10.2. Draft Long Term Financial Plan including Special Rate Variation options

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ATTACHMENTS	1. Long Term Financial Plan Oct 2025 [**10.2.1** - 91 pages] 2. Productivity and Improvement Plan [**10.2.2** - 32 pages] 3. Report - North Sydney Asset Management - 2025-10-09 [**10.2.3** - 105 pages] 4. OPT-IN Report - North Sydney Asset Management - 2025-09-18 FINAL [**10.2.4** - 79 pages]
CSP LINK	**Outcome 8 – An effective, accountable and sustainable Council that serves the community** G1. Develop clear goals, create a plan to achieve them, and track progress with transparency and honesty G8. Manage Council's finances through robust long-term planning and ongoing financial management

PURPOSE:

The purpose of this report is to seek Council endorsement of the Draft Long Term Financial Plan 2027 – 2036 including special rate variation options, for public consultation.

EXECUTIVE SUMMARY:

- At present, North Sydney Council's financial position is unsustainable, and is facing several critical challenges:

    - **Ongoing operating deficits:** Maintaining current service levels and meeting legislative obligations will continue to result in structural operating deficits.

    - **Underfunded infrastructure renewal:** Over the next ten years, funding for infrastructure renewal is projected to meet only 69% of the minimum required investment, leading to further deterioration of community assets.

    - **Escalating Infrastructure Backlog:** The current renewal backlog of $157 million could increase substantially over the next decade, intensifying pressure on the operating budget as more reactive maintenance is required to ensure public safety.

    - **No Funding for New Infrastructure:** Council lacks the financial capacity to invest in new infrastructure or provide co-contributions toward priority projects identified in the Development Contributions Plan.

    - **Low Financial Resilience:** Council holds low levels of unrestricted cash and investments, leaving it vulnerable to financial shocks or unplanned expenses.

- Responsible and sustainable fiscal management is a core responsibility of Council, including consideration of intergenerational equity.

- An extensive review and redevelopment of Council's Long-Term Financial Plan has been undertaken which provides options to reduce the impact of rating increases and supports a medium-term response to current challenges.

- Council's productivity and improvement efforts have been documented to demonstrate efforts to contain rating increases.

- Council has engaged Micromex research to undertake demographically selected and community opt-in research to inform desired service levels and infrastructure condition.

- Three options are provided within the Draft Long-Term Financial Plan for the consideration of Council and the community, including:
    - Option 1 – No change – Deteriorating Infrastructure
    - Option 2 – Treading water - Restore renewal funding and address critical backlogs
    - Option 3 – Eye to the future – Enhanced contribution to infrastructure investment and planning.

- Option 1 assumes rating revenue increases by rate peg, cumulative 10.33%
  Option 2 requires a Special Variation, cumulative 39.92% including rate peg
  Option 3 requires a Special Variation, cumulative 54.18% including rate peg
  All options are phased over a three-year period.

- In addition to the Special Variation, an increase in the minimum rate for residential and business is also proposed to improve growth and equity outcomes.

RECOMMENDATION:
1. THAT Council undertake community consultation on the proposed Special Variation options contained within this report from 29 October to 3 December 2025.
2. THAT Council place the Draft Long-Term Financial Plan on public exhibition from 29 October to 3 December 2025.

Background

Rating income

Local Government infrastructure and services are primarily funded from rating revenue. Metropolitan councils also benefit from revenue such as user charges and fees e.g., car parking, along with other revenue such as infringement revenue. The forecast for 2026-27 indicates 46% of revenue will be generated through ordinary rating income (excluding domestic waste charge).

Rating income is considered a tax, not a user charge. It provides funding towards the cost of services and infrastructure for a whole community rather than an individual. Principles of rating structures consider benefits provided, as well as capacity to pay.

Annual increases in total rating revenue received by councils are capped each year through the NSW Government rate peg framework. Rating revenue does not increase in line with land value.

The rate peg is a limit set each year by the Independent Pricing and Regulatory Tribunal (IPART) that controls how much a local council can increase its total general income from rates, regardless of changes in land values. This means that even if land values in a council area rise significantly, the total amount of money the council can collect from rates does not automatically increase. Instead, councils must adjust the rate in the dollar downward to stay within the rate peg. Therefore, the rate peg restricts overall revenue growth from rates, ensuring that councils do not receive windfall gains simply due to rising property values.

The rate peg aims to increase rates in line with cost increases such as industrial agreements and inflation. It does not provide for increased operational demands, upgraded infrastructure, or infrastructure backlogs which have not been funded in line with renewal obligations through allocation of annual budgets.

To ensure sufficient funding for council services and infrastructure, a council can increase its rating revenue above the rate peg by applying for a Special Variation under section 508(2) or 508A of the Local Government Act 1993. This process is regulated by the Independent Pricing and Regulatory Tribunal (IPART) and allows councils to raise additional revenue beyond the annual rate peg limit.

A council’s long-term financial sustainability and service planning are influenced by a range of changing factors, such as inflation, infrastructure needs, and community expectations. To respond to these changes, councils may sometimes need to increase their rates income beyond the limit set by the annual rate peg. However, applying for a Special Variation is a complex and often politically sensitive process that requires detailed planning, community consultation, and approval from the Independent Pricing and Regulatory Tribunal (IPART).

Because of this, councils tend to apply for Special Variations less frequently, and when they do, the increases are usually larger to cover multiple years or long-term needs - rather than making smaller, more flexible adjustments each year.

Council services

In return for rating income and other sources of income, ratepayers and residents enjoy a diverse range of services and infrastructure. Such services and infrastructure support quality of life and amenity and can positively contribute to both property and rental values. Well presented, connected, and maintained public amenity have a higher value.

A review of Council's 2025-26 budget indicated the average rate of $1,079 per annum was indicatively distributed as follows:

Infrastructure renewals	$260
Parks, sports fields etc	$104
Planning and development	$104
Leisure and aquatics	$ 65
Street cleaning	$ 78
Community services	$ 78
External loans	$ 65
Roads/transport	$ 52
Maintenance	$ 52
Library services	$ 52
Health and safety	$ 39
Community events, engagement & Customer service	$ 39
Protecting the environment	$ 26
Building maintenance	$ 26
Bushcare	$ 26
Street lighting	$ 13

Every community member engages with and values council services in different ways. This diversity makes conversations around rate increases particularly complex. What one resident sees as essential, another may view as less important. Impacts of change can also be different. For example, suburbs like Crows Nest, which have experienced sustained development pressures over several years, place high value on planning services, development response, and open space.

Access to open space, public amenities, and infrastructure also varies across our Local Government Area, creating differing expectations and needs. Demographics further shape how people use and value council services – our needs evolve depending on our life stage, whether we are raising families, commuting to work, or enjoying retirement.

In this context, Council faces four key challenges: while being responsible for intergenerational equity and social justice principles:

1. Balancing diverse needs - planning for and delivering services and infrastructure that meet the needs of a diverse and growing community.
2. Resourcing responsibly – ensuring that services and infrastructure are supported by appropriate and sustainable funding.
3. Managing expectations – aligning community expectations with the resources available to the Council.
4. Intergenerational responsibility – respecting the rights of future generations by ensuring that decisions are sustainable, equitable, and guided by a long-term vision – not just immediate needs.

The reality is that expectations and funding do not always align. Understandably, no one welcomes the idea of paying higher rates. However, North Sydney Council's current financial position is no longer adequate to maintain the level of service and infrastructure that the community has historically received, nor is it a position that allows proactive respond to future needs.

A range of structural and external factors have contributed to this challenge:

- a long-standing minimum rate has constrained revenue growth, despite increasing population density and service demand;
- the cost of the North Sydney Olympic Pool redevelopment has increased debt levels, significantly limited our capacity to invest in critical asset renewal, and placed pressure on reserves and operational capacity;
- revenues from non-rating sources - such as parking, advertising, and rental income - have not kept pace with inflation or rising operational costs.
- cost-shifting and legislative changes from other levels of government continue to place additional burdens on Council resources without corresponding funding.

These financial pressures are compounded by two critical and intersecting sustainability challenges: ageing infrastructure and population growth.

Many of our assets are reaching the end of their useful life, and current asset management systems are outdated. This has resulted in reactive decision-making and constrained funding for both renewal and new infrastructure – leaving little or no capacity to deliver on the priorities identified in the Council's strategic plans.

NSW Government housing reforms target an additional 5,900 dwellings in the medium term, pressure will be placed on infrastructure and services. It is critical that the Councils financial position is strengthened to allow efforts towards proactive infrastructure management rather than reactive.

Current financial position

A financially sustainable council is one that generates sufficient revenue to fund the delivery of services and infrastructure, while maintaining the flexibility to respond to emerging challenges, seize new opportunities, and withstand unexpected financial shocks.

At present, North Sydney Council's financial position is unsustainable, and is facing several critical challenges:

1. **Ongoing operating deficits:** Maintaining current service levels and meeting legislative obligations will continue to result in structural operating deficits.
2. **Underfunded infrastructure renewal:** Over the next ten years, funding for infrastructure renewal is projected to meet only 69% of the minimum required investment, leading to further deterioration of community assets.
3. **Escalating Infrastructure Backlog:** The current renewal backlog of $157 million could substantially within a decade, intensifying pressure on the operating budget as more reactive maintenance is required to ensure public safety.
4. **No Funding for New Infrastructure:** Council lacks the financial capacity to invest in new infrastructure or provide co-contributions toward priority projects identified in the Development Contributions Plan.
5. **Low Financial Resilience:** Council holds low levels of unrestricted cash and investments, leaving it vulnerable to financial shocks or unplanned expenses.

Council's financial challenges have been consistently documented in Council reports and in the previous Long Term Financial Plan (LTFP). Following a year of liquidity measures and further reductions to asset renewal funding in the 2025-26 Budget, a detailed assessment of the current financial position is included in the Draft 2025-2035 LTFP.

Long term community planning

The *Integrated Planning and Reporting Framework* was introduced into Local Government to ensure decisions made were responsive to community aspirations and changing needs and expectations, while also being considerate of longer-term responsibilities including infrastructure management and intergenerational equity.

Without a strategic anchor, financial planning and management risks become reactive, fragmented, and short-sighted. Instead, by putting strategy at the centre, Council can build a financially sustainable future while staying focused on long-term community wellbeing, service delivery, and infrastructure renewal. In this way, financial planning becomes an enabler of vision, not just a constraint.

Through long-term planning, challenges and opportunities are considered and responded to.

For decades, the North Sydney community has benefited from high-quality services, well-maintained infrastructure, and strong civic participation. Council has worked in close partnership with local volunteers, precinct committees, community centres, bush-care groups, Streets Alive, and community gardens to support a thriving, connected community.

However, the environment in which Council operates has and will continue to change significantly. Population growth and increased urban density have placed additional pressure on our assets and services. Much of our infrastructure is ageing, and community expectations are evolving. Advances in technology, the long-term impacts of COVID-19 pandemic, and the transformative opening of the Metro have all reshaped how we live, work, and travel.

In 2024, Council undertook a comprehensive engagement and research program to inform the development of eight key long-term strategies across the following areas of responsibility:

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

These strategies acknowledge the legacy of past Council commitments – many of which remain unfunded - while also identifying new opportunities to improve community wellbeing, now and into the future.

Together, they represent a balanced and forward-thinking approach to planning, designed to meet the needs of current residents without compromising the capacity of future generations to thrive.

To support the delivery of these strategies, Council's Long-Term Financial Plan acts as a critical resourcing tool. For North Sydney, this means navigating a dual challenge: addressing emerging needs and opportunities while also repairing a deteriorating financial position and tackling a growing infrastructure backlog.

Sustainable investment in communities require tough decisions, but with clear strategic direction and sound financial planning, Council can build a stronger, more resilient future for all.

In February 2025, Council applied to IPART for special variation to rating income to strengthen Councils weak financial position, address infrastructure concerns, and support long-term strategic plans.

In addition, the application aimed to achieve greater equity in rating through:

- increasing the minimum rate to improve equity between high, medium, and low-density residential assessments; and
- Absorbing special levies into ordinary income to improve equity between residential and business assessments.

The application was rejected in full by IPART which, while acknowledging Council's poor financial position, concluded that the community's understanding in relation to the need and purpose for special variation was not clear, and that the level of increase did not represent a reasonable impact on ratepayers based upon the two-year increase proposed.

IPART noted that most objectors raised concerns in relation to the North Sydney Olympic Pool redevelopment project, along with confusion regarding the project's contribution to the special rate variation proposed.

IPART agreed that Council demonstrated a rationale for increasing minimum rates and that there is a case for Council to address the inequity in its rating structure between ad valorem and minimum rate ratepayers. However, IPART considered the impact of large increases to the minimum rate over a short period of time, on the population IPART considered most vulnerable (apartment owners) to rate increases, was not reasonable.

Response to IPART decision

In refusing the application, IPART made the following recommendations which Council has now addressed:

1. **Complete a service level review with the community:** Council has now undertaken a service level review through research consultants Micromex Research. The report concluded that there was little appetite for reduced service levels, with most residents wanting services/infrastructure to be maintained, if not improved. The detailed results of this survey are available as an attachment to the Draft Long Term Financial Plan.
2. **Consider various alternatives to an SV including a reduction in services, or considering higher levels of debt:** Improved documentation of consideration made in relation to various alternatives to an SV have been made and are detailed within this plan. Specific new or increased revenue opportunities have been included within the forecasts as opposed to percentage assumptions.
3. **Develop an on-going framework to identify and implement productivity and efficiency savings:** Council developed and commenced implementing a performance improvement framework and pathway in 2023; however, it is acknowledged that this work was not sufficiently detailed within the SV application submitted. In response, a detailed Performance and Improvement Plan has been developed which details Council's considerable efforts towards improvement over the past three years. This plan outlines

productivity, cost containment, and revenue opportunities. This plan is available as an attachment to the Long-Term Financial Plan, and demonstrates that without improvement actions being taken, an additional 14.9% in cumulative rating increases over three years would be required.

4. **Reconsider the extent and timing of the increase to minimum rates:** A reduced minimum rate over three years has been included for consideration in this plan.

5. **Improvement of Council's Hardship Policy:** A new Hardship Policy has been developed and publicly exhibited. This Policy is submitted for Council's approval within this ordinary meeting of 27 October 2025.

Other actions taken

In addition to the above, the following actions were taken to manage Council's immediate financial challenges:

1. Council's *Delivery Program* and *Operational Plan* were updated to adjust priorities to accommodate the limited financial constraints. These plans included a $6 million financial repair target which would require additional income, service reduction, and further productivity improvements. Current projections suggest that $3 million of this target may be achievable in 2025-26 in the absence of service reductions (excluding continued short-term cost containment measures).
2. To address liquidity concerns in the absence of an SV, infrastructure renewal budgets were reduced for a third year, and cost-cutting initiatives were implemented including holding workforce vacancies, leave management plans, and general spending restraint. While some ongoing savings have been identified, the scale of reduction in expenditure is not sustainable and has increased operational risk.
3. Council proceeded with the approval of an additional $10 million loan to support the North Sydney Olympic Pool project.
4. Council's Long Term Financial Plan has been extensively reviewed and redeveloped.
5. New rating options have been developed. These options provide a medium-term strategy and are primarily focused on infrastructure renewal and improvement, with some support for new infrastructure. To support service delivery and improved decision-making, new corporate systems are also recommended in the SV options.
6. Included within the rating options presented is a clearly labelled baseline scenario as an option for exhibition which will provide the community with an option to reduce services and infrastructure.
7. To address confusion regarding the North Sydney Olympic Pool project, the plan acknowledges the commitments made in relation to the project regardless of special variation. All costs associated with the North Sydney Olympic Pool will be funded through existing revenue in all options. The special variation funding will be primarily focused on restoring the sustainability of services and infrastructure, while providing a

modest contribution to new service and infrastructure needs. Commentaries in relation to the financial impacts of the project are included within the LTFP.

The special variation options are considered a medium-term strategy. They do not provide for the delivery of growth infrastructure such as expanded library facilities, new community facilities, or larger upgrades to sporting facilities, open space, and foreshore areas. Further, they will not provide sufficient co-funding for projects outlined in Council's Development Contribution Plan. It is recommended that this plan be revisited in the future to incorporate these needs.

Report

The attached Draft Long-Term Financial Plan provides a medium-term pathway towards restoring financial sustainability and service resilience. It outlines a series of reforms designed to address our structural challenges while balancing the community's capacity to pay.

Although this plan will not resolve all challenges, it represents a crucial step towards restoring financial strength and aligning our resources with the expectations and needs of a growing and evolving community.

The approval of a special variation will provide Council with the opportunity to make a positive difference in the medium term through opportunities such as:

- improving systems, data, and reporting;
- addressing critical infrastructure needs;
- ensuring the operational success of the North Sydney Olympic Pool;
- stabilising the workforce;
- reviewing Council's property portfolio;
- delivering renewal projects which have been delayed in recent years, including Cremorne Plaza and Langley Place; and
- working with the NSW Government to deliver Hume Street Park.

Funding towards master planning key sites, including those adjacent to Metro locations and maximising the use of existing open space, are also priorities in one of the options.

The Draft Long-Term Financial Plan provides further detail in relation to the need for special variation and the purpose of each option. It also provides background in relation to Council's historic financial performance, along with assumptions and sensitivities relevant to the forecast financial statements. Attachments to the plan include the detailed Performance and Improvement Plan and the results from the recent Micromex Research.

The Long-Term Financial Plan provides three options which are recommended for consultation with the community:

Option 1 – No change – increased deterioration of infrastructure

Under this option, ordinary rates would increase by rate peg (4% for 2026-27 and assumed 3% annually thereafter). This represents a cumulative increase of 10.33% over three years. In the absence of significant service reduction, income would be insufficient to support annual renewals. Infrastructure backlogs would grow. Infrastructure management would continue to be reactive, and maintenance costs will increase.

Council is already feeling the pressure of ageing and failing infrastructure which presents both safety risks and disruption to service delivery. This has been exacerbated through a reduction in renewal funding over the past three years in response to the North Sydney Olympic Pool project.

This option covers only the minimum essential investment needed to ensure Council's IT environment remains operational, supported, and compliant. It is a direct response to years of underfunding and technical debt, intended to address the most urgent risks only.

Option 2 – Treading water - Restore renewal funding and address critical backlogs

Under this option, rating revenue would increase by a cumulative amount of 39.92% (29.59% above rate peg) over three years. 20% in 2026-27, 10% in 2027-28 and 6% in 2028-29. This would generate an additional $190 million in revenue over a ten-year period.

The primary focus of this option is to restore infrastructure renewal funding and address the critical backlog that has accumulated over the past three years due to the North Sydney Olympic Pool redevelopment. It does not fully resolve the broader, long-term infrastructure backlog challenge.

Over a ten-year period, $150 million or 79% of the total revenue generated would be directed towards infrastructure renewal. This would enable renewal investment to return to at least 100% of annual asset depreciation and ensure a reduction in the infrastructure backlog. Forecasts indicate a reduction in the infrastructure backlog from 14.04% in 2024-25 to 10.10% in 2034-25 allowing for indexation of costs. $17 million would be contributed to a reserve for new capital works to support Council's Development Contributions Plan.

To further support service delivery and enhance infrastructure management, this option includes the implementation of modern corporate systems. Building upon Option 1, it introduces a comprehensive suite of digital upgrades aimed at transforming Council operations. These initiatives will enhance staff productivity and satisfaction, improve service responsiveness, and better align with community expectations. Crucially, improved data management and reporting capabilities will strengthen decision-making and support more effective long-term planning.

Option 3 – An eye to the future - Enhanced Contribution to Infrastructure Investment and Planning

Under this option, rating revenue would increase by a cumulative amount of 54.18% (43.85% above rate peg) over three years. 23% in 2026-27, 15% in 2027-28 and 9% in 2028-29. This would generate an additional $278 million in revenue over a ten-year period.

This option prioritises infrastructure investment, with 87% of all additional income raised over the ten-year period allocated specifically for this purpose.

$186 million towards infrastructure renewal would ensure funding restored to at least 100% of annual asset depreciation, while also providing greater capacity to address critical backlogs. Forecasts indicate a reduction in the infrastructure backlog from 14.04% in 2024-25 to 7.18% in 2034-25 allowing for indexation of costs.

In addition, this option creates capacity for new infrastructure to support the delivery of some priority projects, with a modest investment of $57 million in new infrastructure over the ten-year period, including $40 million towards a reserve for new capital works to support Council's Development Contribution Plan. The $17 million in projects responds to the growing population with a strong focus on maximising the use of existing open space and recreation infrastructure.

Beyond infrastructure delivery, this option provides some operational capacity, with $17 million for new and emerging priorities, such as master planning for key sites including those within proximity to Metro and foreshore locations, business and tourism support, and increased maintenance budgets to support new open space at Berry's Bay. Acknowledging the importance of access and inclusion, social cohesion and culture towards liveability, particularly in a community experiencing change, a modest contribution to social inclusion strategies has been made.

To further support service delivery and enhance infrastructure management, this option includes the implementation of modern corporate systems. Building upon Option 1, it introduces a comprehensive suite of digital upgrades aimed at transforming Council operations. These initiatives will enhance staff productivity and satisfaction, improve service responsiveness, and better align with community expectations. Crucially, improved data management and reporting capabilities will strengthen decision-making and support more effective long-term planning.

Special variation to permissible income

Of the three options, Option 1 maintains rates within the rate peg, while Options 2 and 3 require a Special Variation.

Special variation income in all models is being generated through the ordinary rate, with environment and infrastructure levies (special levies) increasing in line with rate peg in all models. These levies are calculated using a base rate calculation and, in the absence of absorbing these levies into ordinary rates, any change above rate peg will shift levy burden towards residential ratepayers.

The following table summarises these options.

	Ad-valorem income ($)	Minimum income ($)	Special levy income	Total permissible income	% increase year on year
OPTION 1 – Rate peg cumulative 10.33% *(2026-27 rate peg 4%, with forecast of 3% for 2027-29)*					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	38,515,195	23,259,425	5,678,066	67,452,687	4%
FY 27-28	39,670,651	23,957,208	5,848,408	69,476,267	3%
FY 28-29	40,860,771	24,675,924	6,023,861	71,560,556	3%
OPTION 2 – Special Variation cumulative 39.92% (incl. rate peg)					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	41,915,450	30,236,507	5,678,066	77,830,023	20%
FY 27-28	45,256,134	34,508,483	5,848,408	85,613,025	10%
FY 28-29	47,602,693	37,123,244	6,023,861	90,749,798	6%
OPTION 3 – Special variation cumulative 54.18% (incl. rate peg)					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	44,314,723	29,782,985	5,678,066	79,775,774	23%
FY 27-28	51,792,016	34,101,716	5,848,408	91,742,140	15%
FY 28-29	56,880,860	37,094,212	6,023,861	99,998,933	9%

The changes in revenue outlined above would have the following impact on average residential and business rates.

Average residential rate			
	Option 1	**Option 2**	**Option 3**
FY 25-26	$1,076	$1,076	$1,076
Annual increase	*$43*	*$219*	*$251*
FY 26-27	$1,119	$1,295	$1,327
Annual increase	*$34*	*$127*	*$193*
FY 27-28	$1,153	$1,422	$1,520
Annual increase	*$34*	*$84*	*$134*
FY 28-29	$1,187	$1,506	$1,654
Total increase	*$111*	*$430*	*$578*

Cumulative increase above rate peg over 3 years	*$0*	*$319*	*$467*

Average business rate			
	Option 1	**Option 2**	**Option 3**
FY 25-26	$7,193	$7,193	$7,193
Annual increase	*$288*	*$1,390*	*$1,617*
FY 26-27	$7,481	$8,583	$8,810
Annual increase	*$244*	*$893*	*$1,380*
FY 27-28	$7,705	$9,476	$10,190
Annual increase	*$231*	*$583*	*$947*
FY 28-29	$7,936	$10,059	$11,137
Total increase	*$763*	*$2,866*	*$3,944*
Total 3-year cumulative increase above rate peg	*$0*	*$2,103*	*$3,181*

Increase to minimum rates

In addition to the Special Variation, it is recommended that Council propose an increase in the minimum rate. There are three reasons to do this:

1. If Council applies for a Special Variation and is successful but does not apply to increase the minimum, ad valorem ratepayers would be responsible for the increase.
2. New housing within the LGA will consist of medium to high density and most likely create new minimum rating assessments. Maintaining a low minimum rate will limit Councils' ability to generate required funding from growth. This is explained below.
3. Consideration should be given to equity between ad valorem rate payers and minimum ratepayers.

Growth income

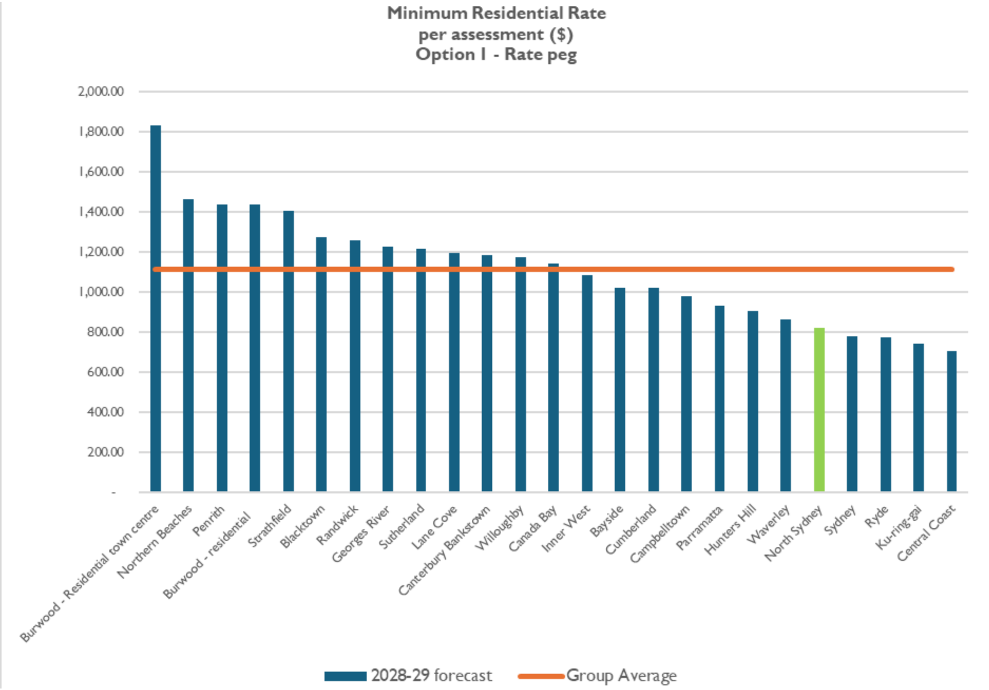
Councils are restricted in their ability to generate additional income due to rate caps imposed by the State Government. While individual land values may increase periodically, as determined by the Valuer General, the total revenue generated by Council remains fixed. Instead, any increases in land values result in a redistribution of revenue, rather than a net increase.

An exception to this limitation is new housing development.

When new housing is built, it increases Council’s revenue based on the difference between the pre-development rating assessment and the new, higher rating assessment. For example, if a property originally contained an apartment block with 20 units, Council would receive $14,880 in rating revenue ($744 x 20 units). If the site were redeveloped into an apartment block with 200 units, Council would then receive $148,800 in rating revenue – an increase of $133,920.

It is therefore important that the minimum rate is set at a level that ensures sufficient revenue for increased demand on services and infrastructure.

The minimum rate at North Sydney is currently $743. This is low in comparison to other metropolitan councils. The following chart provides a comparison of forecast minimum rates in 2028-29 with no change.



Equity

As rates are levied based upon unimproved land value, the low minimum rate also creates reduced equity between those ratepayers paying minimum rates and those paying ad-valorem rates.

Historical rating principles assume that land value is the primary indicator of wealth and capacity to pay. Over time, particularly within North Sydney, development has resulted in high-density and high value property, with property features such as harbour and city views adding to these values. In addition, a high proportion of minimum rate assessments are investment properties. Given the ageing population, long-standing residents of single dwellings can be asset-rich but have limited capacity for household budgets.

The average residential rate for 2025-26 is $1,076. Taking into consideration both ordinary rates and special levies, the average residential rate for ad-valorem ratepayers is currently $1,873, while the average residential rate for minimum rate ratepayers is $844.

It is recommended that the Council consult the community on the following minimum rate increases. These increases would apply to both residential and business assessments.

	Option 1	Option 2	Option 3
FY 25-26	$743.85	$743.85	$743.85
Annual increase	$29.75	$226.87	$226.87
FY 26-27	$773.60	$970.72	$970.72
Annual increase	$23.21	$124.26	$145.60
FY 27-28	$796.81	$1,094.98	$1,116.32
Annual increase	$23.90	$76.65	$100.47
FY 28-29	$820.71	$1,171.63	$1,216.79
Total increase	*$76.86*	*$427.78*	*$472.94*
Cumulative increase %	*10.33%*	*57.5%*	*63.58%*
Total 3-year cumulative increase above rate peg	*$0*	*$350.92*	*$396.08*

Consultation requirements

Community engagement will be undertaken in accordance with the community engagement plan endorsed by Council in July 2025. Further independent research, including a demographically selected survey, will be undertaken.

