



Draft Addendum to Delivery Program 2024-2028

Including Operational Plan and Budget 2024/25

Special variation update: Funding our Future



northern
beaches
council

Contents

Introduction 1

Option 2 Maintain Service 4

Option 3 Improve Service 10

Option 4 Increase Service 13

Introduction

Like many councils in NSW, Northern Beaches Council is facing growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts, and construction, with Sydney's inflation over the 4 years to 30 June 2024 being almost double the increase in rates income.

Council is consulting on options for a Special Variation to rates that will improve Council's financial sustainability and infrastructure investment.

The current Delivery Program 2024-2028 and Operational Plan 2024/25 adopted by Council on 25 June 2024 is Option 1:

Option 1 - Reduce service: Rate peg only (current path) – No Special Variation, Fixed Rate Peg (3.8% 2025/26) increase only. This option includes ongoing deficits and involve Council undertaking widespread assessment of its services to reduce services to balance its budget.

This draft Addendum to the Delivery Program 2024-2028 and Operational Plan 2024/25 contains Options 2, 3 and 4. Each of these options involve a Special Variation to rates as follows:

Option 2 – Maintain service: proposes a Special Variation of a 6% increase in addition to the rate peg each year for 3 years to primarily address the asset renewal and maintenance gap and support environmental and natural risk reduction programs.

Option 3 – Improve service: proposes a Special Variation of a 8.3% increase in addition to the rate peg each year for 2 years and 8.4% in year 3. In this option, Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs (Option 2), as well as provide the opportunity to deliver larger renewal projects in future years such as the renewal of the Warringah Aquatic Centre.

Option 4 – Increase service: proposes a special variation of a 10% increase in addition to the rate peg each year for 3 years. In this Option, Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs (Option 2), build up a major renewal fund for future works (Option 3), as well as provide the opportunity to accelerate the delivery of infrastructure and increase services in areas such as additional community grants, more footpaths, a fit for purpose lifeguard headquarters and improvements to sporting facilities and amenities buildings..

As additional revenue is raised by each option it will allow for more programs to be delivered:

Maintain Service (Option 2) = Fund asset renewal and maintenance gap, environmental and natural risk reduction programs

Improve Service (Option 3) = Maintain Service (Option 2) + Deliver larger renewal projects

Increase Service (Option 4) = Improve Service (Option 3) + Accelerate infrastructure delivery and increase services

The pages following detail the revenue and programs to be funded by:

- Option 2 – Maintain Service
- Option 3 – Improve service
- Option 4 – Increase service

The Addendum is being exhibited in accordance with s404 and 405 of the Local Government Act NSW, 1993 and the *Integrated Planning & Reporting Guidelines for Local Government in NSW, September 2021*.

The Long-Term Financial Plan 2024-2034 (Special variation update: Funding our Future) provides detailed information on the impact of the proposed special variation to rates under each option for the average ratepayer.

How to read this document

Blue heading indicates the service area from the Delivery Program

Ref indicates whether the program is new, maintenance/renewal or uplift in service

CSP refers to the relevant goal in the Community Strategic Plan

Bold headings indicate whether the program is new work, renewal or operational

Key Services

Environment and sustainability

CSP	Programs	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
	Capital new					
G1	Water quality improvement (Clear Waters)	N	-	159	273	1,534
G1	Water sensitive urban design	U	-	40	82	126
G2	Climate change amplification	U	-	53	171	344
G1	Natural water sensitive urban design assets	U	-	7	29	78
	<i>Total new expenditure</i>		-	259	555	2,082
	Capital renewal					
G2	Planned and reactive stormwater renewal	M	-	1,080	1,279	1,915
G2	Minor stormwater works	M	-	43	89	137
G2	Ocean outfall stormwater renewal	M	-	-	136	210
G2	Flood mitigation program	U	-	371	1,163	1,792

Glossary

Ref: N	New works
Ref: U	Uplift in existing service levels
Ref: M	Maintenance or Renewal
CSP	Community Strategic Plan

Option 2: Maintain Service



northern
beaches
council

Option 2 Maintain Service

Overview

The Maintain Service option involves a special variation of rate income to primarily address the asset renewal and maintenance gap and support environmental and natural risk reduction programs.

The increase from the special variation is 6% in addition to the rate peg each year for 3 years. The additional cumulative increase from the special variation will amount to 20.4% over 3 years and raise an additional \$40 million in rates income per year by year 3.

