balancing tight budgets and local businesses trying to stay afloat will bear the brunt of these rate hikes. Property owners and renters alike will feel these costs passed on even while interest rates are persistently high and rents have spiked at record rates.

WHAT IS NORTH SYDNEY COUNCIL PROPOSING?

Consultation is now underway on Council's proposal, with consultation occurring over Christmas and closing on 10 January 2025.

All rate scenarios propose at a minimum a 50% rate increase in 2025 alone, with the top cumulative three-year increase hitting 111.2%. These are not one-off increases and will be incorporated for perpetuity.

OTHER OPTIONS FOR FISCAL REPAIR

North Sydney Council has not proposed other options for fiscal repair, and in fact has proposed increased spending on a wide range of new initiatives.

North Sydney Council should instead be proposing other options such as:

- Internal efficiency programs and cost cutting
- Deferring new spending proposals which include an additional \$57.4 million in the first three years
- Exploring divestment of any underperforming assets that don't fulfil a core Council purpose within their \$53.7 million investment property portfolio
- Staging future capital works and infrastructure programs like IT upgrades
- Accessing low interest NSW Treasury loans

Council should be cutting its own spending first, and assessing the performance of its own assets, before asking residents and businesses to pay more.

HOW TO MAKE YOUR VOICE HEARD

North Sydney Council is currently undertaking consultation on this proposal, however its closed survey does not allow residents to oppose the rate rise or support a lower rate rise.

Thankfully, the full process will take a number of months and Council will need to compile community feedback and then make a proposal to IPART (the NSW regulator that assesses and approves Special Rate Variation applications) in early-2025 with a final determination by mid-2025.

It's my job to ensure that the NSW regulator and the NSW Minister for Local Government hear the views of residents and businesses in our community.

I am ensuring residents can have a say: please ensure you speak up even though consultation has been scheduled over Christmas and Summer holidays.

[Sign up here](#) to receive information on how to participate in each step of the process over the coming months.

These rate hikes, if implemented, will place an unnecessary and unfair financial burden on local households and businesses, many of whom are already struggling with the rising cost of living.

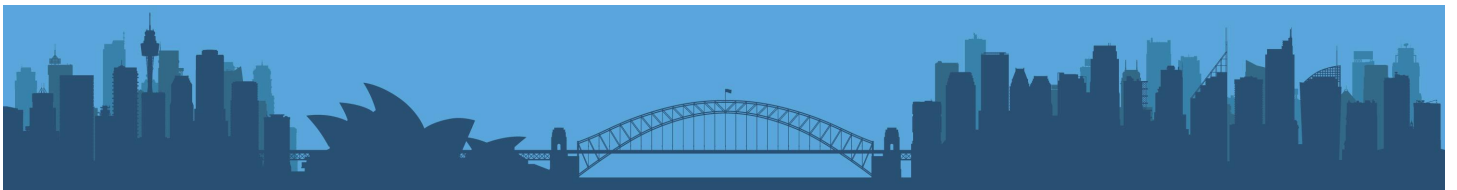
Yours sincerely

**Felicity Wilson MP
Member for North Shore**



Stay updated about North Shore

enter your email



02 9909 2594

northshore@parliament.nsw.gov.au

Suite 3, 40 Yeo Street,
Neutral Bay, NSW 2089

Quick Links

[home](#)

[what's happening](#)

[parliament](#)

[media](#)

[about felicity](#)

[about north shore](#)

[surveys](#)

[speeches](#)

[faq](#)

[get in touch](#)