To ensure heightened accessibility of detailed explanation regarding the proposal, a comprehensive video will be prepared with instructions as to how further questions can be answered. In addition, regular pop-up drop-ins will be held, with key senior staff available to answer questions. This will be undertaken in place of public forums, noting that presentations will be made at several Precinct meetings.

Financial/Resource Implications

This report recommends endorsing a Draft Long-Term Financial Plan, Special Variation to rates and Increase in Minimum Rates for public exhibition.

This endorsement will ensure steps are taken towards improving Councils financial sustainability.

Legislation

Section 8B of the Local Government Act 1993 states that the following principles of sound financial management apply to Councils.

(a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
(b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
(c) Councils should have effective financial and asset management, including sound policies and processes for the following:
(i) performance management and reporting,
(ii) asset maintenance and enhancement,

(iii) funding decisions,
(iv) risk management practices.

(d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
(i) policy decisions are made after considering their financial effects on future generations,
(ii) the current generation funds the cost of its services.

The report recommends actions necessary to achieve compliance with the Local Government Act 1993 and Office of Local Government Guidelines should Council resolve to undertake Community Engagement/Public Exhibition on the proposed SRV and updated draft Long Term Financial Plan respectively

DRAFT LONG-TERM FINANCIAL PLAN

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October 2025

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INTRODUCTION

North Sydney Council is committed to continuous improvement and sound governance, striving for best practice in the delivery of services and infrastructure. Our goal is to ensure services and infrastructure are fair, equitable and sustainable – delivering long-term value for both current and future generations.

For decades, the North Sydney community has benefited from high-quality services, well-maintained infrastructure, and strong civic participation. Council has worked in close partnership with local volunteers, Precinct Committees, Community Centres, Bushcare groups, Streets Alive and Community Gardens to support a thriving, connected community.

However, the environment in which Council operates has changed significantly. Population growth and increased urban density have placed additional pressure on our assets and services. Much of our infrastructure is ageing, and community expectations are evolving. Advances in technology, the long-term impacts of COVID-19 pandemic, and the transformative opening of the new Metro have all reshaped how we live, work and travel.

These changes bring both exciting opportunities and growing demands. To meet them, Council requires a resilient financial framework that enables us to plan ahead, invest wisely and deliver the services our community value most.

Council acknowledges and shares the community's concern regarding financial management and is committed to rebuilding trust through improved governance, systems, administration and decision-making, even if at times these decisions are difficult. This improvement journey began in recent years and is now formalised in a Performance and Improvement Plan, developed to support this LTFP and to recognise the commitment of our workforce during what has been a particularly challenging period.

Council's current financial position is no longer sufficient to sustain the level of service and infrastructure that our community has historically enjoyed. A range of structural and external factors have contributed to this challenge:

- A long-standing minimum rate has constrained revenue growth, despite increasing population density and service demand;
- The cost of the North Sydney Olympic Pool redevelopment has significantly limited our capacity to invest in critical asset renewal, increased debt levels, placed pressure on reserves and operational capacity;
- Revenues from non-rating sources – such as parking, advertising and rental income – has not kept pace with inflation or rising operational costs.
- Cost-shifting and legislative changes from other levels of government continues to place additional burdens on Council resources without corresponding funding.

These financial pressures are compounded by two critical and intersecting sustainability challenges: ageing infrastructure and population growth. Many of our assets are reaching the end of their useful, and current asset management systems are outdated. This has resulted in reactive decision-making and constrained funding for both renewal and new infrastructure – leaving little or no capacity to deliver on the priorities identified in Council's strategic plans.

With the NSW Government housing reforms targeting an additional 5,900 dwellings in the medium term, pressure will be placed on infrastructure and services and Council must move its current reactive position to planning for this change. A strengthened financial position is critical to this.

This Long-Term Financial Plan provides a pathway towards financial sustainability and service resilience. It outlines a series of reforms designed to address our structural challenges while balancing the community's capacity to pay. Although this plan will not resolve all challenges, it represents an important step towards restoring financial strength and aligning our resources with the expectations and needs of a growing and evolving community.

PART 1 STRATEGIC AND POLICY CONTEXT

FINANCIAL PRINCIPLES

Legislated principles

In September 2016, the Local Government Amendment (Governance and Planning) Act 2016 commenced. This legislated the approach that councils should adopt in relation to their financial management.

Legislated principles of sound financial management

Section 8B of the Local Government Act 1993 states that the following principles of sound financial management apply to Councils.

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Councils should have effective financial and asset management, including sound policies and processes for the following:
  - performance management and reporting,
  - asset maintenance and enhancement
  - funding decisions
  - risk management practices
- Councils should have regard to achieving intergenerational equity, including ensuring the following:
  - policy decisions are made after considering their financial effects on future generations,
  - the current generation funds the cost of its services.

COMMUNITY CONSULTATION

Council has undertaken a range of consultations throughout 2024 and 2025 to understand community needs and aspirations.

In May and June 2024, Council engaged the community in an important conversation about the '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 research in several key areas has informed a number of enabling actions which have been included within eight (8) Informing Strategies to inform Council's new Community Strategic Plan. This plan aims to ensure the community of North Sydney continues to enjoy a quality of life and an improved sense of community supported by responsive services and high-quality infrastructure.

In August 2025, Council undertook further consultation to understand service and infrastructure expectations, along with alternate revenue opportunities. 605 demographically selected participants and 433 'opt in' community completed the survey. Key findings from the research were as follows:

- Strong recognition of shared responsibility/intergenerational equity: 72% agree every generation should contribute to renewing infrastructure.
- There is little appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – even knowing that maintaining/increasing services will require an increase in rates.
- There is high endorsement of alternate revenue sources, including partnerships, corporate/private event hire of North Sydney Olympic Pool, new fees and charges for use of public parks, naming rights.

In September 2025, Council received the results of the 2025 Australian Liveability Census for North Sydney. 354 members of the North Sydney community participated and shared that the general condition of public open space (street trees, footpaths, parks etc) was most important to them in their ideal neighbourhood. North Sydney ranked well compared with other Local Government Areas across the country, ranking equal sixth in the country for liveability. However, this is not a reflection of our youth, with the net promoter score for the under 25-year age group being -23, lower than the Australian score of -11, indicating that there may be more we can do to support our youth

Connectivity, sense of personal safety, access to neighbourhood amenities, the natural environment and overall visual character of the neighbourhood were North Sydney's top 5 liveability metrics.

Range of housing prices and tenures and ease of driving and parking ranked lower than the Australian average. Cultural and/or artistic community was also an area considered one of our top 5 poorest performing liveability metrics, alongside social services such as aged, disability, childcare, medical and support services.

These community values emphasise the important role Local Government plays in place making and liveability.

CLEAR STRATEGIC DIRECTION

A clear and coherent strategic direction is fundamental to sound financial planning. In local government, where demands are growing and resources are finite, it is essential that funding decisions are driven by strategic priorities – not the other way around.

Leading research, including work by McKinsey & Company, highlights that high-performing organisations align their resources to a well-defined strategy, rather than allowing short-term financial pressures to dictate long-term direction. Councils that invest time in setting strategic goals with clarity and purpose are better equipped to allocate resources effectively, respond to change, and deliver outcomes that reflect the aspirations of their communities.

This Long-Term Financial Plan is guided by the principle that strategy must lead resourcing. It aligns financial decisions with Council's broader strategic objectives – ensuring that funding is directed toward areas of greatest impact, and that trade-offs are made transparently and purposefully.

Without a strategic anchor, financial planning risks becoming reactive, fragmented, and short-sighted. Instead, by putting strategy at the centre, Council can build a financially sustainable future while staying focused on long-term community wellbeing, service delivery, and infrastructure renewal. In this way, financial planning becomes an enabler of vision, not just a constraint.

Integrated Planning and Reporting Framework

In early 2025, North Sydney Council adopted a new strategic framework developed in accordance with the *Integrated Planning and Reporting (IP&R) Framework* issued by the NSW Office of Local Government (OLG).

Figure 1: Integrated Planning and Reporting Framework

This framework provides a structured approach to planning, ensuring that Council's strategies and actions are informed by community priorities, evidence-based research, and long-term trends. The strategic direction outlined within it draws on a consolidation of previous plans, policies, and strategies, alongside comprehensive community consultation. This approach ensures both continuity and adaptability – recognising the lessons of the past while addressing current and emerging challenges.

The insights gathered through this process – combined with detailed research in key areas such as infrastructure, housing, sustainability, and demographics – have informed a suite of eight (8) Informing Strategies and directly contributed to the development of Council's new *Community Strategic Plan*.

The Informing Strategies focus on the following priority areas:

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

Community Strategic Plan

The Community Strategic Plan (CSP) is the highest-level plan within the Integrated Planning and Reporting Framework, providing the long-term vision, goals, and priorities for the North Sydney local government area over the next ten years. Developed in close consultation with the community and guided by the principles set out by the NSW Office of Local Government, the CSP reflects the aspirations, values, and expectations of residents, businesses, and stakeholders. It sets out the outcomes the community wants to achieve across key areas such as environment, economy, infrastructure, community wellbeing, and civic leadership. The CSP serves as the foundation for all other strategic planning processes, including the Long-Term Financial Plan, Delivery Program, and Operational Plan. By articulating a clear direction and shared vision, the CSP ensures that Council's policies, services, and investment decisions are aligned with community priorities, promoting transparency, accountability, and long-term sustainability.

Long-Term Financial Plan

The Long-Term Financial Plan (LTFP) is a critical component of Council's strategic framework. It serves as a financial roadmap, guiding Council's decision-making over the next ten years to ensure the sustainable delivery of services, infrastructure, and community initiatives.

More than a budgeting tool, the LTFP is designed to align Council's financial capacity with its strategic priorities – ensuring that available resources are used effectively to meet the evolving needs and expectations of the community. It provides a forward-looking view of Council's financial sustainability, identifying key pressures, risks, and opportunities, and enabling informed decisions that balance short-term demands with long-term goals.

Asset Management Planning

Asset Management Planning plays a critical role in ensuring the long-term sustainability of Council's infrastructure and service delivery. It provides a structured approach to managing Council's diverse portfolio of assets – including roads, buildings, parks, stormwater, and community facilities – so they continue to support community needs now and into the future.

Asset Management Plans directly inform the Long-Term Financial Plan by identifying future funding requirements and helping Council to prioritise resources in a way that supports sustainable service delivery and intergenerational equity.

Workforce Management Strategy

The Workforce Management Strategy ensures that Council has the organisational capacity and capability to deliver on its strategic objectives both now and into the future. Developed in accordance with the guidelines set out by the NSW Office of Local Government, the strategy identifies the current and future workforce needs of Council, taking into account factors such as service demand, technological change, financial constraints, and demographic shifts.

The Workforce Management Strategy directly informs the Long-Term Financial Plan by identifying the human resource investments required to support sustainable service delivery.

CHALLENGES AND OPPORTUNITIES

The eight informing strategies developed for the North Sydney Local Government Area provide a comprehensive framework for addressing both current and emerging challenges and opportunities. These strategies recognise the legacy of past Council commitments that remain unfunded, while also identifying new possibilities to enhance the wellbeing of the community – both now and into the future.

Together, they reflect a balanced approach to financial planning, ensuring that the needs of today's residents are met without compromising the ability of future generations to thrive. Some of the key challenges and opportunities considered across these strategies are outlined below.

For more detail, the informing strategies and independent research are contained on Council's website at Informing Strategies and Studies – North Sydney Council.

Housing and Population Growth

In mid-2024, the NSW Government released new dwelling completion targets for each local government area. North Sydney has been allocated a target of 5,900 dwellings to be delivered between 2024 and 2029.

Of this target, 2,630 dwellings are already planned, with existing approvals in place or located in areas where rezonings have occurred. The remaining 3,270 dwelllings are expected to be delivered through the NSW Government's Transport Oriented Development (TOD) program (Crows Nest precinct) and through low and mid-rise housing reforms.

These government-led reforms, aimed at accelerating housing supply, will result in significant operational and infrastructure pressures for Council. As the population grows and changes, existing infrastructure will face increased demand, and new infrastructure will be needed to support future communities.

As construction activity increases across designated development areas, local communities are likely to experience a range of impacts, including increased noise, traffic congestion, reduced access to public spaces, and general disruption to daily life. These changes can affect community amenity and place additional stress on existing infrastructure and services.

At the same time, the acceleration of housing delivery – driven by state-led planning reforms – places significant pressure on Council staff, who must manage a higher volume of complex development applications, provide timely assessments, and respond to growing community concerns. This increased workload stretches Council's resources and can impact its ability to maintain service quality, meet statutory timeframes, and engage meaningfully with residents during the planning and construction phases.

Council's Development Contributions Plan provides a framework for funding new or upgraded infrastructure in response to this growth. However, contributions collected through development alone are insufficient to fully fund the required infrastructure. Additional funding from Council is necessary to bridge this gap. As Council has not yet built financial reserves for this purpose, the use of these contributions will be limited in the short to medium term.

Master planning for Council-owned sites near Metro stations in Crows Nest and North Sydney presents a strategic opportunity to meet evolving community needs, including expanding library, community and/or recreational and social needs.

Council's current financial position does not provide sufficient capacity to maintain existing services and infrastructure while also preparing for future demands. Under Option 3 of this plan, approximately $5 million would be made available over the next ten years to support the master planning of key sites and the development of new public infrastructure to meet the needs of a growing population.

Open Space and Recreation

North Sydney features a network of well-maintained parks and recreational facilities that serve as vital community hubs, many of which are situated in picturesque harbourside locations. These spaces offer residents opportunities for leisure, structured sports, informal exercise and social interaction, significantly enhancing the community's overall wellbeing. However, the local government area (LGA) faces a considerable open space deficit, estimated at around 45 hectares, which is expected to increase as the population grows.

With 89% of residents living in high and medium-density housing, ensuring an adequate supply of accessible public open spaces is essential. Limited land availability and high land prices severely restrict the ability to acquire new open space. Therefore, it is crucial to explore innovative strategies to maximise the use of existing resources. This includes design modifications and the potential repurposing of civic and 'grey' spaces, such as roads and car parks, for recreational use.

To address this open space deficit and deliver the desired outcome of being an active community with space for everyone to exercise and enjoy the outdoors, Council developed an Open Space and Recreation Strategy.

While the new rating options do not provide the level of funding required to achieve all opportunities within the strategy, Option 3 provides some funding for initiatives that will maximise the use of existing open spaces. This includes new capital projects to improve drainage, increase multi-purposing, and making smaller enhancements to open spaces.

The recent demographically selected Micromex survey confirmed support for open space and recreation, with 80% of respondents agreeing that Council should maximise the use of existing open space through initiatives such as better drainage, multi-use fields and other adjustments. 65% of respondents agree masterplans should be prepared for parks/foreshores and 50% would like to see more open space and recreational facilities created – which was considered more important for 18–34 year-olds, with 63% wanting more.

Ageing Infrastructure

Infrastructure provision and management are fundamental responsibilities of local government. Infrastructure, by its very nature, forms the foundation for essential service delivery, including transport networks, footpaths, open spaces and recreation assets, community halls, libraries, stormwater systems, and seawalls. Effective infrastructure management is crucial to the local government's role, and it must be adequately funded to prevent passing an excessive financial burden onto future generations.

Proper maintenance and timely renewal of infrastructure are essential to maintaining service levels and ensuring public safety. When infrastructure is not maintained or renewed in a timely manner, service quality deteriorates, and public safety risks may emerge.

The renewal ratio is a commonly used measure to assess how effectively local councils are funding infrastructure renewals. It compares annual spending on asset renewals to the total depreciation expense for the year. While this ratio provides a useful benchmark, it has notable limitations. It is inherently retrospective and can be influenced by external factors such as inflation, evolving community expectations, and changes in service standards. As such, relying solely on depreciation as an indicator of future renewal needs can be misleading. Depreciation should be viewed as a baseline, with actual long-term renewal requirements likely to exceed this minimum over time.

As of 30 June 2025, Council's infrastructure, property, plant, and equipment holdings were valued at $2.21 billion, with accumulated depreciation amounting to $516 million. The net carrying value after depreciation was $1.7 billion.

Investment is crucial to effectively manage this infrastructure and ensure it meets community expectations. This includes:

- Timely completion of asset renewals
- Upgrades to meet modern standards and evolving community needs
- Provision of new infrastructure to accommodate a growing population

When renewals are not undertaken in a timely manner, infrastructure backlogs are created. When renewals are not undertaken, cash and investment reserves should be created to fund these works in the future. This ensures intergenerational equity.

The recent Micromex survey highlighted the community's value of intergenerational equity. When asked about 'each generation contributing to the renewal of community infrastructure they have used and benefited from' 72% agreed and only 7% disagreed.

Current Infrastructure Backlog'

Current estimates of infrastructure backlog demonstrate underinvestment in asset renewal, which has compounded over time and further exacerbated funding challenges. Addressing this backlog will require targeted, sustained investment to bring infrastructure management up to a level that meets both current and future community expectations.

Council's financial statements as at 30 June 2025, provide an assessment of infrastructure managed by Council.

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.

Asset Class	Gross Replacement Cost $,000	Net carrying amount $,000	Accumulated depreciation $,000	Total cost to bring to 'Satisfactory' standard $,000
Buildings	$347,616	$197,457	$150,159	$69,398
Other structures	$1,147	$958	$189	$Nil
Roads	$413,217	$314,541	$98,676	$12,241
Footpaths	$155,620	$108,866	$46,754	$7,593
Stormwater drainage	$247,247	$170,668	$76,579	$55,893
Open space and recreational assets	$41,031	$25,346	$15,685	$912
Other infrastructure assets	$310,958	$207,149	$103,809	$11,001
Total	$1,516,836	$1,024,985	$491,851	$157,038

The two areas of most concern are **buildings and stormwater**. The issue has become more pronounced in recent years due to reduced renewal funding. Community centres, council administration and operational buildings, bus shelters, community centres and sporting facilities are experiencing failing structures or building components.

A review of funding since 2020 shows the total investment in new and renewal works for buildings has reached an annual average of only 24% based on the forecast depreciation for 2025 – highlighting a significant shortfall. While the stormwater network is less visible, recent advancements in technology, including CCTV inspections and the recent 2025 asset revaluation, have provided greater insight into its condition. The data indicates that without adequate investment and a proactive maintenance and renewal strategy, the network is likely to experience increasing failures in the years ahead.

Given Council's current financial position – even when factoring in anticipated increases to the rate peg – renewal funding levels are projected to remain below the required threshold. When combined with the existing infrastructure backlog, this funding gap highlights an unsustainable trajectory.

Social Inclusion and Cohesion

North Sydney is a vibrant and diverse community, characterised by a highly mobile population, a large proportion of lone-person households, and a growing ageing demographic. These distinct features present both challenges and opportunities for fostering social connection and community engagement. In this context, the risks of social isolation and loneliness are significant—particularly among older residents and young people – making social inclusion a critical foundation for individual and community wellbeing.

Since 2007, the Scanlon Foundation has conducted a long-running survey tracking social cohesion in Australia. This research measures social cohesion across five key domains:

- Belonging – the sense of pride and connectedness people feel in their communities;
- Worth – emotional and material wellbeing;
- Social inclusion and justice – perceptions of economic fairness and trust in government;
- Participation – involvement in political, civic, and community life;
- Acceptance and rejection – attitudes toward diversity, support for minorities, and experiences of discrimination.

While North Sydney consistently performs above the national average in these areas, survey results have shown a decline across all indicators since 2021, except for 'participation'. Social isolation remains a widespread issue, with approximately one in four older people estimated to be socially isolated and between 5–15% of adolescents experiencing loneliness.

Targeted initiatives that strengthen social inclusion, build community connection, and foster cohesion are essential for creating resilient, inclusive, and thriving communities. Council's Social Inclusion Strategy outlines key objectives and actions to support and enhance social cohesion as the LGA continues to grow and evolve. Complementing this, the Culture and Creativity Strategy promotes diversity, inclusion, and community wellbeing through cultural initiatives and creative engagement.

The estimated operational cost of implementing the full suite of initiatives in the Social Inclusion Strategy averaged $0.75million per year for the first four years of the plan, excluding master planning initiatives. This included expanded library services, enhanced community events, operating expenditure associated with 'Woodley's Shed' and access and inclusion initiatives.

The estimated operational cost of implementing the full suite of initiatives in the Culture and Creativity Strategy averaged $0.92 million per year for the first four years of the plan. This included festival partnerships, digital storytelling, First Nations collaboration and support, a central "What's On" platform, and operational costs associated with a new culture and creativity hub at St Leonards.

The options within this Long Term Financial Plan do not provide for all opportunities within these strategies, however some funding is included within Option 3 to realise some progress towards long term objectives. Details of indicative initiatives are provided at Attachment 1 provided in Part 5.

Economic development

North Sydney boasts numerous strengths that establish it as a vibrant economic hub within Greater Sydney. With a Gross Regional Product of $23.37 billion and an impressively low unemployment rate of 2.6%, the area's economy is robust. Its strategic location, combined with a highly educated workforce – 66% of whom hold a bachelor's degree or higher – makes the area an attractive destination for investors and businesses alike. Despite these strengths, North Sydney faces challenges such as limited amenity in the CBD and increasing competition from neighbouring areas.

To remain competitive and foster a thriving business environment, it is essential to take strategic steps to enhance the appeal of our centres as places to work, visit, and stay.

Given the significant role North Sydney plays in the regional economy, identifying opportunities for data and information sharing, collaboration, and targeted support will be key to strengthening relationships across business and community sectors. Option 3 in this plan provides a modest but important investment in the resources needed to help deliver these outcomes.

Sustainability and Resources

In 2020, Council engaged with the community to create the North Sydney Environmental Sustainability Strategy 2030. This strategy established targets for both Council's operations and the broader community to meet various environmental goals, including responding to Council's climate emergency declaration, protecting native flora and fauna, safeguarding our waterways, reducing waste to landfill, and using resources efficiently.

The priorities and targets outlined in the 2030 Strategy align with the United Nations' Sustainable Development Goals, which serve as the international best practice standard for sustainability reporting and are used by all levels of government in Australia. The 2030 Strategy was reviewed in 2024 alongside the latest environmental data, and updated to address emerging issues, revise targets and ensure ongoing relevance.

This new strategy reaffirms our commitment to fostering a healthy environment with thriving ecosystems and strong climate resilience and remains underpinned by the United Nations' Sustainable Development Goals including SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production, SDG 13: Climate Action, and SDG 15: Life on Land.

Council currently levies an environment levy to support actions towards these goals; however, a modest amount of additional funding is required to maintain existing services and actions and complete key projects such as bushland walking tracks.

Other opportunities included within the strategy will be pursued through opportunities such as grant funding.

Technology

Technology presents a significant opportunity for local governments to enhance service delivery, improve efficiency, and strengthen community engagement. By adopting digital tools such as data analytics, online platforms, and smart infrastructure, local authorities can make more informed decisions, streamline internal processes, and offer more accessible and responsive services to residents. Additionally, technology enables greater transparency and participation through digital consultations and open data initiatives, helping build trust and collaboration between governments and the communities they serve.

North Sydney Council's IT environment consists of a diverse mix of legacy systems that have developed over many years. These systems are largely disconnected and often outdated, limiting the Council's ability to deliver efficient and effective services. A history of underinvestment has restricted opportunities to modernise, integrate, and improve the IT infrastructure. As a result, the Council faces challenges with operational efficiency, data quality, security, and overall user and customer experiences.

Part 5 provides an overview of the current state of information technology at North Sydney.

FINANCIAL STRATEGY

To achieve the objectives outlined in Council's strategic framework, the Long-Term Financial Plan has been developed around the following key strategic financial objectives over the ten-year planning horizon:

1. **Achieve Operating Surpluses**
   Maintain a fully funded operating position that delivers consistent surpluses, enabling Council to renew existing infrastructure, reduce asset backlogs, fund new infrastructure, and meet debt servicing requirements.
2. **Strengthen Financial Sustainability and Resilience**
   Build long-term financial stability through a strong cash position, sufficient assets to cover liabilities, reduced reliance on vulnerable revenue streams, and capacity to absorb future financial shocks.
3. **Maintain Existing Service Levels**
   Ensure current service levels are sustainably funded in all future budgets, with changes to service delivery made only following comprehensive community engagement and service reviews.
4. **Respond to Community Priorities**
   Align financial planning with the strategic directions identified in Council's Informing Strategies and the Community Strategic Plan, allowing flexibility to respond to evolving and changing community needs.
5. **Invest in Governance and Organisational Capability**
   Support effective decision-making and service delivery through funding for improved systems, processes, governance, and workforce development.
6. **Utilise Debt Strategically**
   Use debt responsibly to support intergenerational equity, expand infrastructure capacity, and seize strategic opportunities for growth.
7. **Fully Fund Annual Infrastructure Renewal**
   Ensure infrastructure renewal programs are funded at levels at least equivalent to annual depreciation, maintaining asset condition and service standards.
8. **Reduce Infrastructure Backlogs**
   Allocate targeted funding to reduce existing infrastructure backlogs and avoid shifting an undue burden onto future generations.
9. **Protect Council's Financial Legacy**
   Embed principles of prudence, responsibility, and long-term value in all financial decisions to safeguard the financial legacy of North Sydney Council.
10. **Increase Financial Education and Awareness**
    Local government decisions often have **long-term impacts** on infrastructure, environment, housing, and community wellbeing. Education and awareness among councillors and the community create a foundation for responsible, forward-thinking governance that respects the rights of future generations. This ensures that local government decisions are sustainable, equitable, and guided by a long-term vision – not just immediate needs.

The financial management objectives provide a strong foundation for the development of Council's Long-Term Financial Plan (LTFP), supporting consistent, transparent, and evidence-based decision-making. The LTFP is designed as a dynamic and adaptable tool, regularly updated through formal budget reviews, quarterly financial reporting, and ongoing monitoring of year-to-date performance. This continuous review process ensures the LTFP remains current and responsive – enabling Council to effectively adjust to changing circumstances, emerging risks, and evolving community priorities.

PART 2 SPECIAL VARIATION TO PERMISSIBLE RATING INCOME

RATING STRUCTURE

Council rates are levied based upon unimproved land values.

In New South Wales, councils use rating structures to calculate how much each ratepayer contributes towards local services. Two common structures are the *minimum rate* and the *base rate*. A **minimum rate** sets a fixed minimum amount that must be paid by all ratepayers, regardless of their land value. In contrast, a **base rate** sets a fixed charge that applies to all properties equally, but only for a portion of the total rate, with the remainder calculated based on land value (ad-valorem).

North Sydney Council levies ordinary rates, along with an environment levy and an infrastructure levy. Council uses a minimum rate structure for ordinary rates, and a base rate structure for its special levies.

Annual increases in total rating revenue received by councils are capped each year through the NSW Government rate peg framework.

The rate peg is a limit set each year by the Independent Pricing and Regulatory Tribunal (IPART) that controls how much a local council can increase its total general income from rates, regardless of changes in land values. This means that even if land values in a council area rise significantly, the total amount of money the council can collect from rates does not automatically increase. Instead, councils must adjust the rate in the dollar downward to stay within the rate peg. Therefore, the rate peg restricts overall revenue growth from rates, ensuring that councils do not receive windfall gains simply due to rising property values.

The increase in revenue achieved through rate peg only supports increased costs (inflation) associated with existing services. It does not provide for new or emerging community needs.

To ensure sufficient funding for council services and infrastructure, a council can increase its rating revenue above the rate peg by applying for a Special Variation under section 508(2) or 508A of the Local Government Act 1993. This process is regulated by the Independent Pricing and Regulatory Tribunal (IPART) and allows councils to raise additional revenue beyond the annual rate peg limit.

Council's long-term financial sustainability and service planning are influenced by a range of changing factors, such as inflation, infrastructure needs, and community expectations. To respond to these changes, councils may sometimes need to increase their rates income beyond the limit set by the annual rate peg. However, applying for a Special Variation is a complex and often sensitive process that requires detailed planning, community consultation, and approval from the Independent Pricing and Regulatory Tribunal (IPART).

Because of this, councils tend to apply for Special Variations less frequently, and when they do, the increases are usually larger to cover multiple years or long-term needs – rather than making smaller, more flexible adjustments each year.

Impact of the minimum rate structure

Council's current rating structure for ordinary rates is based on a minimum rate, with each property paying a minimum of $744. Of the 37,347 residential assessments, 77.48% ratepayers currently pay the minimum rate. This is largely due to the high density within the Local Government Area and the practice of levying rates on unimproved land values. However, maintaining low minimum rates limits Council's ability to generate sufficient revenue to meet the demands of a growing population.

2025-26 SPECIAL VARIATION SUBMISSION

in February 2025, Council applied to IPART for an increase in permissible rating income of 87% over two years. In summary, this application aimed to provide a long-term financial strategy and included:

- Undertaking immediate repair to liquidity challenges
- An increase in revenue from new development through increased minimum rates
- Capital and operational funding to achieve environmental, social, economic, open space and recreation, culture and creativity, integrated transport, housing and governance objectives
- An increase in borrowing by $10 million
- Funding to achieve environmental, social, economic, open space and recreation, culture and creativity, integrated transport, housing and governance objectives
- Funding annual infrastructure renewals
- Reduction of infrastructure backlogs
- Improved financial strength (including ability to contribute to projects within development contribution plan)
- Replacement of outdated corporate systems.