The increase from the rate peg plus the Special Variation will be as follows:

- Total annual increase of 9.8%, 9.4% and 9.1% applied over 3 years commencing from 2025/26
- Total cumulative increase of 31.1% over 3 years

The income from the Special Variation and expenditure by key service on programs is detailed below.

Income and expenditure

Option 2 Maintain Service	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Opening balance	-	-	86	263
Additional rates income	-	11,768	25,090	40,004
<i>Total</i>		<i>11,768</i>	<i>25,176</i>	<i>40,267</i>
Expenditure by key service:				
Environment and sustainability	-	3,448	6,088	11,088
Community, arts and culture	-	55	7	189
Environmental compliance	-	385	792	1,232
Parks and recreation	-	1,722	4,379	7,445
Transport, traffic and active travel	-	3,208	7,933	11,053
Economic development, events and engagement	-	-	1,042	1,680
Property and facilities	-	1,795	2,407	3,299
<i>Total</i>	-	<i>10,613</i>	<i>22,648</i>	<i>35,986</i>
Future funding:				
Working capital	-	420	864	1,344
Depreciation and maintenance on new assets above	-	-	13	83
Disaster Fund	-	656	1,348	2,076
Total Option 2	-	11,689	24,873	39,480
Closing balance		79	303	787

Key Services**Environment and sustainability**

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G1	Water quality improvement (Clear Waters)	N	-	159	273	1,534
G1	Water sensitive urban design	U	-	48	111	205
G2	Climate change amplification	U	-	53	171	344
<i>Total new expenditure</i>			-	260	555	2,083
Capital renewal						
G2	Planned and reactive stormwater renewal	M	-	1,080	1,279	1,915
G2	Minor stormwater works	M	-	43	89	137
G2	Ocean outfall stormwater renewal	M	-	-	136	210
G2	Flood mitigation works	U	-	372	1,164	1,793
<i>Total renewal expenditure</i>			-	1,495	2,668	4,055
Operational						
G2	Stormwater asset inspection	M	-	159	273	840
G2	Enhance stormwater asset maintenance	M	-	96	250	325
G2	Clear Waters maintenance program	U	-	3	17	32
G2	Gross pollutant trap (GPT) enhancement	U	-	7	38	15
G2	Beach nourishment investigations and approvals	U	-	-	109	392
G2	Bush fire management	U	-	106	109	112
G1	Bushland and invasive species management	U	-	538	1,107	1,704
G2	Contaminated lands management	U	-	212	218	224
G1	Creek rehabilitation program	U	-	106	218	336
G2	Floodplain management program	U	-	164	218	522
G2	Foreshore erosion mitigation and adaptation	U	-	53	55	56
G2	Geotechnical risk management	U	-	212	218	224
G2	Narrabeen Lagoon Entrance Management Strategy implementation	U	-	38	35	168
<i>Total operational expenditure</i>			-	1,694	2,865	4,950

*Subject to annual operational plan adoption

Option 2 Maintain Service

Community, arts and culture

CSP Programs*		Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital Renewal						
G12	Glen Street Theatre renewal	M	-	55	7	189
<i>Total renewal expenditure</i>			-	55	7	189

*Subject to annual operational plan adoption

Environmental Compliance

CSP Programs*		Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Operational						
G12	Compliance services	U	-	385	792	1,232
<i>Total renewal expenditure</i>			-	385	792	1,232

*Subject to annual operational plan adoption

Parks and recreation

CSP Programs*		Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G12	Playground upgrade program	U	-	-	145	728
G12	Aquatic Reserve lighting system	N	-	74	706	1,120
G12	Foreshores program	N	-	32	163	-
<i>Total new expenditure</i>			-	106	1,014	1,848
Capital renewal						
G12	Grandstand renewal	M	-	371	55	-
G12	Sport building renewal	M	-	-	-	78
G12	Recreational trail renewal	M	-	115	236	364
G12	Playground renewal	M	-	133	273	420
G12	Rockpool renewal	M	-	230	977	1,865
G12	Seawall program	M	-	-	-	112
<i>Total renewal expenditure</i>			-	849	1,541	2,839
Operational						
G8	Extend Lifeguard operations at Dee Why, Freshwater, Shelly Beaches and Clontarf Pool	U	-	-	249	393
G12	Maintenance planning of open spaces	M	-	21	39	-
G12	Maintenance of open spaces	M	-	158	325	501
G12	Tidal pool maintenance	M	-	35	73	112
G12	Reserve mowing	U	-	136	279	430
G12	Tree maintenance	U	-	177	364	560
G12	Tree planting	U	-	240	494	762
<i>Total operational expenditure</i>			-	767	1,823	2,758