In addition, the application aimed to achieve greater equity in rating through:

- Increasing the minimum rate to improve equity between high, medium and low-density residential assessments
- Absorbing special levies into ordinary income to improve equity between residential and business assessments

This application was rejected in full by IPART, who while acknowledging Council's poor financial position, raised concerns in relation to the community's understanding of the need and purpose for special variation, the community's capacity to pay and the Council's performance and improvement submission.

IPART noted that most objectors raised concerns in relation to the North Sydney Olympic Pool redevelopment project, along with confusion regarding the projects contribution to the special rate variation proposed.

IPART agreed that the council demonstrated a rationale for increasing minimum rates and that there is a case for the council to address the inequity in its rating structure between ad valorem and minimum rate ratepayers. However, it considered the impact of large increases to the minimum rate over a short period of time, on the population considered most vulnerable to rates increases was not reasonable.

RESPONSE TO IPART DECISION

In refusing the application, IPART made the following recommendations which Council has now addressed:

1. **Complete a service level review with the community**: Council undertook a service level review through research consultants Micromex Research. The report concluded that there was little appetite for reduced service levels, with the majority of residents wanting services/infrastructure to at least be maintained, if not improved. The detailed results of this survey are available at Attachment 2 of this plan.

2. **Consider various alternatives to an SV including a reduction in services, or considering higher levels of debt**: Improved documentation of consideration made in relation to various alternatives to an SV have been made and are detailed within this plan. Specific new or increased revenue forecasts have been included within the plan as opposed to a percentage assumption above forecast inflation.

3. **Develop an on-going framework to identify and implement productivity and efficiency savings:** Council developed a performance improvement framework and pathway in 2023; however, it is acknowledged that this work was not sufficiently detailed for the purpose of SV. In response, a new Performance and Improvement Plan has been developed which details Council's considerable efforts towards improvement over the past three years and also considers new productivity, cost containment and revenue opportunities. This plan is available at Attachment 1 of this plan.

4. **Reconsider the extent and timing of the increase to minimum rates**: A reduced minimum rate over three years has been included for consideration in this plan.

5. **Improvement of Council's Hardship Policy:** A new Hardship Policy was developed and publicly exhibited. It is expected this Policy will be adopted prior to any submission of future SV application.

OTHER ACTIONS TAKEN

In addition to the above, the following actions were taken to manage Council's immediate financial challenges:

1. Council's Delivery Program and Operational Plan were updated to adjust priorities to accommodate the limited financial constraints. These plans included a $6 million financial repair target which would require additional income, service reduction and further productivity improvements. Current projections suggest that $3 million of this target may be achievable in 2025-26 in the absence of service reductions (excluding continued short-term cost containment measures).
2. To address liquidity concerns in the absence of an SV, infrastructure renewal budgets were reduced for a third year, and cost cutting initiatives were implemented including holding workforce vacancies, leave management plans, and general spending restraint. While some ongoing savings have been identified, the scale of reduction in expenditure is not sustainable and has increased operational risk.
3. Council proceeded with the approval of an additional $10 million loan to support the North Sydney Olympic Pool project.
4. Council's Long Term Financial Plan has been reviewed and redeveloped.
5. New rating options have been developed. These options are primarily focused on infrastructure renewal and improvement, with some support for new infrastructure. To support improved governance, administration and customer support, new corporate systems are also recommended in the SV options.
6. Included within the rating options presented is a clearly labelled baseline scenario for exhibition which will provide the community with an option to reduce services and infrastructure.
7. To address confusion regarding the North Sydney Olympic Pool project, this plan acknowledges the commitments made in relation to the project regardless of special variation. All costs associated with the North Sydney Olympic Pool must be funded through existing revenue. The special variation funding will be primarily focused on improving the sustainability of services and infrastructure, while providing a modest contribution to new service and infrastructure needs.

The special variation options are considered a medium-term strategy. They will not provide for the delivery of growth infrastructure such as expanded library facilities, new community facilities or major upgrades to sporting facilities, open space and foreshore areas. Further, they will not provide sufficient co-funding for projects outlined in Council's Development Contribution Plan. It is recommended that this plan be revisited in the future to incorporate these needs.

Medium term focus

The approval of a special variation will provide Council with the opportunity to make a positive difference in the medium term through opportunities such as:

- Improving systems, data and reporting
- Addressing critical infrastructure needs
- Ensuring the operational success of the North Sydney Olympic Pool
- Stabilising the workforce
- Reviewing Council's property portfolio
- Master planning key sites, including those adjacent to Metro locations
- Delivering renewal projects which have been delayed in recent years, including Cremorne Plaza and Langley Place
- Working with the NSW Government to deliver Hume Street Park.

RATING OPTIONS

This Long-Term Financial Plan provides three options for the future of services and infrastructure in North Sydney. These options include:

Option 1 – No change – deterioration of infrastructure

Under this option, ordinary rates would increase by rate peg (4% for 2026-27 and assumed 3% annually thereafter). This represents a cumulative increase of 10.33% over three years.

In the absence of significant service reduction, income would be insufficient to support annual renewals. Infrastructure backlogs would grow. Infrastructure management would continue to be reactive, and maintenance costs will increase.

Council is already feeling the pressure of ageing and failing infrastructure which presents both safety risks and disruption to service delivery. This has been exacerbated through a reduction in renewal funding over the past there years in response to the North Sydney Olympic Pool project.

This option covers only the minimum essential investment needed to ensure Council's IT environment remains operational, supported, and compliant. It is a direct response to years of underfunding and technical debt, intended to address the most urgent risks only.

Option 2 – Treading water – Restore renewal funding and address critical backlogs

Under this option, rating revenue would increase by a cumulative amount of 39.92% (29.59% above rate peg) over three years. 20% in 2026-27, 10% in 2027-28 and 6% in 2028-29. This would generate an additional $190 million in revenue over a ten-year period.

The primary focus of this option is to restore infrastructure renewal funding and address the critical backlog that has accumulated over the past three years due to the North Sydney Olympic Pool redevelopment. It does not fully resolve the broader, long-term infrastructure backlog challenge.

Over a ten-year period, $151 million or 79% of the total revenue generated would be directed towards infrastructure renewal. This would enable renewal investment to return to at least 100% of annual asset depreciation, ensuring that the backlog works do not continue to grow. Forecasts indicate a reduction in the infrastructure backlog from 14.04% in 2024-25 to 10.10% in 2034-25 allowing for indexation of costs.$17 million would be contributed to a reserve for new capital works.

To further support service delivery and enhance infrastructure management, this option includes the implementation of modern corporate systems. Building upon Option 1, it introduces a comprehensive suite of digital upgrades aimed at transforming Council operations. These initiatives will enhance staff productivity and satisfaction, improve service responsiveness, and better align with community expectations. Crucially, improved data management and reporting capabilities will strengthen decision-making and support more effective long-term planning.

Option 3 – An eye on the future – Enhanced contribution to infrastructure investment and planning

Under this option, rating revenue would increase by a cumulative amount of 54.18% (43.85% above rate peg) over three years. 23% in 2026-27, 15% in 2027-28 and 9% in 2028-29. This would generate an additional $278 million in revenue over a ten-year period.

This option prioritises infrastructure investment, with 87% of all additional income raised over the ten-year period allocated specifically for this purpose.

$186 million towards infrastructure renewal would ensure funding restored to at least 100% of annual asset depreciation, while also providing greater capacity to address critical backlogs. Forecasts indicate a reduction in the infrastructure backlog from 14.04% in 2024-25 to 7.18% in 2034-25 allowing for indexation of costs.

In addition, this option creates capacity for new infrastructure to support the delivery of some priority projects, with a relatively modest investment of $57 million in new infrastructure over the ten-year period. With a strong focus on maximising the use of existing open space and recreation infrastructure, this option also provides co-funding towards projects outlined in the Council's Development Contributions Plan.

Beyond infrastructure delivery, this option provides some operational capacity, with $17 million for new and emerging priorities, such as master planning for key sites including those within proximity to Metro and foreshore locations.

To further support service delivery and enhance infrastructure management, this option includes the implementation of modern corporate systems. Building upon Option 1, it introduces a comprehensive suite of digital upgrades aimed at transforming Council operations. These initiatives will enhance staff productivity and satisfaction, improve service responsiveness, and better align with community expectations. Crucially, improved data management and reporting capabilities will strengthen decision-making and support more effective long-term planning.

Total increase in permissible income – including special variation options

The following table outlines the total revenue that would be levied under each of the options.

Note: The options provided all retain special levies for infrastructure and environment. The revenue split of 60% residential and 40% business is also maintained in all options.

	Ad-valorem income ($)	Minimum income ($)	Special levy income	Total permissible income	% increase year on year
OPTION 1 – Rate peg cumulative 10.33% *(2026-27 rate peg 4%, with forecast of 3% for 2027-29)*					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	38,515,195	23,259,425	5,678,066	67,452,687	4%
FY 27-28	39,670,651	23,957,208	5,848,408	69,476,267	3%
FY 28-29	40,860,771	24,675,924	6,023,861	71,560,556	3%
OPTION 2 – Special Variation cumulative 39.92% (incl. rate peg)					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	41,915,450	30,236,507	5,678,066	77,830,023	20%
FY 27-28	45,256,134	34,508,483	5,848,408	85,613,025	10%
FY 28-29	47,602,693	37,123,244	6,023,861	90,749,798	6%
OPTION 3 – Special variation cumulative 54.18% (incl. rate peg)					
FY 25-26	37,033,842	22,364,832	5,459,679	64,858,353	
FY 26-27	44,314,723	29,782,985	5,678,066	79,775,774	23%
FY 27-28	51,792,016	34,101,716	5,848,408	91,742,140	15%
FY 28-29	56,880,860	37,094,212	6,023,861	99,998,933	9%

Note: Special variation income in all models is being generated through the ordinary rate, with environment and infrastructure levies increasing in line with rate peg in all models. These levies are calculated using a base rate calculation and in the absence of absorbing these levies into ordinary rates, any change above rate peg will shift levy burden towards residential ratepayers.

Permissible income – residential

The following table outlines the forecast revenue which would be generated from residential assessments under each of the three options.

	Ad-valorem income ($)	Minimum income ($)	Special levy income	Total permissible income	% increase year on year
OPTION 1 – Rate peg cumulative 10.33% *(2026-27 rate peg 4%, with forecast of 3% for 2027-29)*					
FY 25-26	13,760,836	21,525,025	4,891,575	40,177,436	
FY 26-27	14,311,269	22,386,026	5,087,238	41,784,533	4%
FY 27-28	14,740,607	23,057,607	5,239,855	43,038,069	3%
FY 28-29	15,182,826	23,749,335	5,397,051	44,329,212	3%
OPTION 2 – Special Variation cumulative 39.92% (incl. rate peg)					
FY 25-26	13,760,836	21,525,025	4,891,575	40,177,436	
FY 26-27	14,250,599	29,040,575	5,087,238	48,378,412	20.41%
FY 27-28	14,715,723	33,143,047	5,239,855	53,098,625	9.76%
FY 28-29	15,182,704	35,652,854	5,397,051	56,232,609	5.90%
OPTION 3 – Special variation cumulative 54.18% (incl. rate peg)					
FY 25-26	13,760,836	21,525,025	4,891,575	40,177,436	
FY 26-27	15,847,304	28,611,321	5,087,238	49,545,863	23.32%
FY 27-28	18,776,346	32,759,893	5,239,855	56,776,094	14.59%
FY 28-29	20,748,550	35,636,493	5,397,051	61,782,094	8.82%

Limitations on Council's revenue generation and the role of new housing

Councils are restricted in their ability to generate additional income due to rate caps imposed by the State Government. While individual land values may increase periodically, as determined by the Valuer General, the total revenue generated by Council remains largely fixed. Instead, any increases in land values result in a redistribution of revenue, rather than a net increase.

An exception to this limitation is new housing development.

When new housing is built, it increases Council's revenue based on the difference between the pre-development rating assessment and the new, higher rating assessment. For example, if a property originally contained an apartment block with 20 units, Council would receive $14,880 in rating revenue ($744 x 20 units). If the site were redeveloped into an apartment block with 200 units, Council would then receive $148,800 in rating revenue – an increase of $133,920.

It is therefore important that the minimum rate is set at a level that ensures sufficient revenue for increased demand on services and infrastructure.

Average residential rate

The following table outlines the average residential rates under each of the three options.

	Option 1	Option 2	Option 3
FY 25-26	$1,076	$1,076	$1,076
Annual increase	*$43*	*$219*	*$251*
FY 26-27	$1,119	$1,295	$1,327
Annual increase	*$34*	*$127*	*$193*
FY 27-28	$1,153	$1,422	$1,520
Annual increase	*$34*	*$84*	*$134*
FY 28-29	$1,187	$1,506	$1,654
Total increase	*$111*	*$430*	*$578*
Total 3 year cumulative increase	*$0*	*$319*	*$467*

Minimum residential rate

The following table outlines the minimum residential rate under each of the three options.

	Option 1	Option 2	Option 3
FY 25-26	$743.85	$743.85	$743.85
Annual increase	$29.75	$226.87	$226.87
FY 26-27	$773.60	$970.72	$970.72
Annual increase	$23.21	$124.26	$145.60
FY 27-28	$796.81	$1,094.98	$1,116.32
Annual increase	$23.90	$76.65	$100.47
FY 28-29	$820.71	$1,171.63	$1,216.79
Total increase	*$76.86*	*$427.78*	*$472.94*
Total 3 year cumulative increase above rate peg	*$0*	*$350.92*	*$396.08*

Ad valorem average rate

The following table outlines the average rates for those assessments paying ad valorem rates.

	Option 1	Option 2	Option 3
FY 25-26	$1,872.83	$1,872.83	$1,872.83
FY 26-27	$1,947.74	$2,175.47	$2,265.15
FY 27-28	$2,006.17	$2,348.83	$2,605.04
FY 28-29	$2,066.35	$2,475.35	$2,839.56

Minimum average rate (including special levies)

The following table outlines the average rates for those assessments paying minimum rates.

	Option 1	Option 2	Option 3
FY 25-26	$844.18	$844.18	$844.18
FY 26-27	$877.95	$1,076.81	$1,075.98
FY 27-28	$904.29	$1,204.98	$1,224.51
FY 28-29	$931.42	$1,285.30	$1,328.11

Permissible income – business

The following table outlines the forecast revenue which would be generated from business assessments under each of the three options.

	Ad-valorem income ($)	Minimum income ($)	Special levy income	Total permissible income	% increase year on year
OPTION 1 – Rate peg cumulative 10.33% *(2026-27 rate peg 4%, with forecast of 3% for 2027-29)*					
FY 25-26	23,273,006	839,807	568,104	24,680,917	
FY 26-27	24,203,926	873,399	590,828	25,668,154	4%
FY 27-28	24,930,044	899,601	608,553	26,438,198	3%
FY 28-29	25,677,945	926,589	626,810	27,231,344	3%
OPTION 2 – Special Variation cumulative 39.92% (incl. rate peg)					
FY 25-26	23,273,006	839,807	568,104	24,680,917	
FY 26-27	27,664,851	1,195,932	590,828	29,451,611	19.33%
FY 27-28	30,540,411	1,365,436	608,553	32,514,400	10.40%
FY 28-29	32,419,989	1,470,390	626,810	34,517,189	6.16%
OPTION 3 – Special variation cumulative 54.18% (incl. rate peg)					
FY 25-26	23,273,006	839,807	568,104	24,680,917	
FY 26-27	28,467,419	1,171,664	590,828	30,229,911	22.48%
FY 27-28	33,015,670	1,341,823	608,553	34,966,046	15.67%
FY 28-29	36,132,310	1,457,719	626,810	38,216,839	9.30%

Average business rate

The following table outlines the average business rates under each of the three options.

	Option 1	Option 2	Option 3
FY 25-26	$7,193	$7,193	$7,193
Annual increase	*$288*	*$1,390*	*$1,617*
FY 26-27	$7,481	$8,583	$8,810
Annual increase	*$244*	*$893*	*$1,380*
FY 27-28	$7,705	$9,476	$10,190
Annual increase	*$231*	*$583*	*$947*
FY 28-29	$7,936	$10,059	$11,137
Total increase	*$763*	*$2,866*	*$3,944*
Total 3 year cumulative increase above rate peg	*$0*	*$2,103*	*$3,181*

Minimum business rate

The following table outlines the minimum business rate under each of the three options.

	Option 1	Option 2	Option 3
FY 25-26	$743.85	$743.85	$743.85
Annual increase	$29.75	$226.87	$226.87
FY 26-27	$773.60	$970.72	$970.72
Annual increase	$23.21	$124.26	$145.60
FY 27-28	$796.81	$1,094.98	$1,116.32
Annual increase	$23.90	$76.65	$100.47
FY 28-29	$820.71	$1,171.63	$1,216.79
Total increase	*$76.86*	*$427.78*	*$472.94*
Total 3 year cumulative increase above rate peg	*$0*	*$350.92*	*$396.08*

COMPARISON WITH OTHER COUNCILS

Residential rates

In 2025-26, there were 37,347 residential rating assessments recorded, with the total rateable value (unimproved land value) of residential land in North Sydney being $36.19 billion.

77% of residential properties pay the minimum rates, and 23% of residential properties pay ad-valorem rates. 61% of total residential rating revenue is generated through minimum rate assessments, while 39% is generated through ad valorem assessments.

North Sydney Council's residential rate is low in comparison to other metropolitan councils. The average residential rate is calculated including special levies.

Option 1 – rate peg

	2025-26	2026-27	2027-28	2028-29
Average residential rate	$1,076	$1,119	$1,153	$1,187
Increase		4%	3%	3%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison councils in years 2027-28 and 2028-29.

Note: Ku-ring-gai and Blacktown Councils are currently considering an SV for 26-27.

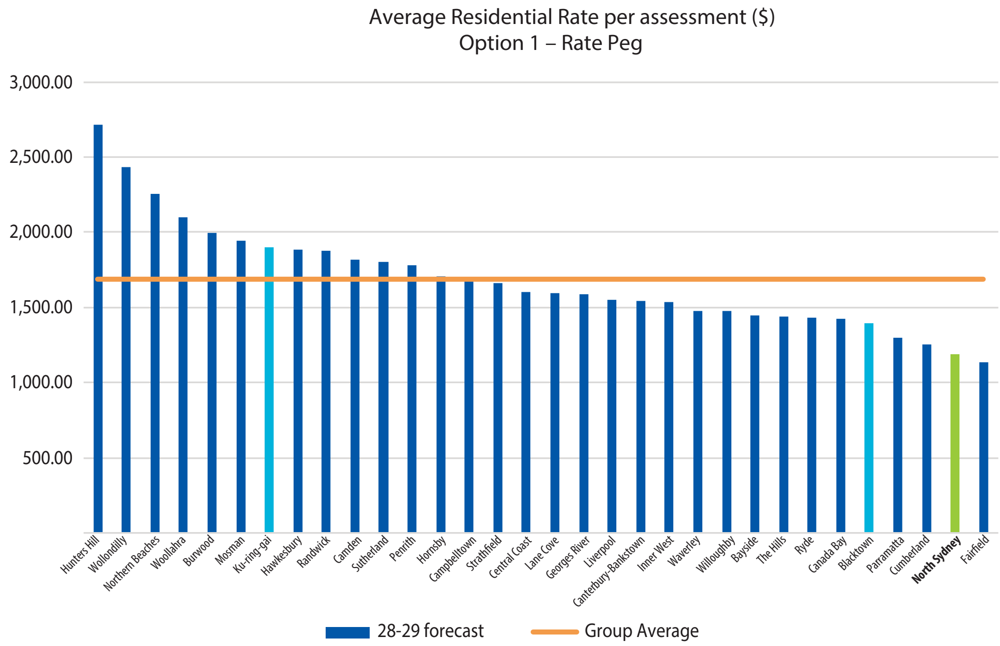


Chart 1: Average Residential Rate per assessment – Option 1

Option 2 – special variation (39.92% cumulative over three years)

	2025-26	2026-27	2027-28	2028-29
Average residential rate	$1,076	$1,295	$1,422	$1,506
Increase		20%	10%	6%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

Note: Ku-ring-gai and Blacktown Councils are currently considering an SV for 26-27.

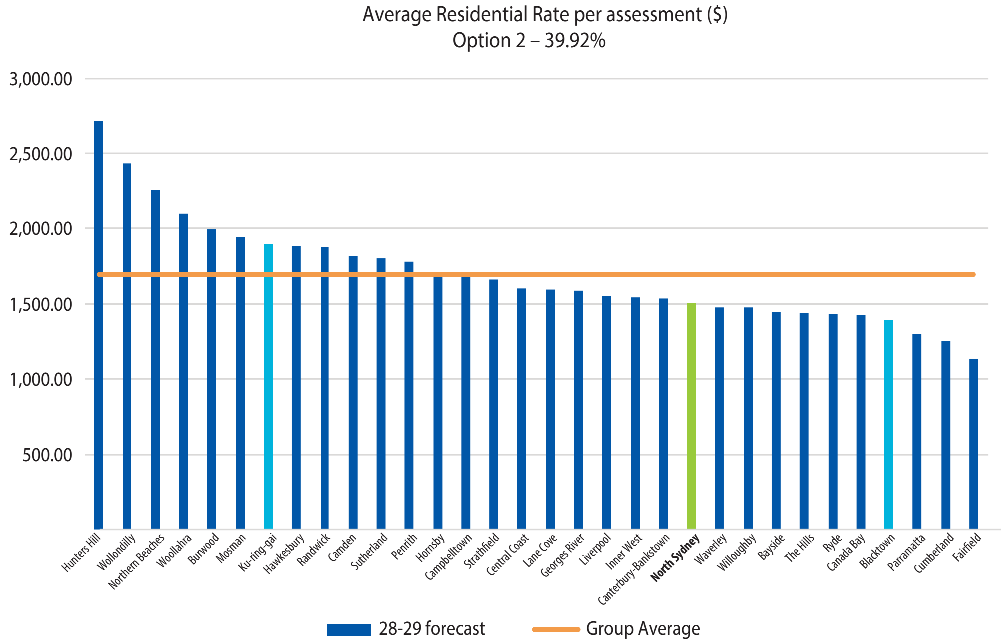


Chart 2: Average Residential Rate per assessment – Option 2

Option 3 – special variation (54.18% cumulative over three years)

	2025-26	2026-27	2027-28	2028-29
Average residential rate	$1,076	$1,327	$1,520	$1,654
Increase		23%	15%	9%

The following chart demonstrates a comparison with other councils at the end of the three year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all council's in years 2027-28 and 2028-29.

Note: Ku-ring-gai and Blacktown Councils are currently considering an SV for 26-27.

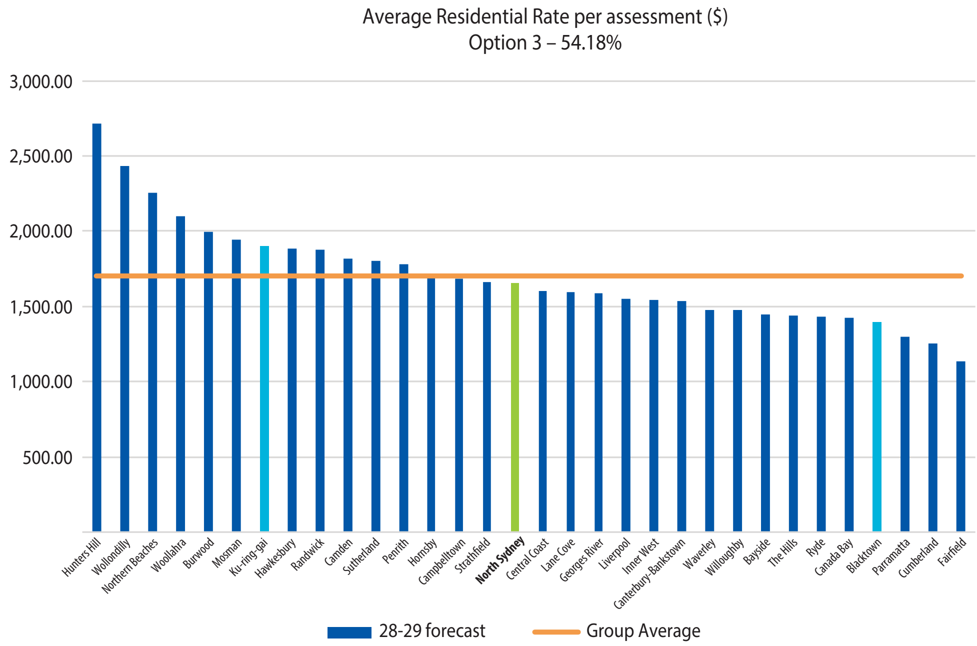


Chart 3: Average Residential Rate per assessment – Option 3

Option 1 – minimum rate increased by rate peg

	2025-26	2026-27	2027-28	2028-29
Minimum residential rate	$743.85	$773.60	$796.81	$820.71
Increase		4%	3%	3%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

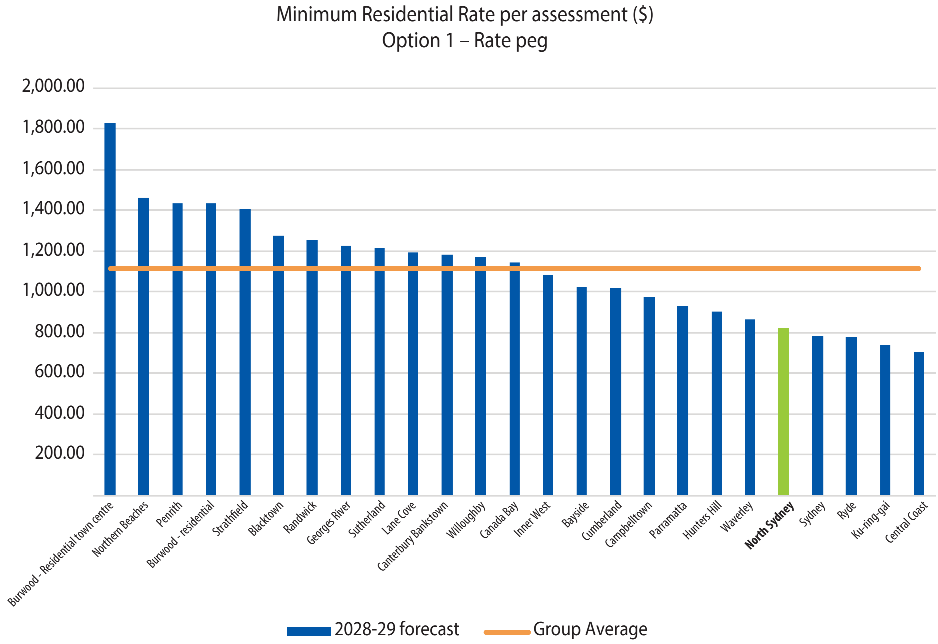


Chart 4: Minimum Residential Rate per assessment – Option 1

Option 2 – variation to minimum rate (as per below table)

	2025-26	2026-27	2027-28	2028-29
Minimum residential rate	$743.85	$970.72	$1,094.98	$1,171.63
Increase		30%	13%	7%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

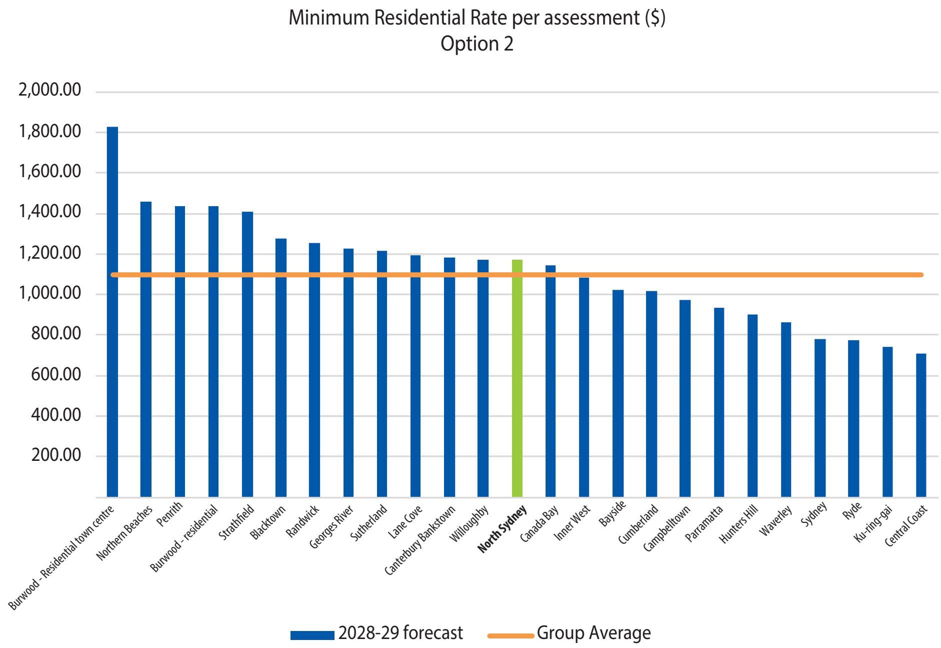


Chart 5: Minimum Residential Rate per assessment – Option 2

Option 3 – variation to minimum rate (as per below table)

	2025-26	2026-27	2027-28	2028-29
Minimum residential rate	$743.85	$970.72	$1,116.32	$1,216.79
Increase		30%	15%	9%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison councils in years 2027-28 and 2028-29.

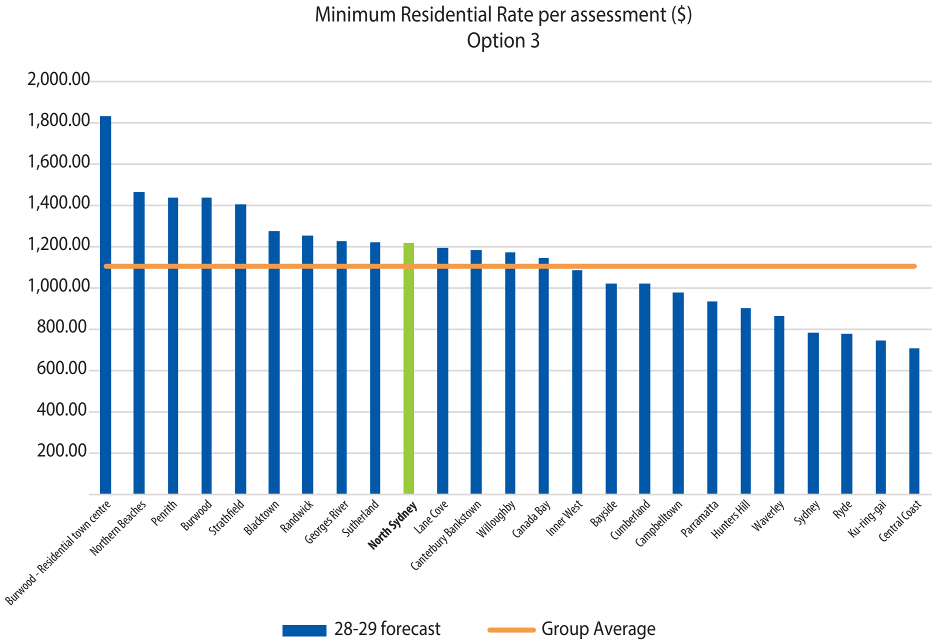


Chart 6: Minimum Residential Rate per assessment – Option 3

Business rates

In 2025-26, there were 3,431 business rating assessments recorded, with the total rateable value (unimproved land value) of residential land in North Sydney being $5.12 billion.

Comparing average business rates across different Local Government Areas (LGAs) can be challenging due to the varying size and character of landholdings. Those LGA's with high density property holdings owned individually will by nature have a higher average rate than those with smaller individual landholdings or strata developments.

33% of business assessments pay the minimum rates, and 67% of business assessments pay ad-valorem rates. 4% of total business rating revenue generated through minimum rate assessments, while 96% is generated through ad valorem rate assessments.

While there is no direct comparison to North Sydney, the closest comparison would be those councils with CBD locations. This includes Burwood, Parramatta, Strathfield and Sydney.

Average business rates

Council	2025-26	2026-27	2027-28	2028-29
Burwood	9,218	9,596	9,884	10,181
Parramatta	15,142	15,869	16,345	16,835
Strathfield	10,116	10,874	11,200	11,536
Sydney	15,030	15,872	16,348	16,838
Average	*12,376*	*13,053*	*13,444*	*13,847*
North Sydney Options				
Option 1	7,193	7,481	7,705	7,936
Increase		4%	3%	3%
Option 2	7,193	8,583	9,476	10,059
Increase		19%	10%	6%
Option 3	7,193	8,810	10,190	11,137
Increase		22%	16%	9%

Source: https://economy.id.com.au

Note: Comparative rates are calculated based on the averages included with the IPART Final Report – North Sydney 2025 for the 2024-25 year which is calculated using OLG's time series data as at 2023-24 (latest available). These rates have then been escalated by 2025-26 and 2026-27 rate pegs or special variation approvals for each council. The 2028-29 year has been escalated by an assumed rate peg of 3%.

Economic considerations

The following table provides economic comparative data for the above comparison group. Comparing local job numbers with local businesses provides an indication of the business size amongst the group. The data suggests Parramatta has a closer economic output, however the number of businesses and jobs may suggest that it has a larger number of smaller businesses within its LGA than North Sydney.

Council	2024 GRP (NEIR 2024)	Local jobs	Local businesses	Jobs as a % of businesses
Burwood	$2.98 billion	19,043	5,481	3.47
Parramatta	$30.97 billion	184,846	32,803	5.63
Strathfield – CBD	$4.01 billion	23,349	7,083	3.30
Sydney	$154.73 billion	683,472	82,636	8.27
North Sydney	*$23.93 billion*	*104,745*	*15,178*	*6.90*

Source: https://economy.id.com.au

Option 1 – business minimum rate increased by rate peg

	2025-26	2026-27	2027-28	2028-29
Business minimum rate	$743.85	$773.60	$796.81	$820.71
Increase		4%	3%	3%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

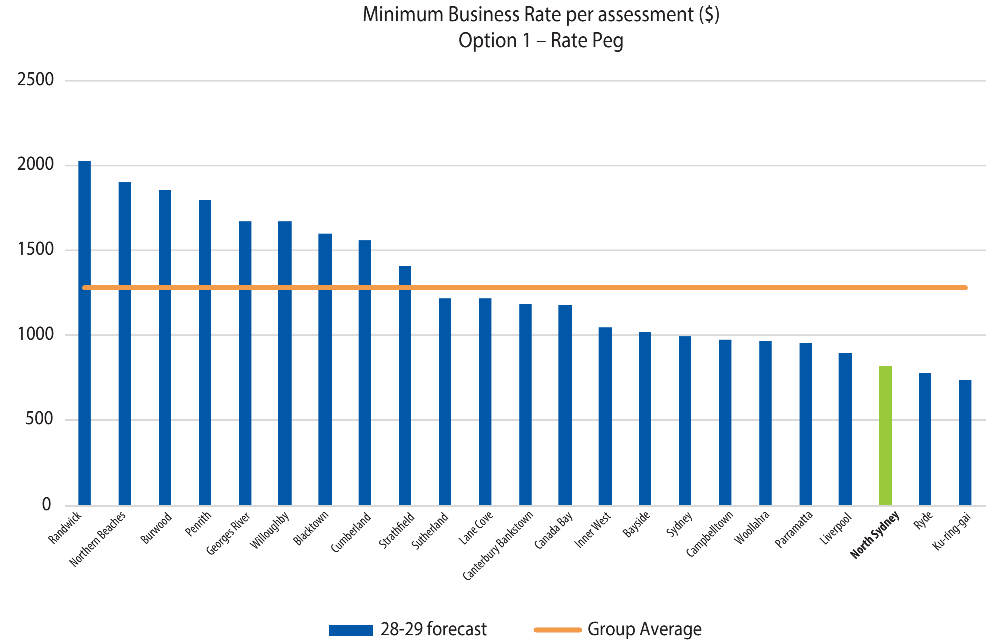


Chart 7: Minimum Business Rate per assessment – Option 1

Option 2 – variation to business minimum rate (as per below table)

	2025-26	2026-27	2027-28	2028-29
Business minimum rate	$743.85	$970.72	$1,094.98	$1,171.63
Increase		30%	13%	7%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

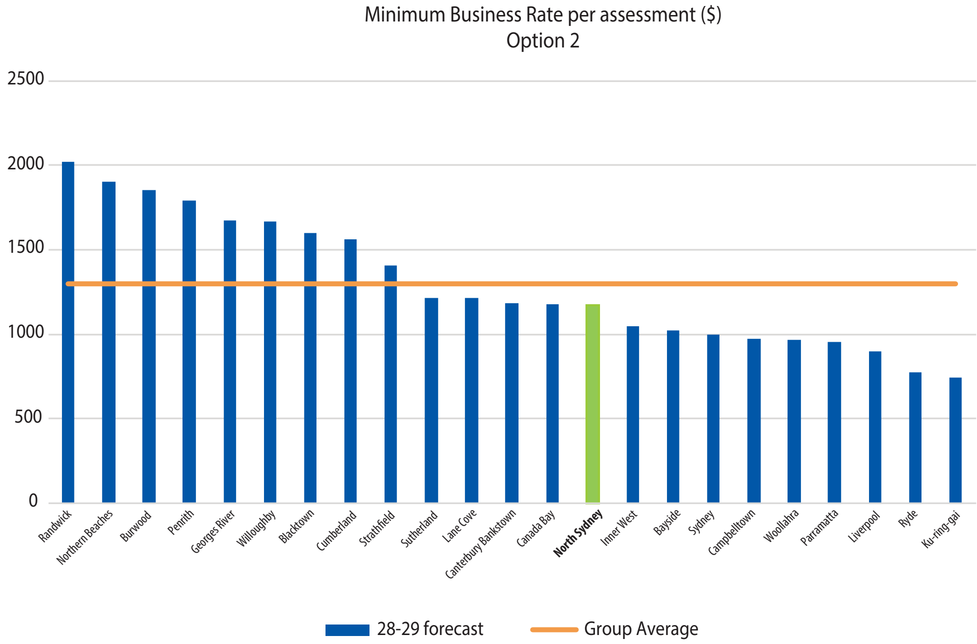


Chart 8: Minimum Business Rate per assessment – Option 2

Option 3 – variation to minimum rate (as per below table)

	2025-26	2026-27	2027-28	2028-29
Business minimum rate	$743.85	$970.72	$1,116.32	$1,216.79
Increase		30%	15%	9%

The following chart demonstrates a comparison with other councils at the end of the three-year period. This chart assumes announced rate peg and approved special variation increases for 2026-27, and a forecast 3% rate peg for all comparison council's in years 2027-28 and 2028-29.

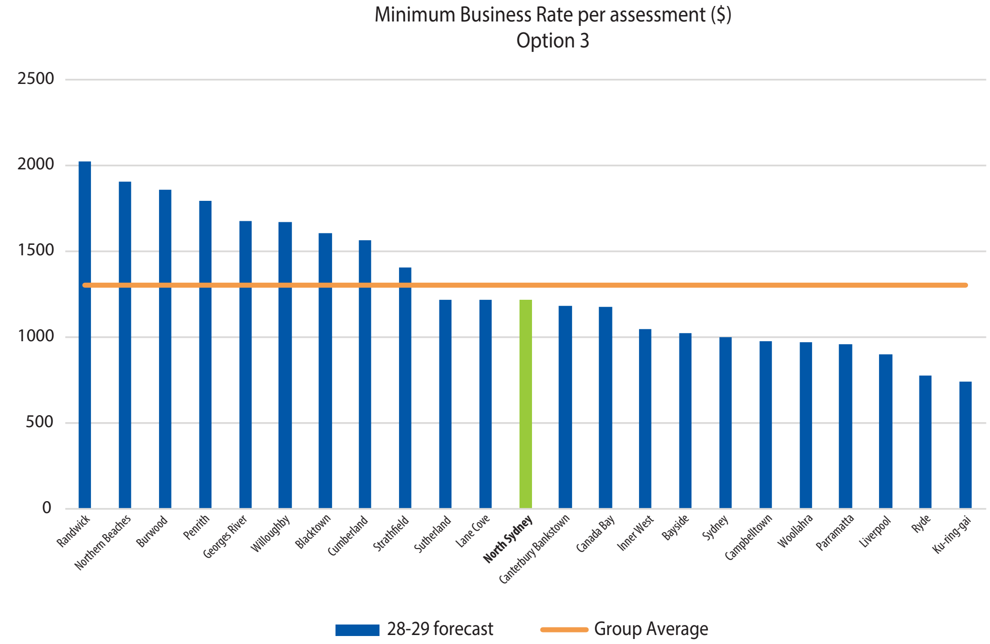


Chart 9: Minimum Business Rate per assessment – Option 3

PART 3 FINANCIAL NEED

PRIMARY PURPOSE

The primary purpose of the special variations presented in this plan is to maintain service delivery and manage infrastructure obligations. This includes investment in new corporate systems.

The options provide some provision for new infrastructure; however, these levels are considered inadequate for a growing population and will require future consideration.

In addition, the special variation options provide an opportunity to contribute to strategic objectives. The options are considered modest in this regard, with an average of $0.39 million per annum funded within Option 2 and $1.7 million per annum funded through Option 3. This includes important planning work to inform future revisions of this Long Term Financial Plan, including master planning of key public sites adjacent to Metro to provide for future community needs.

A detailed indicative prioritisation of these funds is included in Part 5 of this plan.

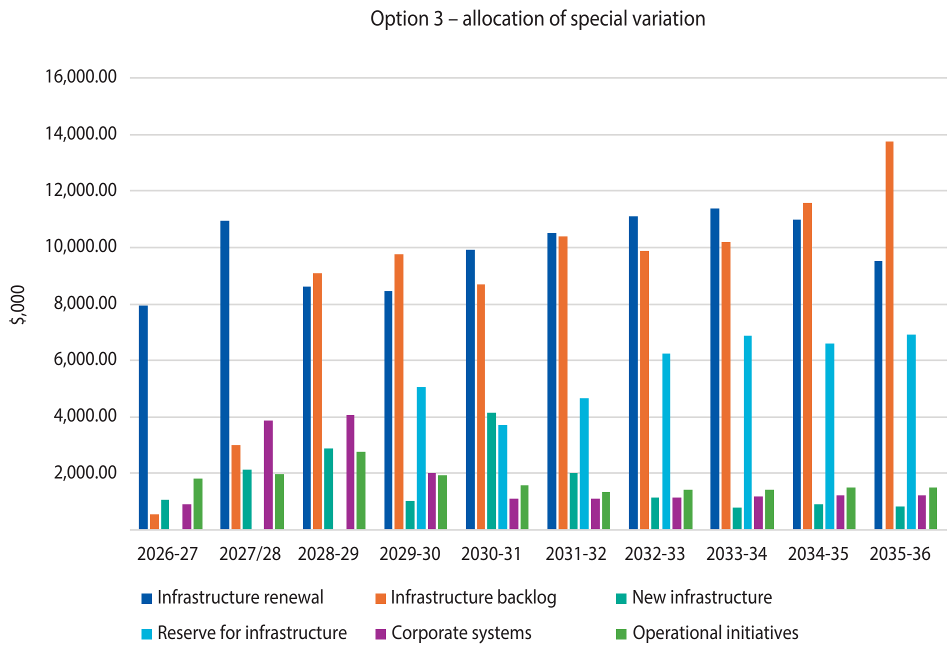


Chart 10: Option 3 – allocation of special variation

The medium term

The following table provides the special variation expenditure forecast for the first four years of the plan. Forecasts past this period become more sensitive to change.

	Option 1 ($,000)	Option 2 ($,000)	Option 3 ($,000)
Projected indexed Special variation income over first 4 years (above rate peg)	Nil	$63,647	$90,017
Achieving minimum annual infrastructure renewals and maintaining service levels	No	$37,223	$35,997
Infrastructure backlog reduction	No	$10,517	$22,405
New infrastructure	No	$0	$7,110
Reserve for new infrastructure to support development contribution plan	No	$3,000	$5,064
New corporate systems	No	$10,909	$10,909
Operating initiatives	No	$1,998	$8,532

Based upon the assumptions outlined within this plan, the ten-year special variation expenditure would be as follows, noting sensitivity to change in the medium to long term.

	Option 1 ($,000)	Option 2 ($,000)	Option 3 ($,000)
Projected indexed Special variation income over 10 years (above rate peg)	Nil	$190,126	$278,478
Achieving minimum annual infrastructure renewals and maintaining service levels	No	$99,166	$99,360
Infrastructure backlog reduction	No	$51,692	$86,900
New infrastructure	No	$0	$16,953
Reserve for new infrastructure to support development contribution plan	No	$17,431	$40,051
New corporate systems	No	$17,910	$17,910
Operating initiatives	No	$3,927	$17,304

Changes to the minimum rate would result in increased revenue through development of new properties. The following table demonstrates the additional cumulative income forecast based upon 300 new dwellings per year over the ten-year period. It is assumed that 50% of this funding will be priortised towards infrastructure and 50% towards operating costs.

	Growth income (10-year cumulative)
Option 1	$17.34 million
Option 2	$23.86 million
Option 3	$24.64 million

MEASURING FINANCIAL NEED

To assess Council's current financial performance and long-term sustainability, financial forecasts are developed over a ten-year horizon. These forecasts inform a detailed analysis of key financial indicators, including;

- Operating Performance Ratio
- Unrestricted Current Ratio
- Unrestricted Cash Expense Ratio
- and various Infrastructure Ratios.

Together, these measures provide a comprehensive view of Council's financial health – highlighting its capacity to fund services, maintain infrastructure, and respond to future challenges.

Council's current financial position is detailed in Option 1 of this LTFP and includes organisational improvement and increased income targets. These targets are estimates based on the available information at the time of developing this plan and are detailed in Part 5.

Based upon Council's current financial position, a special variation to permissible rating income is recommended. As outlined above, this increase is primarily focused on ensuring the sustainability of services and infrastructure, including the administration of these services through new corporate systems.

OPERATING PERFORMANCE RATIO

The Operating Performance Ratio (OPR) serves as a critical indicator of a council's financial health and sustainability.

It reflects whether ongoing operating revenue is sufficient to cover:

- Day-to-day operating expenditure
- Principal repayments on loans, and
- Non-grant funded infrastructure renewals and upgrades
- Reserves improvements to support future infrastructure upgrades (including co-contribution to developer contributions)

Traditionally, authorities such as the NSW Office of Local Government (OLG) have considered a benchmark OPR > 0% to indicate a council's ability to contain operating expenditure within its operating income. This threshold offers a straightforward assessment of short-term operational viability.

However recent financial sustainability guidance recognises that a simple "greater than zero" measure may not be universally appropriate. Councils exhibit varying balance sheet structures, infrastructure obligations, and borrowing requirements, which influence their capacity to fund critical renewals and service debt. As a result, more nuanced and context-sensitive benchmarks are now being developed.

The lower the OPR, the less capacity Council will have to address its infrastructure backlog. Council's current ten-year OPR forecast is as follows:

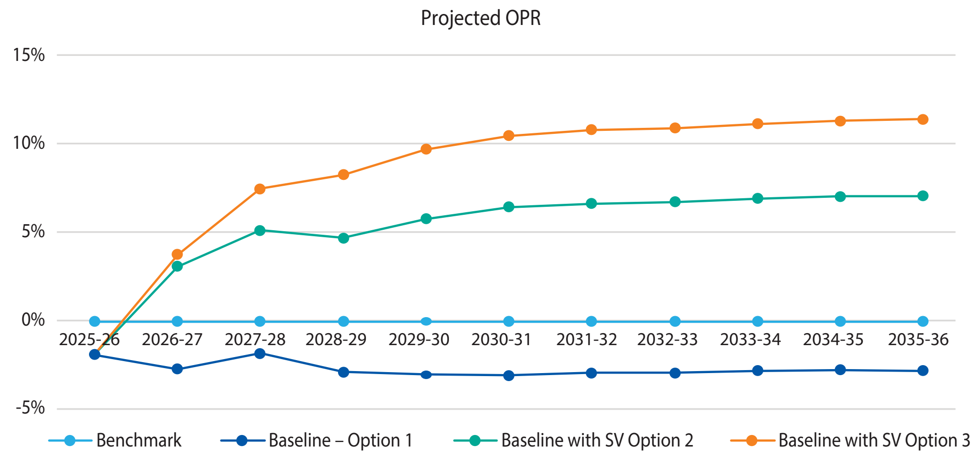


Chart 11: 2020 – 2035 actual and forecast operating performance ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	(2.69%)	(1.81%)	(2.86%)	(3.01%)	(3.04%)	(2.91%)	(2.90%)	(2.78%)	(2.75%)	(2.80%)
Option 2	3.12%	5.16%	4.74%	5.82%	6.48%	6.68%	6.77%	6.97%	7.08%	7.12%
Option 3	3.81%	7.52%	8.33%	9.77%	10.52%	10.86%	10.96%	11.20%	11.36%	11.45%

Why is Council proposing an OPR of greater than 0%?

The operating performance ratio is calculated as follows:

net operating result for the year before capital grants and contributions

divided by:

income from continuing operations less capital grants and contributions

In simple terms, a 0% operating performance ratio would indicate the Council has an ability to fund its operations including renewal of infrastructure.

However, in practice, there are items of income and expenditure within the net operating result that are restricted and unable to be used for operational purposes and there are balance sheet obligations outside of standard renewals that require funding.

In addition to providing for operating expenditure, Council also has the following funding commitments and responsibilities above a 0% operating performance ratio:

1. Interest revenue associated with developer contributions cannot be used for operating purposes and must be transferred to an externally restricted reserve.
2. Surplus income from domestic waste management cannot be used for operating purposes and must be transferred to an externally restricted reserve.
3. Council has principal loan repayment obligations located on the balance sheet but must be funded from operating performance.
4. As at 30 June 2025, Council's recorded infrastructure backlog is $157 million. Reductions in this backlog must be funded from operating performance.
5. As a growth Council, new infrastructure will be required by the growing population. While some of this will be funded from developer contributions, Council is required to make a co-contribution to most of these projects. This capital expenditure must be funded from operating performance.

The following table provides indicative commitments over and above the 0% Operating Performance Ratio for Year 1 of each option.

Commitments requiring greater than 0% Operating Performance Ratio			
	Option 1 Base – Year 1 $,000	Option 2 – Year 1 $,000	Option 3 – Year 1 $,000
Interest income required to be restricted for development contributions reserve	$2,082	$2,082	$2,082
Domestic waste (DWM) surplus required to be transferred to DWM reserve	$2,221	$2,221	$2,221
Funding required to pay principal debt obligations	$5,077	$5,077	$5,077
Reduction in infrastructure backlog (above annual depreciation)	$0	$408	$561
New council funded infrastructure	$608	$608	$1,674
Total commitment	$9,988	$10,396	$11,615
% of income from continuing operations less capital grants and contributions	6.36%	6.21%	6.86%

As demonstrated in the above table, a minimum Operating Performance Ratio of above 6% is required in all three options in Year 1. This percentage increases in options 2 and 3 as the commitment to addressing infrastructure backlog and new infrastructure needs increases.

Currently Option 1 Operating Performance Ratio is forecast at -2.69% in Year 1 and averages -2.75% over the 10 year period, this suggests that without a ten-year special variation to increase rating revenue, the council would continue be unable to fund annual infrastructure renewals, reduce infrastructure backlogs or provide infrastructure for the growing population. This would not be financially sustainable over the long term if the council is to deliver the services and infrastructure in its adopted plans.

UNRESTRICTED CURRENT RATIO

The unrestricted current ratio is an indicator of a council's financial position. It indicates a council's ability to meet its short-term obligations as they fall due – liquidity. The industry benchmark for the ratio is 1.5 times.

As at 30 June 2025, Council's unrestricted current ratio was recorded as 1.5 times. This means that Council has $1.50 in unrestricted current assets to meet $1.00 of unrestricted current liabilities. A ratio of 1.5 or less is considered unsatisfactory.

A higher unrestricted current ratio would indicates that the council has saved funds for future infrastructure investment.

Based upon Council's current ten-year forecast (Baseline – Option 1), Council's unrestricted current ratio would range from 1.63 times to 1.98 times. This is considered acceptable for maintaining liquidity; however the ratio has been maintained by reducing infrastructure renewal expenditure at rates well below benchmark.

Low renewal ratios, combined with infrastructure backlogs are likely to result in reactive need for funding due to public safety or community demands. It is therefore possible that the forecast renewal budget in this Long-Term Financial Plan will be overspent which would lead to a decline in the unrestricted current ratio to unsatisfactory levels.

This suggests that without a special variation to increase rating revenue, the council would not have sufficient cash and investments to be financially sustainable if the council is to deliver the services and infrastructure in its adopted plans. Council could manage its liquidity, however under this scenario, infrastructure conditions and service levels would require reduction.

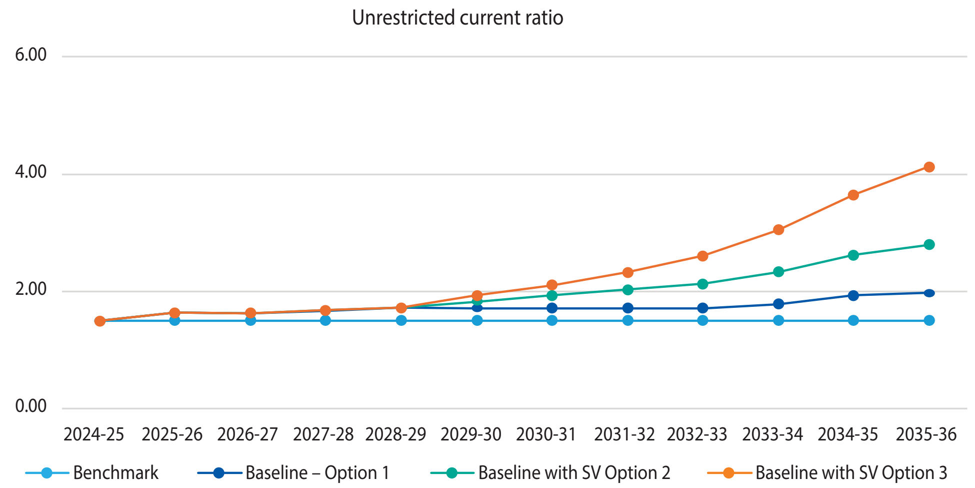


Chart 12: Forecast unrestricted current ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	1.63	1.67	1.72	1.71	1.71	1.71	1.71	1.78	1.93	1.98
Option 2	1.63	1.68	1.72	1.83	1.93	2.03	2.13	2.33	2.62	2.80
Option 3	1.63	1.68	1.72	1.93	2.11	2.33	2.61	3.05	3.65	4.12

Note: the higher unrestricted current ratio in later years within option 3 is due to increased capital infrastructure reserves designed to support the delivery of priority projects including those within Council's Development Contribution Plan.

UNRESTRICTED CASH EXPENSE RATIO

The unrestricted cash expense ratio is an indicator of a council's financial position. It measures how many months a council can continue to operate without new cash inflows.

The industry benchmark for the ratio is greater than 3 months, which would indicate sufficient funds to cover immediate costs and act as a buffer for unexpected events or financial challenges.

As at 30 June 2025, Council's unrestricted current ratio was recorded as 2.53 months.

Based upon Council's current ten-year forecast (Baseline – Option 1), the council's unrestricted current ratio would range from 1.64 months to 1.98 months. This is considered unsatisfactory.

Low renewal ratios, combined with infrastructure backlogs are likely to result in reactive need for funding due to public safety or community demands. It is therefore possible that the forecast renewal budget in this Long-Term Plan will be overspent which would lead to further decline in the unrestricted cash expense ratio.

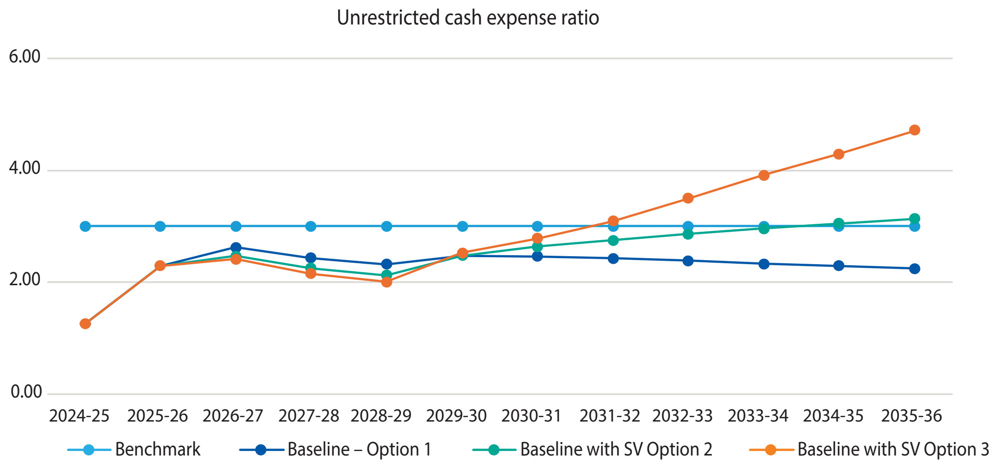


Chart 13: Forecast unrestricted cash expense ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	2.62	2.43	2.32	2.47	2.46	2.42	2.38	2.33	2.29	2.24
Option 2	2.47	2.25	2.12	2.47	2.63	2.75	2.86	2.96	3.05	3.13
Option 3	2.41	2.15	2.00	2.52	2.78	3.09	3.50	3.91	4.29	4.71

Note: the higher unrestricted cash expense ratio in later years within option 3 is due to increased capital infrastructure reserves designed to support the delivery of priority projects including those within Council's Development Contribution Plan.

THE INFRASTRUCTURE BACKLOG RATIO

The infrastructure backlog ratio indicates whether the council has a need for additional revenue to maintain its infrastructure assets. It shows the infrastructure backlog as a proportion of the total value of a council's infrastructure. OLG's benchmark for the infrastructure backlog ratio is less than 2%.

Assets requiring renewal are those in condition 4 (poor) or 5 (very poor). Renewal values are indicative only and provide estimates for like renewal only and not for upgrade costs based on new community needs. Council manages infrastructure through technical service levels and community service levels.

Council's recent community research undertaken by Micromex Research concluded that the community expects infrastructure to be in fair condition as a minimum, with reasonable support for very good/good condition.