*Subject to annual operational plan adoption

Transport, traffic and active travel

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G16	New cycleways	N	-	-	145	224
G16	New bus shelters	N	-	-	29	45
G16	New footpaths	N	-	177	364	560
G17	New kerb and gutter	N	-	53	109	168
G16, G17	New smart parking infrastructure	N	-	-	-	429
G17	New traffic facilities	N	-	177	364	560
<i>Total new expenditure</i>			-	407	1,011	1,986
Capital renewal						
G16	Multi-storey carpark renewal	M	-	159	491	560
G16	Wharves renewal	M	-	212	1,679	2,641
G16	Road renewal	M	-	877	1,803	2,778
G16	Retaining wall renewal	M	-	428	654	199
G16	Kerb and gutter renewal	M	-	141	291	448
G16	Car park renewal	M	-	194	400	168
G16	Bus stops renewal	M	-	54	110	167
<i>Total renewal expenditure</i>			-	2,065	5,428	6,961
Operational						
G16	Wharves maintenance	M	-	53	164	224
G16	Bridge maintenance	M	-	28	87	90
G16	Car park maintenance	M	-	36	72	112
G16	Linkway maintenance	M	-	85	96	-
G16	Footpath maintenance	M	-	14	29	45
G16	Fencing maintenance	M	-	53	73	112
G16	Road pavement maintenance	M	-	230	487	773
G16	Scotland Island and Western Foreshores maintenance program	M	-	42	87	134
G16	Traffic facilities maintenance	M	-	53	109	168
G16	Retaining walls maintenance	M	-	35	73	112
G16	Road shoulders and unsealed roads maintenance	U	-	-	218	336
<i>Total operational expenditure</i>			-	736	1,495	2,106

*Subject to annual operational plan adoption

Economic development, events and engagement

CSP	Programs*	Ref	2024/25	2025/26	2026/27	2027/28
			\$'000	\$'000	\$'000	\$'000
Capital new						
G12	Commercial centres upgrade	U	-	-	1,042	1,680
<i>Total new expenditure</i>			-	-	1,042	1,680

*Subject to annual operational plan adoption

Property and facilities

CSP	Programs*	Ref	2024/25	2025/26	2026/27	2027/28
			\$'000	\$'000	\$'000	\$'000
Capital renewal						
G5, G9	Disability access compliance works	M	-	27	73	106
G12	Heritage building renewal	M	-	-	36	56
G5, G6	Operational buildings renewal	M	-	282	844	560
G5	Building plant renewal	M	-	530	654	1,344
G12	Warringah Aquatic Centre renewal	M	-	107	218	337
<i>Total renewal expenditure</i>			-	946	1,825	2,403
Operational						
G12	Building maintenance	M	-	849	582	896
<i>Total operational expenditure</i>			-	849	582	896

*Subject to annual operational plan adoption

Option 3: Improve Service



northern
beaches
council

Option 3 Improve Service

Overview

The Improve Service option involves a Special Variation of an 8.3% increase in addition to the rate peg each year for 2 years and 8.4% in year 3. The additional cumulative increase will amount to 29.0% over 3 years.

Under the Improve Service option Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs (Option 2), as well as provide the opportunity to deliver larger renewal projects in future years such as the renewal of the Warringah Aquatic Centre.

The increase from the rate peg plus the Special Variation will be as follows:

- Total annual increases will amount to 12.1%, 11.7% and 11.5% applied over 3 years.
- Total cumulative increase will amount to 39.6% over 3 years.

The income from the Special Variation and expenditure by key service on programs is detailed below.

Income and expenditure

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

Key Services

Improve Service (Option 3) includes all programs under Maintain Service (Option 2).

$$\begin{array}{l} \text{Improve Service} \\ \text{(Option 3)} \end{array} = \begin{array}{l} \text{Maintain Service} \\ \text{(Option 2)} \end{array} + \begin{array}{l} \text{Deliver larger renewal} \\ \text{projects} \end{array}$$

The programs for Option 2 can be found at:

- Environment and sustainability – page 8
- Community, arts and culture – page 9
- Environmental compliance – page 9
- Parks and recreation – page 9
- Transport, traffic and active travel – page 10
- Economic development, events and engagement – page 11
- Property and facilities – page 11

The following additional programs will be delivered under Improve Service (Option 3):

Economic development, events and engagement

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G12	Commercial centre upgrades	N	-	-	545	840
<i>Total new expenditure</i>			-	-	545	840

*Subject to annual operational plan adoption

Property and facilities

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G12	Surf life saving club minor building works	U	-	-	-	560
<i>Total new expenditure</i>			-	-	-	560
Capital renewal						
G12	Surf life saving club renewal works	M	-	-	-	560
<i>Total renewal expenditure</i>			-	-	-	560

*Subject to annual operational plan adoption

Option 4: Increase Service



northern
beaches
council

Option 4 Increase Service

Overview

The Increase Service option involves a Special Variation of a 10% increase in addition to the rate peg each year for 3 years. The additional cumulative increase will amount to 35.3% over 3 years.