	What condition do you consider acceptable?		
Asset class	**Very good/good**	**Fair**	**Poor/Very poor**
Roads and Transport Infrastructure	45%	51%	4%
Bus shelters and street furniture	28%	62%	10%
Footpaths	35%	61%	4%
Parks, reserves and sportsfields	38%	59%	3%
Supporting infrastructure	27%	70%	3%
Buildings	28%	69%	3%
Stormwater	45%	52%	3%

As at 30 June 2025, Council's infrastructure backlog ratio was recorded as 14.04%. The total value of infrastructure condition 4 and 5 was $157 million. Assets in condition 5 (very poor) has increased from 2.9% to 4.6% of gross replacement cost in the past year and now total $69.77 million.

Typically, depreciation values are used as a minimum funding contribution to infrastructure renewals. Infrastructure is depreciated over the useful life of the asset, which ensures that each generation contributes to the use and enjoyment of the infrastructure each year.

Over the past five years, due to increased costs associated with the North Sydney Olympic Pool, insufficient funding has been available to fund renewals at 100%. The total un-indexed renewal deficit over this period has been $43 million.

Based upon Council's current ten-year forecast (Baseline – Option 1), continued underfunding of infrastructure renewals could lead to the ratio increasing to 31.56% or $339 million over the ten-year period. This forecast is calculated each year as follows:

commencing infrastructure backlog + annual depreciation – renewal budget

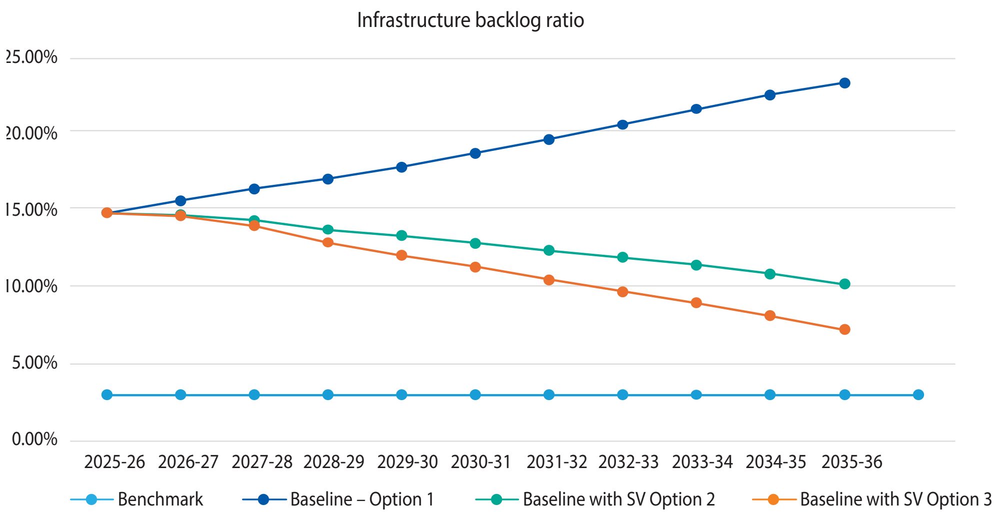


Chart 14: Forecast infrastructure backlog ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	15.49%	16.25%	16.88%	17.66%	18.53%	19.44%	20.39%	21.36%	22.28%	23.07%
Option 2	14.56%	14.21%	13.62%	13.21%	12.75%	12.28%	11.82%	11.35%	10.79%	10.10%
Option 3	14.50%	13.85%	12.80%	11.97%	11.22%	10.38%	9.63%	8.89%	8.09%	7.18%

This indicates that without a special variation to increase rating revenue, Council's infrastructure backlog ratio will remain below the benchmark and continue to deteriorate over time.

With a special rate variation the ratio will still remain below benchmark, however the backlog will improve. Investment in new corporate systems, including asset management systems, will increase Council's asset management maturity and provide improved data to support funding prioritisation and inform future financial strategies.

THE INFRASTRUCTURE RENEWAL RATIO

The infrastructure renewal ratio measures the rate at which the council is renewing its infrastructure assets against the rate at which they are depreciating. OLG's benchmark for the infrastructure renewals ratio is greater than 100%.

Based upon Council's current ten-year forecast (Baseline – Option 1), the Council's infrastructure renewal ratio would average 69%.

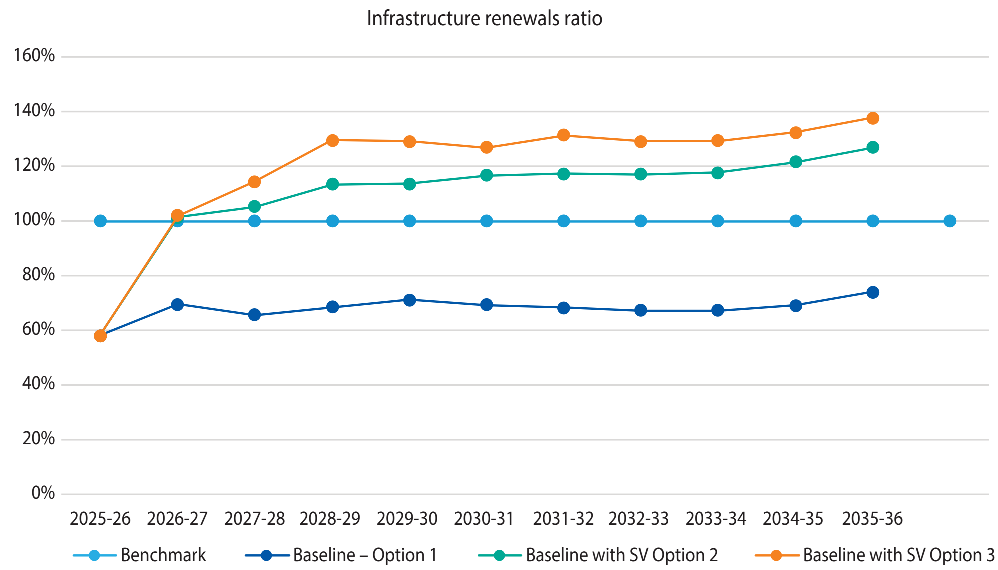


Chart 15: Forecast infrastructure renewal ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	69%	66%	68%	71%	69%	68%	67%	67%	69%	74%
Option 2	101%	105%	114%	114%	117%	117%	117%	118%	122%	127%
Option 3	102%	114%	130%	129%	127%	131%	129%	129%	132%	138%

This indicates that without a special variation to increase rating revenue, the Council's infrastructure renewal ratio will remain below the OLG benchmark and continue to deteriorate over time.

Note: the results above 100% within option 2 and 3 reflect spending on infrastructure backlogs.

THE ASSET MAINTENANCE RATIO

The asset maintenance ratio compares actual versus required asset maintenance. OLG's benchmark for the asset maintenance ratio is greater than 100%.

Based upon Council's current ten-year forecast, (Baseline – Option 1), due to insufficient funding for infrastructure renewal, Council's asset maintenance ratio would reduce to 64% by Year 10.

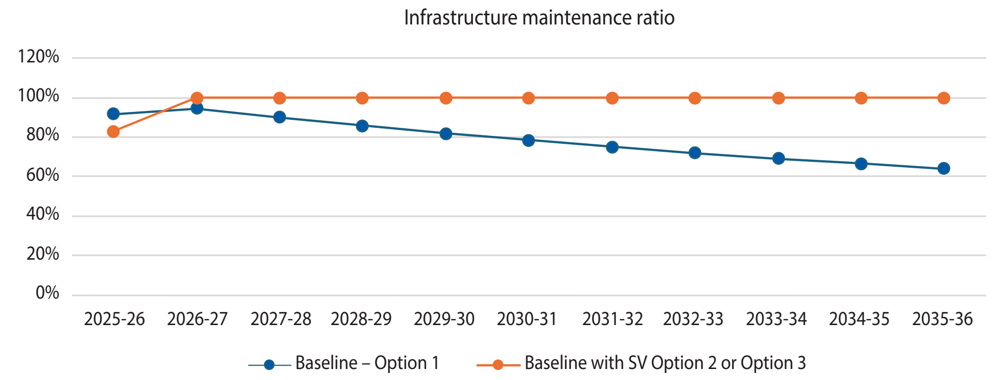


Chart 16: Forecast asset maintenance ratio

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Option1	95%	90%	86%	82%	78%	75%	72%	69%	66%	64%
Option 2	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Option 3	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

This indicates that without a special variation to increase rating revenue, the council's asset maintenance ratio will remain below the OLG benchmark and continue to deteriorate over time.

ALTERNATIVES TO A RATE RISE

Before considering any increase to rates, Council has explored a range of alternative financial strategies to strengthen its financial position. In line with responsible financial management and community expectations, Council has examined opportunities to reduce costs, improve operational efficiency, increase non-rate revenue, and reprioritise capital and service expenditure. This section outlines the strategies assessed and actions taken to address the financial challenges facing Council, with the aim of reducing the impact of rating increases.

Reduction in service levels

In August 2025, Council commissioned an independent survey to understand the community's expectations regarding service levels. Specifically, whether the community would like to see a reduction in service levels, maintenance of service levels or an increase in service levels, with the understanding that to maintain or increase service levels, a rate rise would be required.

Within its 2025-2029 Delivery Program, Council included an annual financial repair target of $6 million, which would require new or increased income, productivity improvement and service level reductions. Engagement on this plan indicated a low appetite for service level reductions. To confirm this position, Council commissioned independent research company Micromex Research to undertake a demographically selected service level review with the community to determine opportunities for service reduction.

The methodology provided for a sample selection and maximum error rate as follows:

Community baseline measure: A total of N=505 resident interviews were completed via telephone, N=100 were completed via online community panels. A sample size of N=605 provides a maximum sampling error of plus or minus 4% at 95% confidence.

Informed community response: A total of N=302 residents completed Stage 2 of the research, all of whom had completed Stage 1 questionnaire. A total sample size of N=302 residents provides a maximum sampling error of plus or minus 5.6% at 95% confidence.

In addition to the demographic survey, the same survey was available to the community via council website. A total of N=433 completed the survey.

The research concluded that there is little appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – even knowing that maintaining/increasing services will require an increase in rates. This was consistent in both the demographic survey and the opt in community survey.

Reduction in strategic funding

Following the full refusal of Council's last Special Rate Variation (SRV) application by IPART, careful consideration has been given to reducing both capital and operational budgets originally developed in response to research and community consultation for Council's eight key informing strategies.

These strategies address important priorities in the areas of environment, economic development, social inclusion, housing, culture and creativity, integrated transport, and open space and recreation. The initial budgets were designed to position Council to respond to both current and emerging challenges across these domains.

Original Proposal Overview

The previous SRV proposal included:

- $60.6 million in new operational expenditure,
- $97.9 million in new and upgraded infrastructure, and
- An increase of $67 million in unrestricted reserves to provide financial capacity for future infrastructure priorities, including projects under Council's Developer Contribution Plan.

Revisions in Current Special Variation Options

To reduce the impact of rate increases on the community, significant reductions have been made to the funding levels in both operational and capital budgets within the current SRV options.

Option 2 – Minimal Investment Focused on Corporate Systems

- $21 million in new operational expenditure, including:
  - $17.9 million allocated to new corporate systems.
- No direct funding for new infrastructure.
- $17 million reserved for future capital infrastructure priorities, including delivery of projects within the Developer Contribution Plan.

Option 3 – Moderate Investment with Infrastructure Support

- $35 million in new operational expenditure, including:
  - $17.9 million for new corporate systems.
- $16.9 million allocated to new capital infrastructure projects.
- $40 million reserved for future capital infrastructure priorities, again supporting the realisation of projects within the Developer Contribution Plan.

Reduction in infrastructure backlog commitment

Council's current infrastructure backlog is valued at $157 million and is expected to increase over time as infrastructure costs rise. Assuming no additional investment, and applying a conservative annual indexation of 2.5%, the backlog would grow to $338 million by Year 10. This projection also accounts for the currently low level of renewal funding in 2025-26.

- Council's previous Special Variation submission, $139.6 million was allocated to address infrastructure backlog and bring assets to a satisfactory standard. However, the revised Special Variation options now propose a reduced level of funding for backlog remediation.
- Option 2 allocates $51.7 million to infrastructure backlog reduction, addressing the renewal shortfall from the past three years. This investment is projected to deliver an 18% reduction in infrastructure backlog over the ten-year period.
- Option 3 includes a more substantial commitment of $86.9 million, projected to deliver a 21% reduction in the infrastructure backlog over the ten-year period.

While the total funding for backlog reduction has decreased compared to the earlier submission, both options include investment in modern corporate systems. These systems will improve asset data quality, enhance reporting capabilities, and support a stronger business case for future infrastructure investment.

Additional loan funding – North Sydney Olympic Pool

The North Sydney Olympic Pool project (still under construction at the time of writing) is expected to have a capital cost of $122 million. To date, Council has taken out $61 million in loan funding for this project. An additional $20.9 million has been sourced from grants and developer contributions.

As part of the community research undertaken by Micromex Research, community appetite for increased debt was measured.

- 47% do not support increased debt, while 17% were open to increased debt.
- 70% of respondents agree that reoccurring costs and renewals should be funded from annual revenue rather than loans.
- 65% of respondents agree that loans should be considered for infrastructure projects which will generate income to cover borrowing costs.
- 39% agree that loans should be considered to accelerate the delivery of new/upgraded infrastructure.

In considering increasing loan funding for the North Sydney Olympic Pool project above current levels, the following has been considered:

- Renewal cost vs new: The original North Sydney Olympic Pool (NSOP) was built nearly 90 years ago and was due for renewal. Currently, $61 million in loan funding has been secured for this project, in addition to $5.7 million in developer contributions, and $15 million in government grants. While the redevelopment provides an upgrade on the original swimming facility, a large part of the project relates to renewal works.
- Income and expense projections indicate that the project will carry a net average annual loss of $3.5 million including depreciation and $0.989 million excluding depreciation over the ten year period of this plan. The infrastructure is not in a position to fund an increase in borrowing costs.
- Increasing the amount of loan funding and therefore the costs (cumulative interest) passed on to future generations for the purposes of renewal is not considered fair and equitable.
- Council currently has a development contributions plan that requires council co-contribution to deliver the projects within the plan. Council's forecasts do not provide sufficient funding to do this, and it is therefore prudent to maintain some borrowing capacity.

Other sources of income

Council has reviewed existing non-rate revenue sources to identify opportunities to increase income from these sources. These are forecasts only and are sensitive to change.

The following new income has been included within all options for Years 1 to 10 of the plan (indexed) :

- Sale of tickets for New Years Eve fireworks viewing – $307,500
- User charges and fees for use of parks and open spaces – $210,000

In addition, revenue forecasts for the following sources have been increased for Years 1 to 10 of the plan (indexed):

- Increased compliance charges – $295,000
- Increased income – North Sydney Oval – $205,000
- Increased advertising in the public domain – $802,000
- Increased permit fees – $67,200
- Changes to parking patrol – $739,000
- North Sydney Olympic Pool corporate events – $300,000 (increased to $500,000 in Year 2).

Council is also committed to exploring naming rights and/or sponsorship for the North Sydney Oval and North Sydney Olympic Pool; however we are unable to source a reliable estimate of potential revenue at this point as heritage considerations and existing user agreements must be fully explored in the first instance.

As mentioned above, non-rate revenue sources remain sensitive to change. An example of this is car parking income which has reduced over the past year due in large part to the opening of the Metro and reduced demand for car travel.

Liquidity Measures

To help reduce the immediate impact of rating increases, Council has implemented a range of short-term liquidity measures. These actions are designed to ease financial pressure on the community, providing time for residents to adjust their household budgets. Many of these measures have been applied over several years, with more intensive efforts in 2024-25 and 2025-26.

The measures taken to bolster short-term cash flow and mitigate liquidity risks include:

- Holding staff vacancies
- Reducing general operating expenditure
- Deferring asset renewal programs
- Delaying non-essential capital upgrades
- Increasing Council's loan borrowing capacity.

While these strategies have delivered temporary improvements to cash and investment balances, they come with operational and strategic trade-offs. Prolonged deferral of renewals and capital projects can accelerate asset degradation, increase long-term maintenance costs, and reduce service levels. Similarly, staffing constraints and expenditure cuts place additional pressure on workforce capacity, morale and service delivery. These actions, while necessary in the short term, are not sustainable solutions to Council's structural financial challenges.

Sale of Property

Council currently holds a mix of income-generating and community-use properties that form an important part of its asset base. During community consultations, some submissions proposed the sale of Council-owned property as an alternative to increasing rates in order to address the current financial challenges.

While asset sales may provide a short-term injection of funds, Council has determined that this is neither a sustainable nor prudent solution to the structural financial issues it faces. Unplanned or reactive disposal of public land could result in significant opportunity costs for future generations and diminish Council's ability to meet long-term community needs.

To support financial sustainability and uphold principles of intergenerational equity, Council will approach the potential sale or redevelopment of property strategically. A property strategy will be developed to assess financial needs alongside community service requirements, ensuring that any decisions are evidence-based and future-focused. This process will begin with the prioritisation of property planning for three key sites: the Crows Nest Community Centre precinct, the North Sydney Civic precinct, and the Ward Street car park.

Although the potential benefits of asset optimisation may be realised in the medium to long term, upfront investment will be required to undertake property reviews, planning, and feasibility studies. In evaluating any future property sales, Council has identified the following key considerations:

- North Sydney's growing population will increase demand for public land and community facilities, making retention of key sites strategically important.
- Without significant improvements to Council's financial position, opportunities to purchase additional land in future may be limited.
- Proceeds from any property sale must deliver clear and lasting community benefit – either through reinvestment in public infrastructure or by providing equal or improved access to public spaces and services.

Achieving additional operational grants

Consideration has been given to the possibility of increasing operating grants to support increasing community needs. Opportunities for operational grant funding are generally limited. The majority of Council's operating grant comes from the Federal Government Financial Assistance Grant, which for 2025-26 is $2.55 million.

Operating grants and contributions over the past ten years have remained relatively steady, with an average revenue of $5 million over the period, and $4.9 million received in 2024-25.

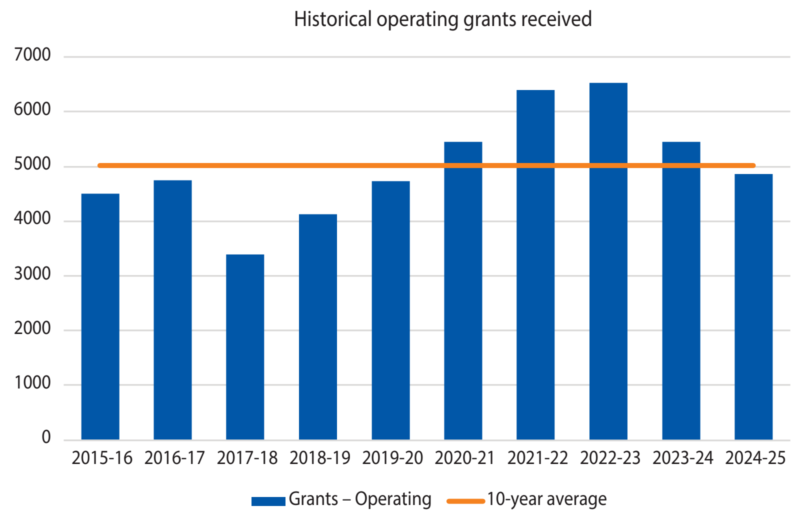


Chart 17: Historical operating grans received

Achieving additional capital grant income

Capital grants from State and Federal Governments remain comparatively modest relative to overall infrastructure expenditure.

Capital grants is an important avenue for funding new or upgraded infrastructure. However it is important that readers understand that the level of grant funding available is limited and will not materially address Council's infrastructure challenges.

Grant programs typically require projects to be shovel-ready and aligned with new funding opportunities as they are introduced. It is therefore important that investment is given to planning and design for infrastructure needs.

It should be noted that securing grants is becoming more challenging due to the government's heightened emphasis on Western Sydney.

The graph demonstrates the low reliance on capital grants for infrastructure needs. The two peaks illustrated denote periods of grant funding allocated to the North Sydney Olympic Pool.

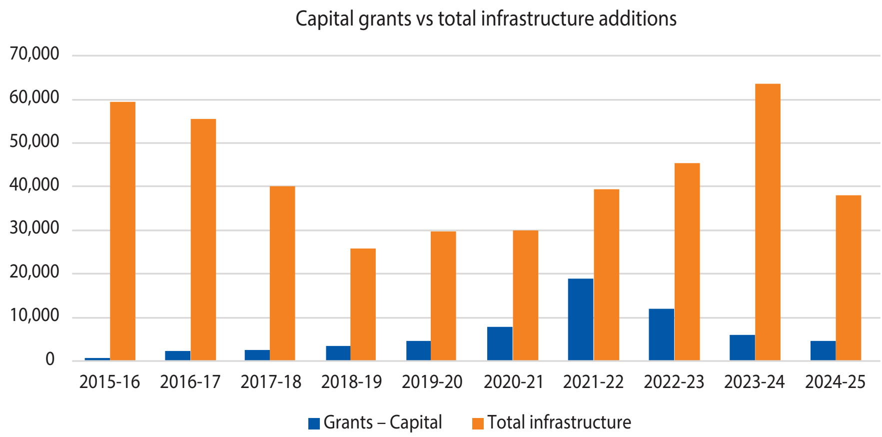


Chart 18: Capital grants vs total infrastructure additions

Increased draw-down on development contribution reserves

A review of development contributions reserves has been undertaken with a view of accelerating spending on projects funded from developer contributions

Capital works funded from developer contributions have been included as follows.

	10-year infrastructure plan funded from development contributions
Option 1	Nil
Option 2	$40.9 million
Option 3	$45.2 million

No projects have been included in Option 1 due to reduced organisational capacity.

Option 2 and 3 include projects included in Council's Development Contributions Plan. Examples include:

- New stormwater storage tank at Bon Andrews Oval – 100% developer contributions (Options 2 & 3)
- Woodley's Shed fit out – 100% developer contributions (Options 2 & 3)
- Bushland walking tracks – 14% developer contribution (Option 3)
- Improved drainage, irrigation and playing surfaces at Primrose Park sports fields – 23.08% developer contributions funded (Option 3)
- Playground upgrades – 43% developer contribution (Options 2 & 3)
- Public domain upgrades – 15% developer contribution (Option 3)

Sale of Roads and Underutilised Reserves

As part of its broader review of asset optimisation opportunities, Council has also considered the potential sale of public road reserves and other underutilised land parcels. To date, Council has approved the commencement of negotiations for two road reserve sites: Monford Place, Cremorne and a portion of Edward Street, North Sydney. Under current legislation, proceeds from the sale of road reserves are restricted and must be reinvested specifically into road and transport infrastructure.

These transactions may provide funding for priority projects – such as addressing road renewal backlogs or delivering transport related upgrades outside the existing capital works program. The value of these sales remains uncertain and is subject to complex negotiations and regulatory processes. Recognising this, Council views the sale of road reserves and underutilised land as a medium- to long-term opportunity rather than an immediate financial remedy. Sale proceeds have not been included within the LTFP, however if realised will positively impact transport related asset backlogs.

A broader review of underutilised road reserves will also be undertaken to identify any further sites that may be suitable for disposal. Any such decisions will be carefully considered to ensure they align with strategic planning objectives and deliver measurable community benefit.

Removing or deferring funding for new corporate systems

One option considered to reduce the overall funding requirement has been to remove or delay investment in new corporate systems. Council's current systems and technology are outdated, inefficient, and poorly integrated – requiring duplicated data entry and manual intervention. This not only limits operational efficiency and increases risk, but also negatively impacts decision-making, funding prioritisation, service delivery and customer satisfaction.

Investment in modern, integrated systems is critical to improving productivity, enabling data-driven decision-making, and meeting contemporary community expectations. Further, given the rapidly expanding opportunities in artificial intelligence, it is critical that our systems allow us the leverage this new technology. Further information is provided in Part 5, in relation to the need for new systems.

The total up-front value of investment required for a new ERP corporate system is approximately $8 million, with additional operating costs of an average of $1.45 million per annum. Considering both implementation and ongoing costs, the ten-year average annual cost is estimated at $1.79 million per annum. This is the equivalent of 1.06% of total base case revenue and is considered an important investment.

Implementation of a new corporate system will take approximately 4 – 5 years.

Reducing the domestic waste charge

Reducing the domestic waste charge to reduce the impact of rating rises was considered, however is not a strategy that has been adopted for the reasons explained below.

Greater Sydney is facing a waste crisis due to the limited capacity of existing landfills. According to the NSW Environment Protection Authority (EPA), landfill expected to be exhausted by 2030 without significant intervention. The consequence of this is that waste disposal costs are expected to rise.

In addition, Council is required by legislation to implement a new food waste disposal system by July 2030. Estimates for the cost of this service range from $5 million to $8 million. In addition, waste contracts expire June 2029 and are subject to market conditions at that time. It is expected that domestic waste charges will increase in line with these two critical drivers. Council is currently transferring approximately $2 million to the domestic waste reserve each year to allow for development and implementation of FOGO and to allow for transition in pricing for domestic waste.

Reducing the levy to combat the burden of increased ordinary rates will lead to a more significant price rise in future years.

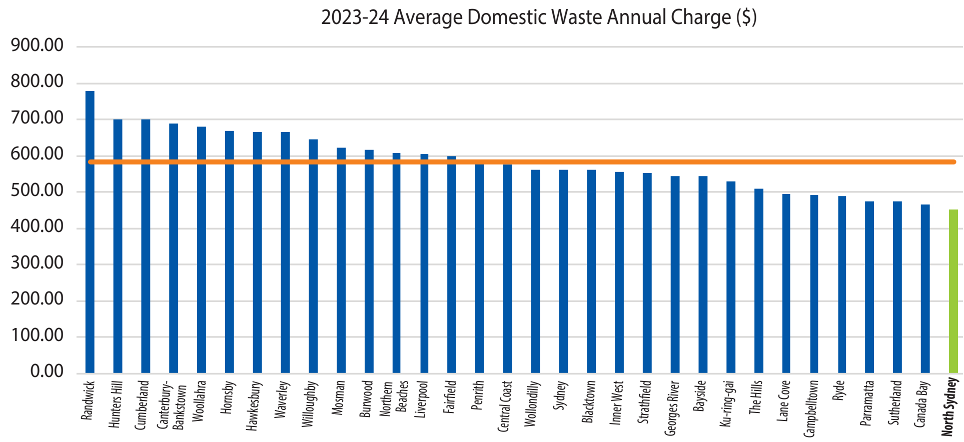


Chart 19: 2023-2024 Average Domestic Waste annual charge

Organisation improvement

There are several areas within Council's administration and operations that require improvement to reduce risks related to legislative compliance, financial sustainability, asset management, and business continuity.

To address these challenges, Council has pursued organisational improvement initiatives aimed at reducing risk and enhancing decision-making and productivity. These initiatives can lead to direct cost savings or allow the Council to maintain existing costs while delivering greater outputs and outcomes for the community.

In 2023 Council embarked on an ambitious improvement journey that includes an ongoing commitment to increasing productivity and effectiveness through targeted projects and initiatives. This journey has resulted in significant productivity saving to date, and further savings are projected for future years. However, even with these savings, the funding gap is projected to increase without a Special Variation (SV) to rating increase.

Council's Productivity and Improvement Plan highlights the key productivity achievements to date and details planned improvement activities. It demonstrates to the community, IPART and the Office of Local Government that Council has made sustained efforts to minimise the impact of an SV on the community through internal productivity reforms.

The plan outlines $52 million in cumulative savings and additional income including for the 10-year period:

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

This reduced expenditure and increased income has been included in the 2026–2036 Long-Term Financial Plan (LTFP).

In addition to these direct operational savings included in the LTFP, ongoing cost containment measures of $43 million over the next ten years have been identified, along with a one-off cost containment of approximately $0.8 million in 2024-25. These figures represent expenditure that has been avoided.

While cost containment figures do not appear as reductions in the budget, they reflect costs that would otherwise have been incurred and would have required higher rates to fund.

This plan is available as an attachment to the Long-Term Financial Plan, and demonstrates that without improvement actions being taken, an additional 14.9% in cumulative rating increases over three years would be required.

Attachment 1 contains the detailed plan which outlines past and current productivity gains, along with forecast productivity gain.

PART 4 Financial Modelling

The following tables provide forecast financial reports for each of the three options including:

- Income Statement
- Balance Sheet
- Cash Flow Statement

This section also outlines the assumptions and sensitivities relevant to financial forecasts.