Under the Improve Service option, Council would seek to continue all existing services, address the asset renewal and maintenance gap and support environmental and natural risk reduction programs (Option 2), build up a major renewal fund for future works (Option 3), as well as provide the opportunity to accelerate the delivery of infrastructure and increase services in areas such as additional community grants, more footpaths, a fit for purpose lifeguard headquarters and improvements to sporting facilities and amenities buildings.

The increase from the rate peg plus the Special Variation will be as follows:

- Total annual increases will amount to 13.8%, 13.4% and 13.1% applied over 3 years
- Total cumulative increase will amount to 46% over 3 years

The income from the Special Variation and expenditure by key service on programs is detailed below.

Option 4 Increase Service	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Opening balance	-		5,310	15,672
Additional rates Income	-	19,614	42,601	69,233
Total		19,614	47,911	84,905
Expenditure by key service:				
Option 2 Maintain Service program total	-	11,689	24,873	39,480
Option 3 Improve Service program total	-	-	545	1,972
Community, arts and culture	-	705	1,450	2,240
Parks and recreation	-	1,321	4,133	1,680
Transport, traffic and active travel	-	528	1,084	5,040
Waste and cleansing	-	61	126	196
Total	-	14,304	32,211	50,608
Future Funding:				
Depreciation and maintenance on new assets above	-	-	28	106
Total Option 4	-	14,304	32,239	50,714
Closing balance	-	5,310	15,672	34,191

**Option 4 – Increase service
Expenditure - Key Projects**

Increase Service (Option 4) includes all programs under Maintain Service (Option 2) and Improve Service (Option 3).

$$\begin{array}{l} \text{Increase Service} \\ \text{(Option 4)} \end{array} = \begin{array}{l} \text{Improve Service} \\ \text{(Option 3)} \end{array} + \begin{array}{l} \text{Accelerate infrastructure} \\ \text{delivery and increase} \\ \text{services} \end{array}$$

The programs for Option 2 can be found at:

- Environment and sustainability – page 8
- Community, arts and culture – page 9
- Environmental compliance – page 9
- Parks and recreation – page 9
- Transport, traffic and active travel – page 10
- Economic development, events and engagement – page 11
- Property and facilities – page 11

The programs for Option 3 can be found at:

- Economic development, events and engagement – page 14
- Property and facilities – page 14

The following additional programs will be delivered under Increase Service (Option 4):

Waste and cleansing

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Operational						
G12	Improved street sweeping program	U	-	61	126	196
<i>Total operational expenditure</i>			-	61	126	196

*Subject to annual operational plan adoption

Option 4 Increase Service

Community, arts and culture

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G12	Community centre upgrades - keyless entry and technology	U	-	530	545	560
<i>Total new expenditure</i>			-	530	545	560
Capital renewal						
G7	Glen Street Theatre renewal and specialised equipment	U	-	-	545	1,120
<i>Total renewal expenditure</i>			-	-	545	1,120
Operational						
G7, G12	50% increase in Community Grants	U	-	175	360	560
<i>Total renewal expenditure</i>			-	175	360	560

*Subject to annual operational plan adoption

Parks and recreation

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G12	Upgrades to amenities at sportsfield buildings	U	-	1,146	3,446	1,120
G12	Amenities program	U	-	-	327	-
<i>Total new expenditure</i>			-	1,146	3,773	1,120
Capital renewal						
G12	Amenities renewal	M	-	175	360	560
<i>Total renewal expenditure</i>			-	175	360	560

*Subject to annual operational plan adoption

Transport, traffic and active travel

CSP	Programs*	Ref	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Capital new						
G17	Expanded footpath program	U	-	177	364	560
G17	Completion of missing section of Coast Walk	N	-	-	-	3,360
<i>Total new expenditure</i>			-	177	364	3,920
Capital renewal						
G16	Expanded retaining walls program	M	-	200	410	638
G16	Expanded pipe renewals program	M	-	151	310	482
<i>Total renewal expenditure</i>			-	351	720	1,120

*Subject to annual operational plan adoption