OPTION 1: FINANCIAL FORECASTS

INCOME STATEMENT												
Income from continuing operations	**2024-25 Actual ($,000)**	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
Rates	61,562	64,881	67,740	70,043	72,424	74,884	77,427	80,055	82,772	85,579	88,480	91,478
Rates – Special Variation			–	–	–	–	–	–	–	–	–	–
Annual charges	18,258	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	30,734	34,683	34,585	35,448	36,333	37,241	38,162	39,115	40,092	41,094	42,120	43,172
User charges & fees – NSOP		3,640	6,703	8,005	9,115	9,343	9,576	9,816	10,061	10,313	10,571	10,835
Other revenue	13,967	11,895	12,708	13,026	13,352	13,686	14,028	14,378	14,738	15,106	15,484	15,871
Grants and contributions – operating	4,869	4,455	5,177	5,356	5,509	5,668	5,833	6,003	6,179	6,362	6,551	6,747
Grants and contributions – capital	13,909	13,387	10,751	11,770	11,841	9,761	9,783	9,806	9,831	9,856	9,882	9,898
Interest and investment revenue	5,759	3,912	3,718	3,860	3,796	3,585	3,796	4,088	4,394	4,706	5,022	5,354
Other income	5,522	6,571	7,116	7,294	7,476	7,663	7,855	8,051	8,252	8,458	8,670	8,887
Total income from continuing operations	154,579	162,008	167,638	174,518	183,009	185,567	190,785	196,243	201,867	207,657	213,612	219,741
Expenses from continuing operations		-										
Employee benefits and on-costs	48,080	53,973	56,752	59,278	61,570	63,948	66,415	68,973	71,627	74,380	77,236	80,199
Employee benefits and on-costs – NSOP		3,265	5,081	5,403	5,724	5,924	6,132	6,346	6,569	6,798	7,036	7,283
Materials and services	52,555	53,938	56,226	57,193	64,138	65,747	67,618	69,314	71,284	73,072	75,026	77,032
Materials and services – NSOP		953	1,674	1,716	1,759	1,803	1,848	1,894	1,942	1,990	2,040	2,091
Borrowing costs	2,365	2,488	2,513	2,281	2,054	1,854	1,638	1,411	1,174	924	711	654
Depreciation and amortisation	30,411	30,176	31,009	31,785	32,579	33,394	34,229	35,084	35,961	36,860	37,782	38,726
Depreciation and amortisation – NSOP		1,342	2,369	2,416	2,477	2,539	2,602	2,667	2,734	2,802	2,872	2,944
Other expenses	5,108	4,987	5,212	5,342	5,476	5,612	5,753	5,897	6,044	6,195	6,350	6,509
Net losses from the disposal of assets	883	277	277	277	277	277	277	277	277	277	277	277
Total expenses from continuing operations	139,402	151,399	161,114	165,691	176,054	181,099	186,511	191,864	197,612	203,300	209,331	215,714
Operating result from continuing operations	15,177	10,609	6,525	8,827	6,954	4,469	4,275	4,379	4,255	4,357	4,282	4,027
Net operating result before grants and contributions provided for capital purposes	1,269	(2,778)	(4,226)	(2,943)	(4,887)	(5,293)	(5,509)	(5,427)	(5,575)	(5,499)	(5,601)	(5,872)

BALANCE SHEET

	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
ASSETS												
Current Assets												
Cash and cash equivalents	29,942	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Investments	103,500	102,921	107,683	105,544	98,496	105,525	115,272	125,458	135,862	146,386	157,462	168,649
Receivables	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846
Inventories	33	33	33	33	33	33	33	33	33	33	33	33
Other	974	974	974	974	974	974	974	974	974	974	974	974
Total Current Assets	**144,295**	**134,774**	**139,536**	**137,397**	**130,349**	**137,378**	**147,125**	**157,311**	**167,715**	**178,239**	**189,315**	**200,502**
Non-current Assets												
Receivables	987	987	987	987	987	987	987	987	987	987	987	987
Investments	8,000											
Infrastructure, Property, Plant & Equipment	1,697,618	1,724,077	1,720,763	1,726,424	1,735,829	1,728,993	1,719,032	1,708,517	1,697,425	1,686,069	1,675,130	1,665,673
Investment property	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161
Right of use assets	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Investments accounted for using the equity method	43	43	43	43	43	43	43	43	43	43	43	43
Total Non-current Assets	**1,765,860**	**1,784,319**	**1,781,005**	**1,786,666**	**1,796,071**	**1,789,235**	**1,779,274**	**1,768,759**	**1,757,667**	**1,746,311**	**1,735,372**	**1,725,915**
TOTAL ASSETS	**1,910,155**	**1,919,094**	**1,920,541**	**1,924,063**	**1,926,420**	**1,926,613**	**1,926,400**	**1,926,069**	**1,925,381**	**1,924,550**	**1,924,687**	**1,926,417**
LIABILITES												
Current Liabilities												
Payables	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996
Contract liabilities	4,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367
Lease liabilities	303	303	303	237	–	–	–	–	–	–	–	–
Borrowings	3,784	4,763	5,001	4,361	4,276	4,487	4,710	4,943	5,188	4,145	2,297	1,818
Employee benefit provisions	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147
Total Current Liabilities	**49,597**	**48,576**	**48,814**	**48,108**	**47,786**	**47,997**	**48,220**	**48,453**	**48,698**	**47,655**	**45,807**	**45,328**
Non-current Liabilities												
Lease liabilities	843	540	237	–	–	–	–	–	–	–	–	–
Borrowings	46,794	51,639	46,627	42,266	37,990	33,502	28,793	23,850	18,662	14,517	12,220	10,401
Employee benefit provisions	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329
Total Non-Current Liabilities	**48,966**	**53,508**	**48,193**	**43,595**	**39,319**	**34,831**	**30,122**	**25,179**	**19,991**	**15,846**	**13,549**	**11,730**
TOTAL LIABILITIES	**98,563**	**102,084**	**97,007**	**91,703**	**87,105**	**82,829**	**78,341**	**73,632**	**68,689**	**63,501**	**59,356**	**57,059**
Net Assets	**1,811,592**	**1,817,010**	**1,823,534**	**1,832,361**	**1,839,315**	**1,843,784**	**1,848,058**	**1,852,438**	**1,856,693**	**1,861,049**	**1,865,331**	**1,869,358**
EQUITY												
Accumulated Surplus	991,493	996,910	1,003,435	1,012,262	1,019,216	1,023,685	1,027,959	1,032,338	1,036,594	1,040,950	1,045,232	1,049,259
IPPE Revaluation Reserve	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099
TOTAL EQUITY	**1,811,592**	**1,817,009**	**1,823,534**	**1,832,361**	**1,839,315**	**1,843,784**	**1,848,058**	**1,852,437**	**1,856,693**	**1,861,049**	**1,865,331**	**1,869,358**

CASH FLOW STATEMENT												
	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Rates	61,548	64,881	67,740	70,043	72,424	74,884	77,427	80,055	82,772	85,579	88,480	91,478
Annual charges	18,247	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	32,997	37,042	41,287	43,453	45,448	46,584	47,738	48,931	50,153	51,406	52,691	54,007
Investment & interest revenue	5,961	3,912	3,718	3,860	3,796	3,585	3,796	4,088	4,394	4,706	5,022	5,354
Grants and contributions	15,686	13,956	15,928	17,126	17,351	15,429	15,616	15,810	16,010	16,218	16,434	16,646
Bonds and deposits	2,638	3,950	3,951	3,952	3,953	3,954	3,955	3,956	3,957	3,958	3,959	3,960
Other	25,384	18,399	19,824	20,320	20,828	21,348	21,882	22,429	22,990	23,565	24,154	24,758
Payments												
Employee benefits & on-costs	(48,389)	(57,238)	(61,834)	(64,681)	(67,294)	(69,873)	(72,546)	(75,320)	(78,196)	(81,179)	(84,273)	(87,481)
Materials and services	(62,344)	(57,186)	(57,900)	(58,909)	(65,897)	(67,550)	(69,466)	(71,208)	(73,226)	(75,062)	(77,066)	(79,123)
Borrowing costs	(1,947)	(2,488)	(2,513)	(2,281)	(2,054)	(1,854)	(1,638)	(1,411)	(1,174)	(924)	(711)	(654)
Bonds & deposits refunded	(2,325)	(3,950)	(3,951)	(3,952)	(3,953)	(3,954)	(3,955)	(3,956)	(3,957)	(3,958)	(3,959)	(3,960)
Other	(9,902)	(4,719)	(5,212)	(5,342)	(5,476)	(5,612)	(5,753)	(5,897)	(6,044)	(6,195)	(6,350)	(6,509)
Net cash provided (or used in) operating activities	**37,554**	**35,142**	**40,180**	**43,305**	**42,287**	**40,678**	**41,382**	**42,408**	**43,228**	**44,296**	**45,213**	**45,974**
CASHFLOWS FROM INVESTING ACTIVITIES												
Receipts												
Sale of investment securities												
Redemption of term deposits	199,000											
Sale of infrastructure, property, plant & equipment	328	328	328	328	328	328	328	328	328	328	328	328
Payments												
Purchase of investment securities	(206,000)											
Purchase of investment properties												
Purchase of infrastructure, property, plant & equipment	(40,661)	(58,512)	(30,669)	(40,468)	(45,066)	(29,701)	(27,475)	(27,841)	(28,208)	(28,912)	(30,321)	(32,818)
Net Cash provided (or used in) Investing Activities	**(47,333)**	**(58,184)**	**(30,341)**	**(40,140)**	**(44,738)**	**(29,373)**	**(27,147)**	**(27,513)**	**(27,880)**	**(28,584)**	**(29,993)**	**(32,490)**

	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from borrowings and advances	20,000	10,000	–									
Payments												
Repayment of borrowings & advances	(2,862)	(4,176)	(4,774)	(5,001)	(4,361)	(4,276)	(4,487)	(4,710)	(4,943)	(5,188)	(4,145)	(2,297)
Repayment of lease liabilities (principal repayments)	(266)	(303)	(303)	(303)	(237)	–	–	–	–	–	–	–
Net Cash Flow provided (used in) Financing Activities	**16,872**	**5,521**	**(5,077)**	**(5,304)**	**(4,598)**	**(4,276)**	**(4,487)**	**(4,710)**	**(4,943)**	**(5,188)**	**(4,145)**	**(2,297)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**7,093**	**(17,521)**	**4,762**	**(2,139)**	**(7,048)**	**7,029**	**9,748**	**10,185**	**10,404**	**10,525**	**11,076**	**11,187**
Plus: Cash & Cash Equivalents – beginning of year	**24,150**	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Cash & Cash Equivalents – end of the year	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Investments – end of the year	**111,500**	**102,921**	**107,683**	**105,544**	**98,496**	**105,525**	**115,272**	**125,458**	**135,862**	**146,386**	**157,462**	**168,649**
Cash, Cash Equivalents & Investments – end of the year	141,442	123,921	128,683	126,544	119,496	126,525	136,272	146,458	156,862	167,386	178,462	189,649
Externally restricted funds	102,494	87,491	92,190	89,882	81,974	88,887	98,320	108,034	118,039	128,336	138,932	149,846
Cash, Cash Equivalents & Investments excluding externally restricted funds	38,948	36,430	36,493	36,662	37,522	37,638	37,952	38,423	38,823	39,050	39,530	39,802
Internal reserves	30,760	27,017	27,017	27,017	27,017	27,017	27,017	27,017	27,017	27,017	27,017	27,017
Unrestricted cash and investments (working funds)	8,188	9,413	9,476	9,645	10,505	10,621	10,935	11,406	11,806	12,033	12,513	12,785

OPTION 2: FINANCIAL FORECASTS

INCOME STATEMENT												
Income from continuing operations	**2024-25 Actual ($,000)**	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
Rates	61,562	64,881	67,769	70,132	72,591	75,135	77,765	80,486	83,301	86,211	89,222	92,335
Rates – Special Variation			10,381	15,851	18,431	18,984	19,553	20,140	20,744	21,366	22,007	22,668
Annual charges	18,258	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	30,734	34,683	34,585	35,448	36,333	37,241	38,162	39,115	40,092	41,094	42,120	43,172
User charges & fees – NSOP		3,640	6,703	8,005	9,115	9,343	9,576	9,816	10,061	10,313	10,571	10,835
Other revenue	13,967	11,895	12,708	13,026	13,352	13,686	14,028	14,378	14,738	15,106	15,484	15,871
Grants & contributions – operating	4,869	4,455	5,177	5,356	5,509	5,668	5,833	6,003	6,179	6,362	6,551	6,747
Grants & contributions – capital	13,909	13,387	10,751	11,770	11,841	9,761	9,783	9,806	9,831	9,856	9,882	9,898
Interest and investment revenue	5,759	3,912	3,718	3,851	3,782	3,564	3,865	4,244	4,622	5,019	5,425	5,837
Other income	5,522	6,571	7,116	7,251	6,699	6,867	7,038	7,214	7,395	7,580	7,769	7,963
Total income from continuing operations	154,579	162,008	178,048	190,406	200,816	203,984	208,930	216,134	222,512	229,090	235,864	242,826
Expenses from continuing operations												
Employee benefits and on-costs	48,080	53,973	56,839	59,383	61,697	64,098	66,588	69,170	71,849	74,628	77,511	80,500
Employee benefits and on-costs – NSOP		3,265	5,081	5,403	5,724	5,924	6,132	6,346	6,569	6,798	7,036	7,283
Materials and services	52,555	53,938	57,101	60,814	67,973	67,419	68,115	69,801	71,736	73,486	75,398	77,359
Materials and services – NSOP		953	1,674	1,716	1,759	1,803	1,848	1,894	1,942	1,990	2,040	2,091
Borrowing costs	2,365	2,488	2,513	2,281	2,054	1,854	1,638	1,411	1,174	924	711	654
Depreciation and amortisation	30,411	30,176	31,009	31,785	32,579	33,394	34,229	35,084	35,961	36,860	37,782	38,726
Depreciation and amortisation – NSOP		1,342	2,369	2,416	2,477	2,539	2,602	2,667	2,734	2,802	2,872	2,944
Other expenses	5,108	4,987	5,212	5,342	5,476	5,612	5,753	5,897	6,044	6,195	6,350	6,509
Net losses from the disposal of assets	883	277	277	277	277	277	277	277	277	277	277	277
Total expenses from continuing operations	139,402	151,399	162,076	169,417	180,017	182,921	187,181	192,548	198,286	203,961	209,977	216,343
Operating result from continuing operations	15,177	10,609	15,972	20,989	20,799	21,064	22,748	23,585	24,226	25,129	25,887	26,483
Net operating result before grants and contributions provided for capital purposes	1,269	(2,778)	5,221	9,219	8,958	11,302	12,965	13,779	14,395	15,273	16,005	16,584

STRATEGIC INITIATIVE FUNDING INCLUDED WITHIN THE INCOME STATEMENT												
	2024-25 Actual ($,000)	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
EXPENDITURE												
Employee benefits and on-costs			80	83	86	89	93	96	100	104	107	111
Materials and services			520	343	420	366	188	215	220	226	232	237
Materials and services – new corporate systems			904	3,890	4,083	2,031	1,096	1,123	1,152	1,180	1,210	1,240

BALANCE SHEET	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
ASSETS												
Current Assets												
Cash and cash equivalents	29,942	21,000	21,000	21,000	21,000	21,000	21,000	21,000	$21,000	$21,000	$21,000	$21,000
Investments	103,500	102,921	107,369	$105,070	$97,788	$107,822	$120,482	$133,080	$146,301	$159,833	$173,573	$187,630
Receivables	9,846	9,846	$9,846	$9,846	$9,846	$9,846	$9,846	$9,846	$9,846	$9,846	$9,846	$9,846
Inventories	33	33	$33	$33	$33	$33	$33	$33	$33	$33	$33	$33
Other	974	974	$974	$974	$974	$974	$974	$974	$974	$974	$974	$974
Total Current Assets	**144,295**	**134,774**	**$139,222**	**$136,923**	**$129,641**	**$139,675**	**$152,335**	**$164,933**	**$178,154**	**$191,686**	**$205,426**	**$219,483**
Non-current Assets												
Receivables	987	987	$987	$987	$987	$987	$987	$987	$987	$987	$987	$987
Investments	8,000											
Infrastructure, Property, Plant & Equipment	1,697,618	1,724,077	1,730,524	$1,748,507	$1,771,991	$1,778,744	$1,784,345	$1,790,623	$1,796,686	$1,803,093	$1,811,097	$1,821,225
Investment property	58,161	58,161	$58,161	$58,161	$58,161	$58,161	$58,161	$58,161	$58,161	$58,161	$58,161	$58,161
Right of use assets	1,051	1,051	$1,051	$1,051	$1,051	$1,051	$1,051	$1,051	$1,051	$1,051	$1,051	$1,051
Investments accounted for using the equity method	43	43	$43	$43	$43	$43	$43	$43	$43	$43	$43	$43
Total Non-current Assets	**1,765,860**	**1,784,319**	**$1,790,766**	**$1,808,749**	**$1,832,233**	**$1,838,986**	**$1,844,587**	**$1,850,865**	**$1,856,928**	**$1,863,335**	**$1,871,339**	**$1,881,467**
TOTAL ASSETS	**1,910,155**	**1,919,094**	**$1,929,988**	**$1,945,673**	**$1,961,874**	**$1,978,662**	**$1,996,923**	**$2,015,798**	**$2,035,081**	**$2,055,022**	**$2,076,764**	**$2,100,950**
LIABILITES												
Current Liabilities												
Payables	27,996	27,996	$27,996	$27,996	$27,996	$27,996	$27,996	$27,996	$27,996	$27,996	$27,996	$27,996
Contract liabilities	4,367	2,367	$2,367	$2,367	$2,367	$2,367	$2,367	$2,367	$2,367	$2,367	$2,367	$2,367
Lease liabilities	303	303	$303	$237	$0	$0	$0	$0	$0	$0	$0	$0
Borrowings	3,784	4,763	$5,001	$4,361	$4,276	$4,487	$4,710	$4,943	$5,188	$4,145	$2,297	$1,818
Employee benefit provisions	13,147	13,147	$13,147	$13,147	$13,147	$13,147	$13,147	$13,147	$13,147	$13,147	$13,147	$13,147
Total Current Liabilities	**49,597**	**48,576**	**$48,814**	**$48,108**	**$47,786**	**$47,997**	**$48,220**	**$48,453**	**$48,698**	**$47,655**	**$45,807**	**$45,328**
Non-current Liabilities												
Lease liabilities	843	540	$237	$0	$0	$0	$0	$0	$0	$0	$0	$0
Borrowings	46,794	51,639	$46,627	$42,266	$37,990	$33,502	$28,793	$23,850	$18,662	$14,517	$12,220	$10,401
Employee benefit provisions	1,329	1,329	$1,329	$1,329	$1,329	$1,329	$1,329	$1,329	$1,329	$1,329	$1,329	$1,329
Total Non-Current Liabilities	**48,966**	**53,508**	**$48,193**	**$43,595**	**$39,319**	**$34,831**	**$30,122**	**$25,179**	**$19,991**	**$15,846**	**$13,549**	**$11,730**
TOTAL LIABILITIES	**98,563**	**102,084**	**$97,007**	**$91,703**	**$87,105**	**$82,829**	**$78,341**	**$73,632**	**$68,689**	**$63,501**	**$59,356**	**$57,059**
Net Assets	**1,811,592**	**1,817,010**	**$1,832,981**	**$1,853,970**	**$1,874,769**	**$1,895,833**	**$1,918,581**	**$1,942,167**	**$1,966,392**	**$1,991,521**	**$2,017,408**	**$2,043,891**
EQUITY												
Accumulated Surplus	**991,493**	**996,910**	**$1,012,882**	**$1,033,871**	**$1,054,670**	**$1,075,734**	**$1,098,482**	**$1,122,067**	**$1,146,293**	**$1,171,422**	**$1,197,309**	**$1,223,792**
IPPE Revaluation Reserve	**820,099**	**820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**	**$820,099**
TOTAL EQUITY	**1,811,592**	**1,817,009**	**$1,832,981**	**$1,853,970**	**$1,874,769**	**$1,895,833**	**$1,918,581**	**$1,942,166**	**$1,966,392**	**$1,991,521**	**$2,017,408**	**$2,043,891**

CASH FLOW STATEMENT												
	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Rates	61,548	64,881	78,150	85,983	91,022	94,118	97,319	100,626	104,045	107,578	111,229	115,003
Annual charges	18,247	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	32,997	37,042	41,287	43,453	45,448	46,584	47,738	48,931	50,153	51,406	52,691	54,007
Investment & interest revenue	5,961	3,912	3,718	3,851	3,782	3,564	3,865	4,244	4,622	5,019	5,425	5,837
Grants and contributions	15,686	13,956	15,928	17,126	17,351	15,429	15,616	15,810	16,010	16,218	16,434	16,646
Bonds and deposits	2,638	3,950	3,951	3,952	3,953	3,954	3,955	3,956	3,957	3,958	3,959	3,960
Other	25,384	18,399	19,824	20,277	20,051	20,552	21,066	21,593	22,133	22,686	23,253	23,834
Payments												
Employee benefits & on-costs	(48,389)	(57,238)	(61,921)	(64,786)	(67,421)	(70,022)	(72,720)	(75,517)	(78,418)	(81,427)	(84,547)	(87,783)
Materials and services	(62,344)	(57,186)	(58,775)	(62,530)	(69,732)	(69,222)	(69,963)	(71,695)	(73,678)	(75,476)	(77,438)	(79,450)
Borrowing costs	(1,947)	(2,488)	(2,513)	(2,281)	(2,054)	(1,854)	(1,638)	(1,411)	(1,174)	(924)	(711)	(654)
Bonds & deposits refunded	(2,325)	(3,950)	(3,951)	(3,952)	(3,953)	(3,954)	(3,955)	(3,956)	(3,957)	(3,958)	(3,959)	(3,960)
Other	(9,902)	(4,719)	(5,212)	(5,342)	(5,476)	(5,612)	(5,753)	(5,897)	(6,044)	(6,195)	(6,350)	(6,509)
Net cash provided (or used in) operating activities	**37,554**	**35,142**	**49,627**	**55,467**	**56,132**	**57,273**	**59,856**	**61,614**	**63,198**	**65,068**	**66,819**	**68,430**
CASHFLOWS FROM INVESTING ACTIVITIES												
Receipts												
Sale of investment securities												
Redemption of term deposits	199,000											
Sale of infrastructure, property, plant & equipment	328	328	328	328	328	328	328	328	328	328	328	328
Payments												
Purchase of investment securities	(206,000)											
Purchase of investment properties												
Purchase of infrastructure, property, plant & equipment	(40,661)	(58,512)	(40,430)	(52,790)	(59,145)	(43,291)	(43,036)	(44,635)	(45,363)	(46,675)	(49,263)	(52,404)
Net Cash provided (or used in) Investing Activities	**(47,333)**	**(58,184)**	**(40,102)**	**(52,462)**	**(58,817)**	**(42,963)**	**(42,708)**	**(44,307)**	**(45,035)**	**(46,347)**	**(48,935)**	**(52,076)**

	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from borrowings and advances	20,000	10,000	–									
Payments												
Repayment of borrowings & advances	(2,862)	(4,176)	(4,774)	(5,001)	(4,361)	(4,276)	(4,487)	(4,710)	(4,943)	(5,188)	(4,145)	(2,297)
Repayment of lease liabilities (principal repayments)	(266)	(303)	(303)	(303)	(237)	–	–	–	–	–	–	–
Net Cash Flow provided (used in) Financing Activities	**16,872**	**5,521**	**(5,077)**	**(5,304)**	**(4,598)**	**(4,276)**	**(4,487)**	**(4,710)**	**(4,943)**	**(5,188)**	**(4,145)**	**(2,297)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**7,093**	**(17,521)**	**4,448**	**(2,299)**	**(7,282)**	**10,035**	**12,660**	**12,598**	**13,220**	**13,533**	**13,739**	**14,057**
Plus: Cash & Cash Equivalents – beginning of year	**24,150**	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Cash & Cash Equivalents – end of the year	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Investments – end of the year	**111,500**	**102,921**	**107,369**	**105,070**	**97,788**	**107,822**	**120,483**	**133,080**	**146,300**	**159,834**	**173,573**	**187,630**
Cash, Cash Equivalents & Investments – end of the year	141,442	123,921	128,369	126,070	118,788	128,822	141,483	154,080	167,300	180,834	194,573	208,630
Externally restricted funds	102,494	87,491	91,782	89,188	81,209	87,963	97,268	106,519	116,361	126,523	136,973	147,781
Cash, Cash Equivalents & Investments excluding externally restricted funds	38,948	36,430	36,587	36,882	37,578	40,860	44,215	47,562	50,940	54,311	57,599	60,848
Internal reserves	30,760	27,017	27,017	27,017	27,017	30,017	33,017	36,017	39,017	42,017	45,017	48,017
Unrestricted cash and investments (working funds)	8,188	9,413	9,570	9,865	10,561	10,843	11,198	11,545	11,923	12,294	12,582	12,831

OPTION 3 FINANCIAL FORECASTS

INCOME STATEMENT												
Income from continuing operations	**2024-25 Actual ($,000)**	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
Rates	61,562	64,881	67,767	70,135	72,604	75,159	77,801	80,534	83,360	86,284	89,309	92,437
Rates – Special Variation			12,327	21,939	27,463	28,287	29,136	30,010	30,910	31,837	32,793	33,776
Annual charges	18,258	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	30,734	34,683	34,585	35,448	36,333	37,241	38,162	39,115	40,092	41,094	42,120	43,172
User charges & fees – NSOP		3,640	6,703	8,005	9,115	9,343	9,576	9,816	10,061	10,313	10,571	10,835
Other revenue	13,967	11,895	12,708	13,026	13,352	13,686	14,028	14,378	14,738	15,106	15,484	15,871
Grants & contributions – operating	4,869	4,455	5,177	5,356	5,509	5,668	5,833	6,003	6,179	6,362	6,551	6,747
Grants & contributions – capital	13,909	13,387	12,651	13,717	13,838	12,346	11,881	11,956	12,034	12,114	12,197	12,271
Interest and investment revenue	5,759	3,912	3,718	3,839	3,748	3,501	3,873	4,303	4,762	5,297	5,874	6,445
Other income	5,522	6,571	7,116	7,294	7,476	7,663	7,855	8,051	8,252	8,458	8,670	8,887
Total income from continuing operations	154,579	162,008	181,894	198,475	212,601	216,629	222,469	229,096	235,938	243,049	250,402	257,941
Expenses from continuing operations												
Employee benefits and on-costs	48,080	53,973	56,839	59,789	62,120	64,537	67,044	69,644	72,339	75,135	78,034	81,041
Employee benefits and on-costs – NSOP		3,265	5,081	5,403	5,724	5,924	6,132	6,346	6,569	6,798	7,036	7,283
Materials and services	52,555	53,938	57,825	61,863	69,746	68,390	68,919	70,334	72,321	74,076	76,043	78,010
Materials and services – NSOP		953	1,674	1,716	1,759	1,803	1,848	1,894	1,942	1,990	2,040	2,091
Borrowing costs	2,365	2,488	2,513	2,281	2,054	1,854	1,638	1,411	1,174	924	711	654
Depreciation and amortisation	30,411	30,176	31,009	31,785	32,579	33,394	34,229	35,084	35,961	36,860	37,782	38,726
Depreciation and amortisation – NSOP		1,342	2,369	2,416	2,477	2,539	2,602	2,667	2,734	2,802	2,872	2,944
Other expenses	5,108	4,987	5,212	5,342	5,476	5,612	5,753	5,897	6,044	6,195	6,350	6,509
Net losses from the disposal of assets	883	277	277	277	277	277	277	277	277	277	277	277
Total expenses from continuing operations	139,402	151,399	162,800	170,872	182,212	184,331	188,441	193,555	199,361	205,059	211,145	217,534
Operating result from continuing operations	15,177	10,609	19,094	27,603	30,389	32,298	34,028	35,541	36,577	37,990	39,256	40,406
Net operating result before grants and contributions provided for capital purposes	1,269	(2,778)	6,443	13,886	16,551	19,953	22,147	23,585	24,543	25,876	27,059	28,135

STRATEGIC INITIATIVE FUNDING INCLUDED WITHIN THE INCOME STATEMENT												
	2024-25 Actual ($,000)	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
EXPENDITURE												
Employee benefits and on-costs			80	488	505	523	540	542	576	593	611	629
Materials and services			1,754	1,491	2,280	1,411	1,052	795	838	836	881	878
Materials and services – new corporate systems			904	3,890	4,083	2,031	1,096	1,123	1,152	1,180	1,210	1,240

BALANCE SHEET	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
ASSETS												
Current Assets												
Cash and cash equivalents	29,942	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Investments	103,500	102,921	106,952	103,946	95,684	108,098	122,443	137,739	155,560	174,815	193,838	214,290
Receivables	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846
Inventories	33	33	33	33	33	33	33	33	33	33	33	33
Other	974	974	974	974	974	974	974	974	974	974	$974	$974
Total Current Assets	**144,295**	**134,774**	**$138,805**	**$135,799**	**$127,537**	**$139,951**	**$154,296**	**$169,592**	**$187,413**	**$206,668**	**$225,691**	**$246,143**
Non-current Assets												
Receivables	987	987	987	987	987	987	987	987	987	987	987	987
Investments	8,000											
Infrastructure, Property, Plant & Equipment	1,697,618	1,724,077	1,734,063	1,759,367	1,793,420	1,809,029	1,824,225	1,839,760	1,853,572	1,867,120	1,883,209	1,900,866
Investment property	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161	58,161
Right of use assets	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Investments accounted for using the equity method	43	43	43	43	43	43	43	43	43	43	43	43
Total Non-current Assets	**1,765,860**	**1,784,319**	**1,794,305**	**1,819,609**	**1,853,662**	**1,869,271**	**1,884,467**	**1,900,002**	**1,913,814**	**1,927,362**	**1,943,451**	**1,961,108**
TOTAL ASSETS	**1,910,155**	**1,919,094**	**1,933,110**	**1,955,409**	**1,981,199**	**2,009,222**	**2,038,762**	**2,069,593**	**2,101,228**	**2,134,030**	**2,169,142**	**2,207,251**
LIABILITES												
Current Liabilities												
Payables	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996	27,996
Contract liabilities	4,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367
Lease liabilities	303	303	303	237	0	0	0	0	0	0	0	0
Borrowings	3,784	4,763	5,001	4,361	4,276	4,487	4,710	4,943	5,188	4,145	2,297	1,818
Employee benefit provisions	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147
Total Current Liabilities	**49,597**	**48,576**	**48,814**	**48,108**	**47,786**	**47,997**	**48,220**	**48,453**	**48,698**	**47,655**	**45,807**	**45,328**
Non-current Liabilities												
Lease liabilities	843	540	237	0	0	0	0	0	0	0	0	0
Borrowings	46,794	51,639	46,627	42,266	37,990	33,502	28,793	23,850	18,662	14,517	12,220	10,401
Employee benefit provisions	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329
Total Non-Current Liabilities	**48,966**	**53,508**	**48,193**	**43,595**	**39,319**	**34,831**	**30,122**	**25,179**	**19,991**	**15,846**	**13,549**	**11,730**
TOTAL LIABILITIES	**98,563**	**102,084**	**97,007**	**91,703**	**87,105**	**82,829**	**78,341**	**73,632**	**68,689**	**63,501**	**59,356**	**57,059**
Net Assets	**1,811,592**	**1,817,010**	**1,836,103**	**1,863,706**	**1,894,095**	**1,926,393**	**1,960,421**	**1,995,962**	**2,032,539**	**2,070,529**	**2,109,786**	**2,150,192**
EQUITY												
Accumulated Surplus	991,493	996,910	1,016,004	1,043,607	1,073,996	1,106,294	1,140,322	1,175,863	1,212,440	1,250,430	1,289,686	1,330,093
IPPE Revaluation Reserve	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099	820,099
TOTAL EQUITY	1,811,592	1,817,009	1,836,103	1,863,706	1,894,095	1,926,393	1,960,421	1,995,962	2,032,539	2,070,529	2,109,785	2,150,192

CASH FLOW STATEMENT												
	2024-25 Actual ($,000)	**2025-26 Budget ($,000)**	**2026-27 ($,000)**	**2027-28 ($,000)**	**2028-29 ($,000)**	**2029-30 ($,000)**	**2030-31 ($,000)**	**2031-32 ($,000)**	**2032-33 ($,000)**	**2033-34 ($,000)**	**2034-35 ($,000)**	**2035-36 ($,000)**
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Rates	61,548	64,881	80,095	92,074	100,068	103,446	106,936	110,543	114,270	118,122	122,101	126,213
Annual charges	18,247	18,584	19,142	19,716	23,162	23,737	24,326	24,930	25,549	26,183	26,833	27,499
User charges & fees	32,997	37,042	41,287	43,453	45,448	46,584	47,738	48,931	50,153	51,406	52,691	54,007
Investment & interest revenue	5,961	3,912	3,718	3,839	3,748	3,501	3,873	4,303	4,762	5,297	5,874	6,445
Grants and contributions	15,686	13,956	17,828	19,073	19,347	18,014	17,713	17,959	18,214	18,477	18,749	19,019
Bonds and deposits	2,638	3,950	3,951	3,952	3,953	3,954	3,955	3,956	3,957	3,958	3,959	3,960
Other	25,384	18,399	19,824	20,320	20,828	21,348	21,882	22,429	22,990	23,565	24,154	24,758
Payments												
Employee benefits & on-costs	(48,389)	(57,238)	(61,920)	(65,191)	(67,844)	(70,462)	(73,176)	(75,990)	(78,908)	(81,933)	(85,070)	(88,323)
Materials and services	(62,344)	(57,186)	(59,499)	(63,579)	(71,505)	(70,193)	(70,767)	(72,229)	(74,263)	(76,066)	(78,083)	(80,101)
Borrowing costs	(1,947)	(2,488)	(2,513)	(2,281)	(2,054)	(1,854)	(1,638)	(1,411)	(1,174)	(924)	(711)	(654)
Bonds & deposits refunded	(2,325)	(3,950)	(3,951)	(3,952)	(3,953)	(3,954)	(3,955)	(3,956)	(3,957)	(3,958)	(3,959)	(3,960)
Other	(9,902)	(4,719)	(5,212)	(5,342)	(5,476)	(5,612)	(5,753)	(5,897)	(6,044)	(6,195)	(6,350)	(6,509)
Net cash provided (or used in) operating activities	**37,554**	**35,142**	**52,749**	**62,081**	**65,722**	**68,508**	**71,135**	**73,570**	**75,549**	**77,930**	**80,188**	**82,354**
CASHFLOWS FROM INVESTING ACTIVITIES												
Receipts												
Sale of investment securities												
Redemption of term deposits	199,000											
Sale of infrastructure, property, plant & equipment	328	328	328	328	328	328	328	328	328	328	328	328
Payments												
Purchase of investment securities	(206,000)											
Purchase of investment properties												
Purchase of infrastructure, property, plant & equipment	(40,661)	(58,512)	(43,969)	(60,111)	(69,714)	(52,146)	(52,632)	(53,892)	(53,113)	(53,816)	(57,348)	(59,933)
Net Cash provided (or used in) Investing Activities	**(47,333)**	**(58,184)**	**(43,641)**	**(59,783)**	**(69,386)**	**(51,818)**	**(52,304)**	**(53,564)**	**(52,785)**	**(53,488)**	**(57,020)**	**(59,605)**

	2024-25 Actual ($,000)	2025-26 Budget ($,000)	2026-27 ($,000)	2027-28 ($,000)	2028-29 ($,000)	2029-30 ($,000)	2030-31 ($,000)	2031-32 ($,000)	2032-33 ($,000)	2033-34 ($,000)	2034-35 ($,000)	2035-36 ($,000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from borrowings and advances	20,000	10,000	–									
Payments												
Repayment of borrowings & advances	(2,862)	(4,176)	(4,774)	(5,001)	(4,361)	(4,276)	(4,487)	(4,710)	(4,943)	(5,188)	(4,145)	(2,297)
Repayment of lease liabilities (principal repayments)	(266)	(303)	(303)	(303)	(237)	–	–	–	–	–	–	–
Net Cash Flow provided (used in) Financing Activities	**16,872**	**5,521**	**(5,077)**	**(5,304)**	**(4,598)**	**(4,276)**	**(4,487)**	**(4,710)**	**(4,943)**	**(5,188)**	**(4,145)**	**(2,297)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**7,093**	**(17,521)**	**4,031**	**(3,006)**	**(8,262)**	**12,414**	**14,344**	**15,296**	**17,822**	**19,254**	**19,023**	**20,452**
Plus: Cash & Cash Equivalents – beginning of year	**24,150**	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Cash & Cash Equivalents – end of the year	**29,942**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**	**21,000**
Investments – end of the year	**111,500**	**102,921**	**106,952**	**103,946**	**95,684**	**108,098**	**122,443**	**137,739**	**155,560**	**174,815**	**193,838**	**214,290**
Cash, Cash Equivalents & Investments – end of the year	141,442	123,921	127,952	124,946	116,684	129,098	143,443	158,739	176,560	195,815	214,838	235,290
Externally restricted funds	102,494	87,491	91,364	88,064	79,106	85,239	94,155	102,610	111,755	121,455	130,495	140,403
Cash, Cash Equivalents & Investments excluding externally restricted funds	38,948	36,430	36,588	36,882	37,578	43,860	49,288	56,128	64,805	74,360	84,343	94,887
Internal reserves	30,760	27,017	27,017	27,017	27,017	33,017	38,091	44,584	52,882	62,067	71,760	82,055
Unrestricted cash and investments (working funds)	8,188	9,413	9,571	9,865	10,561	10,843	11,197	11,545	11,923	12,293	12,583	12,832

FINANCIAL ASSUMPTIONS

Cash and investments

This Long-Term Financial Plan (LTFP) assumes that unrestricted cash and investments equivalent to 1 month expenditure (excluding restricted expenditure) is held for working cash flow.

In addition, internal and external restrictions have been placed on cash and investments in accordance with the Draft Restricted Reserves Policy to be exhibited alongside this LTFP.

Receivables

North Sydney Council has consistently maintained low levels of outstanding rates and annual charges compared to industry benchmarks. These low levels contribute positively to Council's liquidity position, and it is assumed that this trend will continue throughout the planning period.

Infrastructure, property, plant and equipment

Council is the custodian of infrastructure, property, plant and equipment valued at $2.21 billion. The financial management of these assets is guided by Council's Asset Management Plans, which make assessments in relation to asset valuations, condition and renewal timeframes.

Provisions

Council has made provisions for the payment of employee leave entitlements, primarily annual leave and long service leave. The balance of these provisions is influenced by Council's Annual and Long Service Leave Management Policy, retirements, and staff leave plans. When determining the value of these provisions, factors such as wage and salary increases, cash rate forecasts, and discounting rates are carefully considered.

Borrowings

As of 30 June 2026, Council's projected external borrowings total $56.4 million. This includes a $10 million borrowing projected to be drawn down in 2025-26 financial year. This plan assumes repayment of these borrowings in accordance with the agreed terms. The plan also assumes no further borrowings will be taken on during this ten-year period.

As at 30 June 2026, Council is forecast to have $56.4m in loans outstanding, as follows:

Loan Purpose	Lender	Original loan value	Balance as at 30 June 2026	Annual repayment including interest 2026-27
North Sydney Olympic Pool	TCorp	$31 million	$26.690 million	$2.31 million
North Sydney Olympic Pool	TCorp	$20 million	$17.623 million	$2.56 million
Alexander Street carpark and on-street car parking management system	CBA	$9.5 million	$2.480 million	$1.15 million
New Loan projected for last quarter of financial year 2024-25	TCorp	$10 million	$9.608 million	$1.27 million
Total		$70.5 million	$56.401 million	$7.29 million

Any borrowing would adhere to the guidelines set forth in the Borrowing Order under section 624 of the Local Government Act 1993, with security for these loans being secured against Council's rating income, as required under section 229 of the Local Government (General) Regulation.

Revenue and Expenses

When preparing the budget, Council carefully considers a range of economic factors that influence its financial position. Financial planning assumptions are critical to effectively managing finances and allocating resources to meet the needs of the community. Councils must make informed assumptions regarding factors such as population growth, revenue sources, inflation, and broader economic trends in order to develop a sound financial plan.

These assumptions guide Council in key areas, including resource allocation, long-term financial sustainability, infrastructure planning, revenue forecasting, debt management, risk management, and performance monitoring.

Based on a range of information sources, the following assumptions have been made in the development of the Long-Term Financial Plan (LTFP) and its balanced budget

- Population Growth: Expected growth trends that will influence demand for services, infrastructure, and resources.
- Revenue Sources: Projections for rates, grants, and other revenue streams based on economic conditions and Council's revenue-generating capacity
- Inflation: Assumptions regarding inflation rates and their impact on costs, particularly in relation to wages, materials, and capital projects.
- Economic Trends: Broader national and regional economic conditions that may affect Council's financial performance and planning.

These assumptions will assist Council in achieving long-term financial sustainability while effectively managing the needs of the community and ensuring a balanced budget.

The plan includes provision for the introduction of Food Organics collection by 2030, however overall cost of implementation and delivery are highly sensitive to market at the time of implementation. Domestic waste collection is funded through domestic waste charges and not general rates. Income and expenditure have therefore been adjusted to ensure a net surplus from domestic waste income of zero, with any increase in costs above projections to be balanced through the domestic waste charge or domestic waste reserves.

Inflation

The annual CPI figure reached its highest in more than three decades since 1990 at 7% as of March 2023, and throughout 2023 and 2024 Council experienced associated cost pressures that were not previously anticipated in long term planning. This demonstrates the sensitivity of long-term forecasting assumptions.

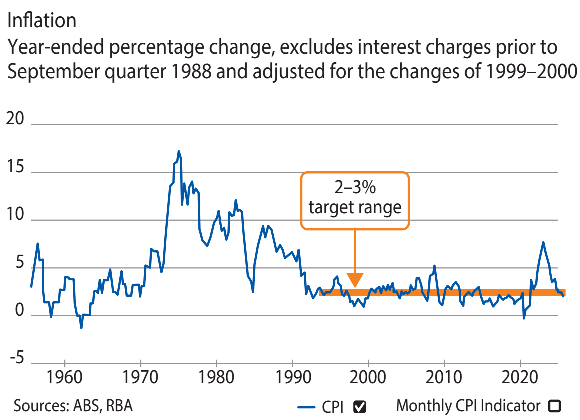


Chart 20: Inflation – Year-ended percentage change

The Reserve Bank of Australia has a flexible inflation target, which aims to keep consumer price inflation between 2 and 3 per cent. For the purposes of this Long-Term Financial Plan, CPI is estimated at 2.5% across the ten-year period.

The forecast CPI has been applied to all non-rate income and all expenditure apart from employee benefits and on-costs. This means if the variance between CPI and rate peg narrows, Council's position will decline.

Employee costs

Employee costs are forecast based upon known Local Government Award (LG Award) increases and Reserve Bank of Australia's WPI forecast. The LG Award increase effective 1 July 2026 is 3%. This is the final year of the current version of the Award, with a new negotiation to determine the increase from 2027-28 onwards. For the purposes of this long-term financial plan, a 3% increase has been forecast and is subject to sensitivity. The public sector WPI was 3.7% in the June quarter 2025, however it is expected to soften throughout the 2025-26 financial year.

In addition to LG Award increases, council's salary system provides an opportunity for employees to move through a number of salary steps based upon skills acquisition and performance.

Income assumptions

	Year 1: 2026-27	Year 2: 2027-28	Year 3: 2028-29	Years 4-10
Rates and annual charges				
Rate pegging forecast	4.0%	3.0%	3.0%	3.0%
Supplementary rating accounts	0.4%	0.4%	0.4%	0.4%
Total rates changes	3.4%	3.4%	3.4%	3.4%
Domestic waste charge (DWC)	3.0%	3.0%	Increased to achieve zero surplus from DWC)	Increased to achieve zero surplus from DWC)
Stormwater management charge (rate growth only)	0.4%	0.4%	0.4%	0.4%
Non rate income				
Fees and charges	2.5%	2.5%	2.5%	2.5%
Interest income	3.0%	3.0%	3.0%	3.0%
Rental income	2.5%	2.5%	2.5%	2.5%
Other revenue/income	2.5%	2.5%	2.5%	2.5%
Grants and contributions – Operational				
Roads and transport grants	2.5%	2.5%	2.5%	2.5%
Other grants	2.5%	2.5%	2.5%	2.5%
Grants and contributions – Capital				
Developer contributions	Various – Tied to capital expenditure and/or reserve movements each year			
Capital grants	Various – Tied to capital expenditure each year			

Expense assumptions

	Year 1: 2026-27	Year 2: 2027-28	Year 3: 2028-29	Years 4-10
Employee benefits and on-costs				
Award increases	3.0%	3.0%	3.0%	3.0%
Salary system progression	0.75%	0.75%	0.75%	0.75%
Superannuation	12%	12%	12%	12%
Population growth increase (for every $ of supp rates income)	0.25%	0.25%	0.25%	0.25%
Materials and contracts				
General operating	2.5%	2.5%	2.5%	2.5%
Domestic waste	2.5%	2.5%	Increased to accommodate FOGO implementation.	
Population growth increase (for every $ of supp rates income)	0.25%	0.25%	0.25%	0.25%
Borrowing Costs				
As per loan schedules				
Depreciation				
General	2.5%	2.5%	2.5%	2.5%
Other expenses				
General	2.5%	2.5%	2.5%	2.5%

SENSITIVITY ANALYSIS

The assumptions contained within this plan are current informed estimates based on a range of sources; however, long term financial plans are inherently uncertain. They contain a wide range of assumptions about interest rates and the potential effect of inflation on revenues and expenditures which are largely outside our control.

In developing the LTFP, it is important to acknowledge risks that could have an effect on the Council's financial viability, cash flow, or negatively impact revenue, which would have an impact on service delivery. Through sensitivity analysis, consideration can be given to the financial risks of potential changes in key assumptions and inputs used to develop the plan, along with strategies to mitigate these risks where possible.

This allows councils to make informed decisions based on a range of potential outcomes, rather than relying on a single set of assumptions. Council's financial position and forecasts are subject to the following risks.

Car parking revenue

Risk: That car parking revenue continues to decline.

Car-parking income reduced by $2 million in 2024-25. This LTFP forecasts that $1.3 million of this reduction will continue into the future.

The following factors have and may continue to reduce this income source:

- Changes to societal behaviours following the pandemic, with increased prevalence of work-from-home arrangements reducing car ownership;
- TfNSW major road projects have reduced the availability of on-street car parks which have previously been subject to car parking user charges;
- The opening of the new Sydney Metro has reduced travel time for public transport to North Sydney, thereby reducing car travel to the area;
- New technology through car parking payment options allows users to better manage their car parking, resulting in reduced income associated with previously used block pricing.
- More holistically, Council's Integrated Transport Strategy encourages active transport and reduced car ownership, and includes actions to achieve this. While improving the public amenity, reducing congestion, and providing health benefits, this strategy will over time further reduce on-street parking revenue.

North Sydney Olympic Pool Operations

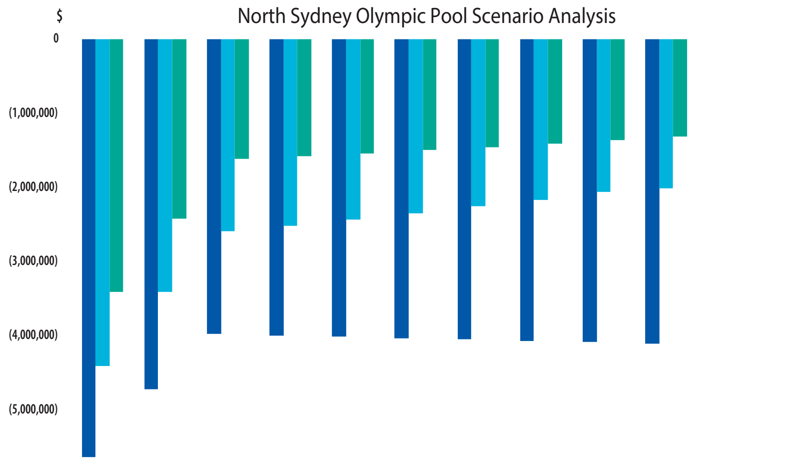
Risk: That target operational results are not achieved.

Business modelling has been undertaken to plan for the opening and operation of the North Sydney Olympic Pool.

The target scenario included within Council's long term financial plan is based upon attendance of 500,000 persons in Year 1, expanding to 520,000 by Year 3. This scenario also assumes 1,700 registered learn to swim participants and 1,200 gym users within Year 1 expanding to 2,250 learn to swim participant and 1,900 gym users by Year 3.

In addition to the business modelling undertaken, to reduce the financial impact of the facility on Council's overall financial position, Council will explore commercial opportunities that may result in temporary interruptions to pool users, such as hiring the facility on particular occasions throughout the year. Additional income of $300,000 has been forecast for the first year, increasing to $500,000 in the second year and indexed thereafter.

As these opportunities are uncertain, they are subject to a high degree of sensitivity.



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
PESSIMISTIC SCENARIO	(5,637,983)	(4,713,819)	(3,976,011)	(3,992,417)	(4,009,300)	(4,026,653)	(4,044,465)	(4,062,724)	(4,081,417)	(4,100,525)
TARGET SCENARIO	(4,405,669)	(3,405,495)	(2,586,515)	(2,508,196)	(2,431,991)	(2,345,375)	(2,254,012)	(2,159,829)	(2,059,690)	(2,003,606)
OPTIMISTIC SCENARIO	(3,401,741)	(2,414,744)	(1,614,103)	(1,574,019)	(1,533,090)	(1,491,278)	(1,448,542)	(1,404,838)	(1,360,122)	(1,314,343)

Chart 21: North Sydney Olympic Pool scenario analysis

Development – housing increases

Risk: That annual dwelling increases fall below 300.

The NSW Housing Reforms are aimed at increasing housing within Greater Sydney. Targets provided to Council require an additional 5,900 in new homes over the next 5 years. As the population grows, demand on Council services also increases, and it is therefore important that new revenue is able to be generated. While this equates to 1,200 new dwellings per annum, the Long-Term Financial Plan has been modelled conservatively based upon an increase in housing of 300 per year, with special variation scenarios including an increase in minimum rates.

Ensuring a revenue policy that generates additional income sufficient to meet the service and infrastructure needs of a growing population is important to future sustainability and responsiveness. There are two factors that influence increases in rate income outside the rate peg. This includes the net increase in dwellings and the value of the minimum rate.

However, should Council decide not to increase the value of minimum rates, this would have a impact on projected revenue within this plan.

Capital works costs

Risk: That costs of construction increase above the assumptions within this plan.

Council's financial strategy aims to reduce current infrastructure backlogs, undertake renewals in a timely manner and provide new infrastructure for a growing population. There are a number of factors that may impact the capital works estimates included within the Long-Term Financial Plan.

Forecasts provided for capital renewals and new assets are based on high level estimates and will require detailed design and scoping prior to construction. This may result in either additional costs or savings. All project costing will be reported to Council as they are developed. Should additional funds be required, Council may have to re-prioritise projects and this may impact the desired reduction in backlog renewals.

The Long-Term Financial Plan includes indexing based upon 2.5%. Should the indexes fluctuate due to market or economic conditions, this will impact the volume of renewals Council is able to complete.

Increases in building indexes over and above the assumptions in this Long-Term Financial Plan will also affect Council's operating surplus, as infrastructure is revalued and depreciation increases. Typically, financial provision is made for asset renewals based upon depreciation, however as depreciation is backward facing, it is often not sufficient to cover the cost of future renewals.

Upgrade components in infrastructure renewals

Risk: Infrastructure backlogs do not reduce at levels anticipated

Infrastructure backlogs are calculated based upon like for like replacement of component costs. For some asset classes, it is common for upgrades to be undertaken when renewing infrastructure to meet modern standards. This may result in renewal expenditure being higher than the recorded infrastructure backlog, thereby reducing the relative contribution to infrastructure backlog. With low levels of funding provided in special variation options for new infrastructure, this risk is heightened.

With improved asset management systems, the impact of these upgrades will be able to be better monitored for future financial planning.

Skills shortages

Risk: That employee costs increase above Award due to market skills shortages

Local Government is currently experiencing skills shortages in increasingly more professions and trades. Changes to societal values have further challenged recruitment efforts, with a general reluctance of employees to travel the distances to work that they once would have. The high cost of living in North Sydney means the majority of Council's workforce is located in other parts of Sydney.

While part of the local government industry, councils compete with other levels of government, the private sector and not-for-profits when it comes to recruiting. State Government wages are generally high, the private sector is competitive and also offers bonus/commission-based incentives that Local Government cannot.

To attract high quality employees, market allowances over and above Award conditions are increasingly required. Council's long term financial plan does not include provision for additional market allowances. Should these allowances be required to fill positions, this would have an impact on Council's operating result.

Based upon Council's current financial position, coupled with poor systems and processes, increases to employee costs is a critical risk. Based upon the three scenarios in this plan, the risk would reduce to low, as costs may be offset by efficiencies created through system improvement. In addition, improving systems within Council will assist in retaining quality employees.

Award increases

Risk: That the new Award, to be implemented 1 July 2026 includes increases above the assumptions allowed for within the assumptions of this plan.

The current Local Government (State) Award expires 30 June 2025.

Based upon Council's current financial position, increased Award increases above the assumptions made in this plan will be critical. Based upon the three scenarios in this plan, the risk would reduce to low, as costs may be offset by efficiencies created through system improvement.

Build to Rent

Risk: Build to Rent applications approved without changes to rating legislation that allow charging rates based upon dwelling numbers.

Introduced by the NSW Government in 2021, Build-to-rent housing is large-scale, purpose-built rental housing that is held in single ownership and professionally managed.

To date three applications for 'Build to Rent' have been lodged, with one of these approved recently consisting of 390 apartments.

By nature of the development being held in one ownership, the property would be rated as one assessment based upon the unimproved land value, rather than each apartment contributing a minimum rate towards Council's rating revenue.

Without changes to legislation allowing for rates to be charged per dwelling for 'Build to Rent', there is a risk that rating revenue from these sites will significantly reduce.

Reduction of Financial Assistance Grants

Risk: That the model for distribution of financial assistance grants reduces Councils grant to nil.

Council currently receives $2.55m in Financial Assistance Grants from the Federal Government. While there is no suggestion that this funding source will change, there has been ongoing advocacy through the industry towards a change in distribution which would favour smaller regional councils with less ability to generate won sourced income.

Should this risk eventuate, Council would have to reduce its expenditure on services or asset backlogs accordingly.

PART 5 Detailed Purpose Statement

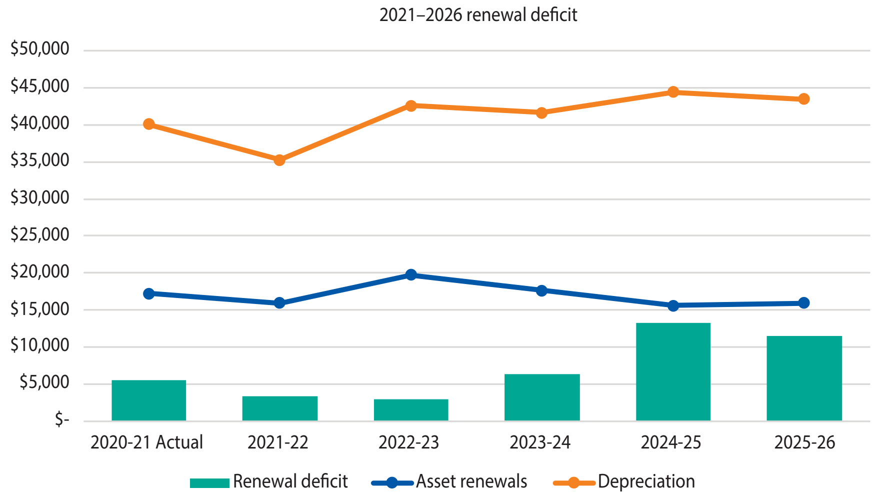
The primary purpose of the special variations proposed is to maintain service delivery and manage infrastructure obligations. This includes investment in new corporate systems. This section provides further details in related to the purpose and need for this investment.

Infrastructure Renewals and Backlog

Infrastructure provision and management are fundamental responsibilities of local government. Infrastructure, by its very nature, forms the foundation for essential service delivery, including transport networks, footpaths, open spaces and recreation assets, community halls, libraries, stormwater systems, and seawalls. Effective infrastructure management is crucial to the local government's role, and it must be adequately funded to prevent passing an excessive financial burden onto future generations.

Proper maintenance and timely renewal of infrastructure are essential to maintaining service levels and ensuring public safety. When infrastructure is not maintained or renewed in a timely manner, service quality deteriorates, and public safety risks may emerge.

As indicated in Part 3 of this LTFP, without service reductions, Council does not have sufficient funding for its annual infrastructure renewal requirements.The table below demonstrates the renewal deficits since 2020-21. This deficit totals $43.05 million for the five-year period.



Charrt 22: 2021-2026 renewal deficit

Under-investment in asset renewal, which has compounded over time and further exacerbated funding challenges including the build up of infrastructure backlog. Addressing this backlog will require targeted, sustained investment to bring infrastructure management up to a level that meets both current and future community expectations.

Council's financial statements as at 30 June 2025, provide the following assessment of infrastructure managed by Council. This assessment is aligned with the accumulated consumption of assets, represented by accumulated depreciation, which totals $492 million.

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.

Asset Class	Gross Replacement Cost $,000	Net carrying amount $,000	Accumulated depreciation $,000	Total cost to bring to 'Satisfactory' standard $,000
Buildings	$347,616	$197,457	$150,159	$69,398
Other structures	$1,147	$958	$189	$Nil
Roads	$413,217	$314,541	$98,676	$12,241
Footpaths	$155,620	$108,866	$46,754	$7,593
Stormwater drainage	$247,247	$170,668	$76,579	$55,893
Open space and recreational assets	$41,031	$25,346	$15,685	$912
Other infrastructure assets	$310,958	$207,149	$103,809	$11,001
Total	$1,516,836	$1,024,985	$491,851	$157,038

The two areas of most concern are **buildings and stormwater**. The issue has become more pronounced in recent years due to reduced renewal funding. Community centres, council administration and operational buildings, bus shelters, community centres and sporting facilities are experiencing failing structures or building components.

A review of funding since 2020 shows the total investment in new and renewal works for buildings has reached an annual average of only 24% of the forecast depreciation for 2025 – highlighting a significant shortfall. While the stormwater network is less visible, recent advancements in technology, including CCTV inspections and the recent 2025 asset revaluation, have provided greater insight into its condition. The data indicates that without adequate investment and a proactive maintenance and renewal strategy, the network is likely to experience increasing failures in the years ahead.

Options within this plan make the following contribution to infrastructure renewal and backlog responsibilities:

Option 1 – This option does not provide sufficient funding to address annual infrastructure renewals or contribute to infrastructure backlogs. Proceeding with this option will result in the further deterioration of infrastructure. This is likely to lead to increased public safety risks and the permanent or temporary closure of infrastructure, resulting in disruption of service delivery. Management of infrastructure will continue to be reactive and maintenance costs are expected to increase.

Option 2 – This option will provide annual funding for infrastructure renewals at an amount equivalent to depreciation. In addition $16 million will be provided in the first five years to address critical backlogs, with a further $35.7 million in Years 6-10.

Option 3 – will provide annual funding for infrastructure renewals at an amount equivalent to depreciation. In addition $31 million will be provided in the first five years to address critical backlogs, with a further $55.9 million in Years 6-10.

Renewal projects deferred in recent years due to funding reductions including Cremorne Plaza and Langley Place renewals, bus shelter replacement, Illbery playground will be prioritised.

Infrastructure backlogs include but are not limited to replacement of stormwater drainage pits and pipes, synthetic turf at Cammeray Park, renewal works at North Sydney Oval, North Sydney Indoor Sports Centre, Kirribilli Neighbourhood Centre, Stanton Library, Council Chambers, public amenities, sea walls and bus shelters.

Funding will be allocated annually through Council's Operational Plan process, taking into consideration asset condition and prioritisation. This process allows for community engagement towards infrastructure renewal priorities.

New infrastructure

With the population of North Sydney growing and evolving, new infrastructure funding is important to cater for community needs. The following new infrastructure is provided within the option in this plan.

Option 1 – New infrastructure is limited to Local Area Transport Management Plan projects which are forecast to attract 50% grant funding.

Option 2 – New infrastructure is limited to Local Area Transport Management Plan projects which are forecast to attract 50% grant funding.

Option 3 – Provides $16.9 million over ten years for new infrastructure projects to support the growing population. Indicative projects and timing are provided below, and include a modest range of infrastructure projects in response the community engagement to address challenges associated with:

- Maximising the use of existing open space
- Reducing emissions
- Traffic management
- Supporting disability and inclusion
- Improving stormwater reuse

Project	Indicative Year	Budget (not indexed)
Bushland walking track upgrade – Badangi Reserve	Year 1	$200,000
Bushland walking track upgrade – Balls Head Reserve	Year 2	$246,000
Bushland walking track upgrade – Brightmore Reserve	Year 2	$130,000
Bushland walking track upgrade – Primrose Park	Year 3	$222,630
Bushland walking track upgrade – Gore Cove/Smoothy Park	Year 4	$227,550
Bushland walking track upgrade – Tunks Park	Year 5	$70,000
Bushland walking track upgrade – Berry Island Reserve	Year 6	$210,000
Renewable energy capacity on Council infrastructure	Years 1-10	$80,000 per annum
Expand stormwater harvesting and water reuse systems at Primrose Park	Year 2	$120,000
Expand stormwater harvesting and water reuse systems at Tunks Park	Year 3	$120,000
Digital community noticeboard – Civic Park	Year 2	$100,000
Improve the drainage, irrigation and playing surfaces at Primrose Park sportsfields to reduce lost playtime due to weather.	Year 3	$1,300,000
Improve the drainage, irrigation and maintenance regimes at Tunks Park sports fields to reduce lost playtime due to weather.	Year 5	$1,750,000
In consultation with the community and key stakeholders, expand the capacity of Tunks Park sports fields through improved infrastructure	Year 5-6	$1,000,000
Implement projects to improve accessibility of parks and playgrounds across the LGA.	Years 1-10	$200,000 per annum
One park enhancement project per annum	Years 1-10	$100,000 per annum
Recreational facilities	Years 1-10	$110,000 every 2 yrs
Deliver landscape and lighting upgrades in Blue Point Reserve	Year 5	$1,050,000
Construct perimeter path around Waverton Oval suitable for recreational cycling, jogging etc.	Year 7	$250,000
Complete the Cremorne Reserve Pathway improvements project.	Years 2-3	$1,200,000
Local Area Transport Management (LATM) projects	Years 1-10	Average $687,000 per annum
Blues Point Road traffic management works	Year 1	$600,000
Upgraded entry signage for the LGA	Year 2-5	Average $125,000 per annum
Dual signage and place naming for key public spaces	Year 3-10	$30,000 Year 3, $20,000 per annum Year 4-10

Note: the figures in the above table include part grant or developer co-contribution where applicable

Funding to support projects in Council's development contributions plan

When new homes or businesses are built, they create extra demand for things like roads, parks, drainage, footpaths, and community facilities. To help pay for this, councils require developers to contribute money – called "developer contributions" – which go towards building or upgrading this local infrastructure. These contributions are important because they ensure that new development helps fund the facilities it relies on, rather than putting the full cost on existing residents.

However, developer contributions usually don't cover the entire cost of the infrastructure needed. That's because some projects benefit both new and existing communities. In those cases, the remaining funding may come from Council budgets, ratepayers, or other government sources. This means that delivering the infrastructure to support growing communities is often a shared responsibility.

Council's development contributions plan includes a series of projects to support the growing community. The table below demonstrates the level of funding provided by developers vs the contribution required by Council.

Purpose	Project combined cost ($,000)	Developer contribution ($,000	Council contribution ($,000
Open space and recreation	192,285	79,563	112,722
Community facilities	25,512	15,983	9,529
Public domain improvements	163,355	78,653	84,702
Active transport	17,724	4,499	13,225
Total	398,876	178,698	220,178

Options 2 and 3 each provide for the development of a capital works reserve to assist in realising projects within the plan. Option 2 contributes $17.9 million over the ten-year period, while Option 3 contributes $40 million.

This indicates that funding for the remainder of the plan will need to be considered in future revisions of Council's financial strategy.

New Corporate Systems

North Sydney Council's IT environment consists of a diverse mix of legacy systems that have developed over many years. These systems are largely disconnected and often outdated, limiting the Council's ability to deliver efficient and effective services. A history of underinvestment has restricted opportunities to modernise, integrate, and improve the IT infrastructure. As a result, Council faces challenges with operational efficiency, data quality, security, and overall user and customer experiences.

Key Issues

- *Legacy Systems and Limited Integration*:
  The Council operates approximately 86 different applications, including Authority ERP and TechOne ECM, many of which have limited or outdated integration capabilities. Data sharing between systems is often done through point-to-point connections or batch processing, rather than through more modern, centralised integration platforms. This leads to information silos, delays in data availability, and complexity in managing workflows across departments.

- *Manual Processes and Data Duplication:*
  Staff frequently need to enter the same information multiple times into different systems because of the absence of a consolidated data management system. This significantly increases the time required to complete tasks and raises the risk of data entry errors, which impact reporting and decision-making.

- *Data Quality and Governance Issues:*
  The fragmented data environment and repeated manual input lead to inconsistencies and inaccuracies. This undermines confidence in reports and dashboards and complicates efforts to maintain a reliable single view of customers, properties, and assets.

- *User Experience Challenges:*
  Key systems feature outdated interfaces that are not user-friendly. With limited formal training and inconsistent processes, staff face difficulties in efficiently using these systems, which affects productivity and morale.

- *Customer Service Limitations:*
  The Council lacks a dedicated Customer Relationship Management (CRM) system, resulting in fragmented customer data and inconsistent service delivery. Manual handling of community engagement and requests further slows responses and impacts satisfaction.
- *Lack of Modern Capabilities:*
  The existing IT environment misses important features such as automation tools, real-time data access, and smooth cross-system collaboration. Without these, staff rely heavily on manual workarounds, which restricts operational efficiency and responsiveness.
- *Cyber Security Risks:*
  Some older systems do not meet current security standards like multi-factor authentication or encryption protocols. This leaves them vulnerable to cyber threats including ransomware and data breaches, which could disrupt Council services and erode community trust.
- *Underfunding and Technical Debt:*
  Longstanding underinvestment has resulted in technical debt, reducing the Council's ability to update infrastructure, adopt cloud services, or implement new technologies. This financial constraint has slowed progress in modernising IT systems and improving digital service delivery. These challenges prevent the Council from fully realising efficiencies, improving service delivery, and enhancing security. The ongoing reliance on fragmented and outdated systems presents operational risks and negatively impacts staff and community satisfaction.

Addressing these systemic issues requires a comprehensive digital transformation strategy, one that prioritises the replacement of legacy infrastructure with integrated, cloud-based solutions. Transitioning toward a centralised data ecosystem would reduce duplication, enhance data quality, and provide staff with the tools necessary for timely and informed decision-making. In parallel, introducing a modern CRM platform could unify customer touchpoints, streamline engagement, and drive consistency across service channels.

Improving the user experience is equally critical. Investing in user-centric design and structured training programs would empower staff, cultivating both confidence and proficiency. Automation and real-time data access – currently lacking – should become foundational elements, freeing personnel from repetitive manual tasks and enabling them to focus on higher-value activities.

Finally, the Council must place a renewed emphasis on cyber security and sustainable funding models. By adopting best-practice security protocols and committing to ongoing investment in technology, the Council can mitigate risks, future-proof operations, and ultimately foster greater trust within the community. Only through decisive action and a clear vision for digital modernisation can the Council unlock new efficiencies, improve services, and deliver lasting value for both staff and residents.

Current State

North Sydney Council's IT environment is in a critical state, plagued by a diverse mix of legacy systems that have developed over many years. These outdated and disconnected systems severely limit the Council's ability to deliver efficient and effective services. The Council operates approximately 86 different applications, many of which have limited or outdated integration capabilities, leading to information silos, delays in data availability, and complexity in managing workflows across departments. The absence of a consolidated data management system forces staff to enter the same information multiple times into different systems, significantly increasing the time required to complete tasks and raising the risk of data entry errors. This fragmented data environment and repeated manual input lead to inconsistencies and inaccuracies, undermining confidence in reports and dashboards. Additionally, key systems feature outdated interfaces that are not user-friendly, affecting productivity and morale.

Longstanding under-investment has resulted in technical debt, reducing the Council's ability to update infrastructure, adopt cloud services, or implement new technologies. To effectively address these systemic challenges, a comprehensive digital transformation must be driven by strategic budget allocation and targeted resourcing. Prioritising investment in the replacement of legacy infrastructure and the adoption of integrated, cloud-based solutions will require sustained financial commitment and clear resource planning. By earmarking funds for modern technology platforms and ensuring dedicated teams to manage implementation, the Council can accelerate the shift away from outdated systems, maximise operational efficiencies, and support staff with the tools and training needed for lasting improvement.

Option 1 – Rate peg

This option covers only the minimum essential investment needed to ensure Council's IT environment remains operational, supported, and compliant. It is a direct response to years of underfunding and technical debt, intended to address the most urgent risks.

Scope includes:

- Upgrading all business-critical applications that are approaching their end of life to vendor-supported versions to ensure ongoing support, security patches, and regulatory compliance.
- Replacement of end-of-life servers, storage, and networking hardware to avoid major outages and loss of vendor maintenance.
- Basic uplift of information security controls to meet minimum NSW Government cyber and audit requirements
- No investment in new features or digital innovation – strictly sustainment and compliance, enabling Council to "keep the lights on" and meet core obligations.

This scenario is focusing on preventing imminent loss of support and alleviating excessive operational risk for core systems critical to finance, payroll, development applications, records management, and customer interactions.

This option provides the absolute minimum short-term solution required to safeguard Council's services and legal obligations. This is not a long-term solution. It does not address long-standing efficiency, service or data limitations nor does it prepare Council for future advances in technology and community expectations.

Special Variation – Options 2 and 3

This is a long-term sustainable technology solution, including core system replacement. This option delivers a transformative uplift, building on Option 1 with a suite of major digital initiatives designed to modernise Council operations, enhance staff productivity, and meet rising service expectations.

Scope includes:

- Full implementation of a new ERP Platform to unify Council's business systems and streamline end-to-end processes.
- AI-powered Planning Solution for development application triage, compliance checking, and accelerated assessments, aligned with NSW Government initiatives for faster planning approvals.
- Asset Management System for proactive maintenance, better lifecycle planning, and reduced risk of unexpected failures.
- Enhanced Contact Centre/Customer Service capability with for 24/7 resident support, faster issue resolution, and multi-channel engagement.
- Enterprise AI Productivity Platform rolled out Council-wide to automate routine tasks, refine reporting, and augment staff capabilities in everyday work.

Option 2 and 3 enables North Sydney Council to realise significant productivity, compliance, and service benefits, future-proofing core business and community services, ensuring North Sydney keeps pace with other councils.

The implementation and change management period is expected to take up to 5 years. It is therefore not expected to deliver cost savings in the short to medium term, however this will continue to be monitored.

Operational Initiatives

The following initiatives are included as indicatives actions that could be taken within special variation options 2 and 3 in response to challenges and opportunities identified through research and community engagement which have informed Council's strategic objectives.

The investment in these initiatives is relatively modest. Option 2 provides $3.9 million over ten years, or an average of $0.39 million per annum. Option 3 provides $17.3 million or an average of $1.7 million per annum over ten years.

Funding will be allocated annually through Council's Operational Plan process, which allows for community engagement towards strategic priorities. This may result in changes to actions indicated below.

Planning Initiatives

Brush Turkey Management Plan	Year 1	$13,000	Option 3
Develop a masterplan and feasibility study for consolidating a new community centre, underground car parking and a significant new area of open space for Crows Nest on the site which currently accommodates the Holtermann Street car park, Crows Nest Community Centre and Ernest Place.	Year 1-2	$950,000	Option 2 & 3
Undertake research and commence preparation of a masterplan for the civic precinct in North Sydney (bounded by Ridge, Miller, Church and McLaren Streets) that investigates and incorporates a range of new community space, open space and active recreation spaces.	Years 3-5	$1,000,000	Option 3
Develop a ten-year plan for expanding library services across the LGA. This includes consideration of potential satellite sites.	Year 2	$120,000	Option 3
Utilise a demographically select working group for input on major council decisions to ensure the diverse needs of the North Sydney community are considered.	Year 3 and Year 7	$100,000 for each year	All Options
In consultation with the community, develop a masterplan for Cammeray Park that increases opportunities for multi-use and addresses community demand for active and passive recreation.	Year 1	$300,000	Option 2 & 3
Prepare a masterplan for Blues Point Reserve and Henry Lawson Reserve.	Year 3	$1,000,000	Option 3
Review and update masterplan for Tunks Park.	Year 1	$50,000	Option 3
Strategic planning initiatives, including affordable housing scheme	Years 1-4	$40,000 Year 1, $150,000 Years 2-4	Option 2 & 3
Explore funding and delivery models to achieve the delivery of affordable housing, an early childhood health centre and public carpark through the Parraween Street development project.	Year 1	$30,000	Option 2 & 3
Undertake a review of Council landholdings to determine if any sites could be used for affordable housing in collaboration with a community housing provider.	Year 1	$30,000	Option 2 & 3
Review the North Sydney Local Housing Strategy and update to address emerging challenges relating to housing supply, affordability, quality and amenity, and consider the impacts of dwelling vacancies, decreasing household sizes, the rise of short-term accommodation and other emerging pressures on housing supply.	Year 1	$20,000	All Options
Implement changes, as required, to ensure compliance with the ministerial order regarding determination times for development applications and planning proposals.	Year 1	$150,000	All Options
Review building assets and commercial property to ensure best value utilisation that aligns with Council's strategic direction.	Year 1	$100,000	Option 2 & 3
Undertake a comprehensive review and assessment of the condition of Council's building assets to inform prioritisation of renewal funding.	Years 2-3	$130,000	Option 2 & 3

Sustainability Initiatives

Collaborate with universities and marine science institutes to enhance seawall biodiversity by installing habitat tiles along North Sydney's coastal area.	Years 1-10	$10,000 per annum	Option 3
Develop project scope and feasibility studies for community batteries and virtual power plants on Council owned land.	Year 1	$15,000 per annum Years 1-4, $8,000 per annum Years 5-10	Option 3
Collaborate with industry stakeholders to facilitate the implementation of community batteries and virtual power plants on Council-owned land, targeting an additional 2 MW/h storage capacity to help facilitate the transition to a 100% renewable energy grid.	Years 1-10	$15,000 per annum	Option 3
Deliver a water catchment community awareness campaign	Years 1-10	Average $10,000 per annum	Option 3

Access, Social Inclusion and Cohesion Initiatives

Identify opportunities and implement projects to improve accessibility of Council programs, services, facilities and events. This includes exploring ways to become an exemplar for access and inclusion.	Year 1-10	$70,000 in Year 1, $100,000 per annum Year 2-10	Option 3
Develop and implement opportunities for young people in the community to have input into Council's decision-making processes, including through formal consultations, social media and surveys.	Years 1-10	$15,000 per annum	Option 3
Develop a 'Know your Neighbour' program to encourage residents and local businesses to get together informally in local green and community spaces, and existing community groups.	Year 2	$50,000	Option 3
Review and refresh Council's program of events and activations to ensure they are responsive to community needs and leverage key assets.	Years 2-10	$230,000 per annum	Option 3
Partner with cultural and creative organisations to host joint events, for example multicultural festivals.	Years 2-10	$40,000 per annum	Option 3
Develop a 'Welcome Pack' for new residents to the area with detailed information about the LGA, including resources, services and spaces.		$20,000 in Year 1, and $5,000 per annum Years 2-10	Option 3
Develop and implement a creative hoardings program.	Years 1-10	$80,000 Year 1, $20,000 Years 2-10	Option 3
Explore opportunities to work with First Nations community members to share and make First Nations cultural heritage visible in North Sydney through First Nations led tours, dual naming, interpretive signage, art and other projects.	Year 3	$30,000	Option 3
Work with First Nations community members to develop a First Nations advisory committee.	Years 1-10	$15,000 per annum	Option 3
Review the framework and system for Council's grants and subsidies program to ensure alignment with Council's strategic outcomes.	Years 1-10	$20,000 per annum	Option 3

Open Space and Infrastructure

Maintenance and operation of new public space through the Berrys Bay project. This project includes fit out of Woodleys Shed as a community facility.	Years 3-10	$125,000 in Year 1, $200,000 per annum Years 2-10	Options 2 & 3
Operational costs associated with infrastructure improvements aimed at increasing the capacity and utilisation of sportsfields.	Year 1-10	$50,000 in Year 1-2, $100,000 Years 3-10	Option 3
Maintain Wendy's Secret garden	Years 1-10	$80,000 per annum	Options 2 & 3
Replant and maintain the Mitchell Street green wall in St Leonards.	Year 1-10	$140,000 Year 1, and $40,000 Years 2-10	Options 2 & 3

Transport Initiatives

Review existing walking infrastructure across the LGA and develop a North Sydney Walking Action Plan to improve walkability through the provision of missing links, pathway upgrades, tree planting and new infrastructure to improve safety and amenity.	Year 2	$120,000	Option 3
Undertake a holistic review of parking in the LGA, including on-road and in council operated carparks. Consideration will be given to the existing on-road parking management policy, disability parking policy, residential parking permit scheme, parking station utilisation, car share and pricing of permits. The review shall seek to ensure that parking provision and restrictions are fair and equitable, and resident permit allocations are not issued beyond available capacity.	Year 1-2	$201,250	Option 3
As part of the holistic review of parking in the LGA, undertake a study to assess freight network needs, address delivery access challenges, and explore opportunities to support vibrant centres while reducing impacts on residents.	Year 1	$50,000	Option 3

Economic Development Initiatives

Develop a program to support small business-led initiatives that enhance local trade.	Years 2-10	$30,000 per annum	Option 3
Collaborate with local businesses to develop and deliver a program that encourages increased local spend.	Years 3-10	$30,000 per annum	Option 3
Undertake a data and analytics project to gather insights to support businesses within the LGA and grow the local economy.	Years 2-10	$100,000 year 1, and $10,000 years 2-10	Option 3
Economic development resource to support business and tourism initiatives	Years 2-10	$260,000 per annum	Option 3

Governance Initiatives

Implement a risk and audit management system to enable the recording and tracking of risk and audit actions.	Years 2-10	$10,000 per annum	Option 3
Implement a system for monitoring legislative compliance.	Years 1-10	$10,000 per annum	All options

PART 6 Financial Background

2020 Long-Term Financial Plan

North Sydney Council's last comprehensive review of its Long-Term Financial Plan was in January 2019 for the period 2018-19 to 2027-28. Since the development of this plan, actual results have been impacted by the COVID pandemic.

As part of this resourcing strategy, an application for special variation was made to IPART for an accumulative increase in general rating income of 40.26% over five years, or $100 million above the rate peg over 10 years. IPART approved a cumulative increase of 22.5% over three years, or $64.1 million above rate peg.

Council's application aimed to enhance financial sustainability, maintain and renew infrastructure, reduce its backlog, invest in new infrastructure and maintain existing services.

Following IPART's decision, the LTFP was amended in July 2020 incorporating the reduced rating income. Since 2020, actual results have not reached forecast expectations.

A review of the adopted July 2020 LTFP indicates that despite the assumptions outlined in the plan, the following material differences occurred between forecast and actual:

1. The employee benefits and on-costs forecast was short of LG Award increases by approximately $1 million by the fifth year – 24-25. Actual results over the five year period since 2020-21 have been immaterially under forecast. The workforce establishment has been disrupted in recent years, due to COVID in 2021, the workforce realignment in 2022-23, and then liquidity measures. For stability of services, it is important the workforce establishment in reinstated.

2. Materials and contracts and other expenses were forecast to decline by 9.4% in 2020-21 and thereafter increase at a rate of between 2.5% and 3%. The cumulative change for the five-year period from 2019-20 was forecast to be 1.5%, whereas the actual cumulative change was 16.23% while the cumulative change in CPI (Sydney) over the period was 22.34%.

3. Depreciation was indexed at an average of 2% over the ten-year period from a 2019-20 forecast expense of $21.5 million. The actual depreciation expense in 2019-20 was $29.3 million, and while fluctuating at immaterial levels, the actual depreciation expense as at 30 June 2025 was $30.4 million.

4. Borrowing costs have increased throughout the period due to additional borrowings associated with North Sydney Olympic Pool. The original 2024-25 forecast was $778K, and the actual was $2.4 million.

5. User charges and fees forecasts were reduced in 2020 in response to COVID, and have fluctuated throughout the period, however remain lower than forecast as at 30 June 2025 by approximately $2 million.

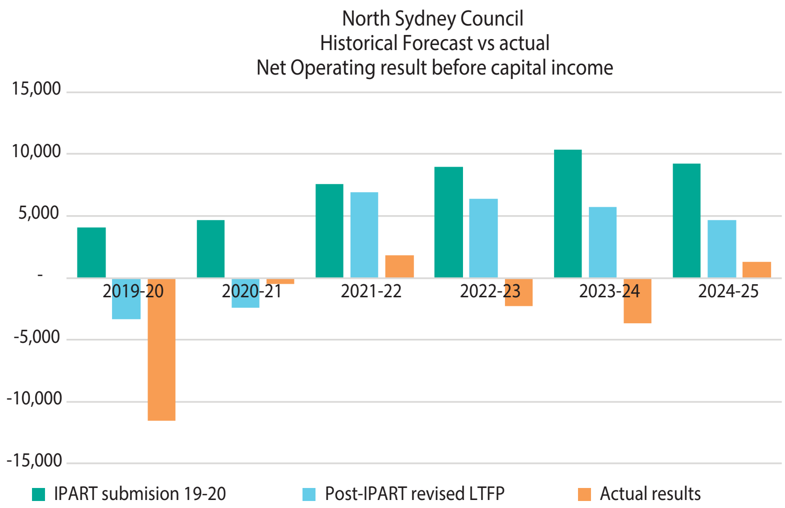


Chart 23: North Sydney Council – Historical forecase vs actual

Rates Income

Over the past five years, an additional 1,111 rateable properties have been developed within North Sydney. Minimum rates for properties have varied from $602 to $715 over that time. Income from new properties is used to fund increased operational expenditure associated with additional population, and also a contribution to new and existing infrastructure.

With Council's forecast growth expected to be driven through high density development, given the low minimum rate, this will continue to place pressure on Council's ability to respond to population growth.

User Charges, Fees and Other Income (Supplement Income)

An analysis of supplement income, which is calculating by excluding rates, annual charges, interest income, grants and contributions from total income indicates that this income has not kept pace with inflation. The following table highlights the sensitivities of non-rate income sources to economic conditions. Based on this assessment, had income increased in line with inflation, an additional $10 million in revenue per annum would have been realised by 2024-25.

	2017-18 ($,000)	2018-19 ($,000)	2019-20 ($,000)	2020-21 ($,000)	2021-22 ($,000)	2022-23 ($,000)	2023-24 ($,000)	2024-25 ($,000)
Total income	123,126	135,364	121,327	143,578	141,713	157,744	141,629	154,580
Less: rates and annual charges	(56,505)	(58,831)	(62,883)	(66,018)	(71,112)	(72,253)	(75,559)	(79,820)
Less: NSOP	(2,537)	(2,687)	(1,924)	(638)	0	0	0	0
Less: Grants	(12,925)	(21,323)	(12,377)	(29,668)	(27,076)	(33,288)	(12,115)	(18,778)
Less: Fair value adjustments	0	(2,205)	0	(1,007)	(2,769)	(5)	(5)	0
Less: Community housing	(1,031)	0	0	0	0	0	0	0
Less: Interest	(2,653)	(2,407)	(1,970)	(1,373)	(1,368)	(3,690)	(5,612)	(5,759)
Total supplement income	**47,475**	**47,911**	**42,173**	**44,874**	**39,388**	**48,508**	**48,338**	**50,223**
CPI	2.10%	1.70%	-1.00%	4.10%	5.30%	6.60%	3.80%	2.10%
CPI adjusted income		**48,282**	**47,799**	**49,759**	**52,396**	**55,854**	**57,977**	**60,180**
Variance		(371)	(5,626)	(4,885)	(13,008)	(7,346)	(9,639)	(9,957)

North Sydney Olympic Pool

Background

The North Sydney Olympic Pool redevelopment has had a significant and ongoing impact on Council's financial position in recent years. In response to a major variation request, Mayor Zoë Baker requested the commissioning of an independent review of the project in October 2022.

The review identified a range of critical shortcomings in the project's early planning and decision-making stages, which contributed to substantial cost overruns and project risks. Key findings included:

1. Inadequate Business Case and Budgeting:
   The original business case and project budget lacked detailed financial and non-financial data, resulting in underestimated costs and scope.
2. Uncontrolled Scope Expansion:
   The transition from Option 2 to Option 2b was driven by Councillors' ambition for a superior facility – an aspiration that did not fully align with community consultation feedback.
3. Removal of External Project Managers:
   The decision to remove experienced external project managers following the concept design phase significantly weakened project oversight and control.
4. Weak Governance Structures:
   The governance framework was insufficient, particularly in relation to the composition and authority of steering committees.
5. Inadequate Risk Management:
   Risk management processes were not sufficiently robust for a project of this size and complexity, limiting the quality of decision-making.
6. Delayed Identification of Latent Site Conditions:
   Key site issues were discovered late in the process, resulting in expanded scope, increased costs, and additional unplanned works.
7. Lack of an Integrated Contracting Strategy:
   Council's decision to separate design and construction contracts – rather than adopt an integrated contracting strategy combining both functions – increased the project's risk profile significantly.
8. Premature Contract Execution:
   The construction contract was executed before design documentation was complete and while site investigations were still underway, further compounding delivery risks.

The review makes it clear that the original project budget was significantly underfunded and included insufficient contingency for the level of risk taken. Although some cost escalation was driven by expanded scope, many of the financial risks realised during the project stemmed from flawed governance, premature decision-making, and insufficient risk controls.

Council's Response and Ongoing Challenges

In response to the review's findings, Council has taken steps to strengthen its project management capabilities. This includes the appointment of external project managers, quantity surveyors, and programmers to enhance control over variations and manage project timelines. These changes have improved oversight; however, a number of legacy risks remain, contributing to ongoing disputes and legal proceedings.

Despite these challenges, all stakeholders are working collaboratively to deliver the project.

Lessons for Future Projects

The North Sydney Olympic Pool redevelopment highlights the significant financial risks that can result from inadequate governance, project oversight, and strategic planning. While investment in high-profile infrastructure is often prioritised, this case reinforces the importance of also investing in the administrative and governance frameworks that underpin project success. Failure to do so can lead to substantial and long-term financial consequences.

Impact on Council's Financial Position

The significant variance between the original budget and the forecast costs of the North Sydney Olympic Pool redevelopment has placed substantial pressure on Council's financial position and day-to-day operations. Key impacts include:

- Increased debt levels, resulting from the need to fund budget overruns;
- Liquidity constraints, limiting Council's financial flexibility;
- Reduced investment in infrastructure renewal, as funding is redirected to meet project obligations; and
- Operational cost-cutting measures, including maintaining a high number of staff vacancies to preserve cash flow.

Confusion amongst SV submitters

During its assessment of Council's SpecialVariation (SV) application, IPART noted that many community submitters expressed confusion about whether the SV was intended to directly fund the Olympic Pool project.

It is important to clarify that funding commitments for the North Sydney Olympic Pool had already been made prior to the Special Variation process. As such, Council remains obligated to complete the project, operate the facility, and repay associated debt – regardless of whether the Special Variation is approved.

What the special rate variation does reflect, is both the financial impact and the opportunity cost of the project. In other words, the funding required to meet the project's financial obligations limits Council's capacity to invest in other critical services, infrastructure renewal, and future priorities and therefore contributes to the need for a special variation.

Project forecast cost and funding

The current forecast cost for the North Sydney Olympic Pool redevelopment is **$122 million**, based on the project's previously anticipated completion date of **December 2024**. This figure does not include allowances for contingencies and legal considerations.

The project has been funded as follows net of contingencies, including legal considerations.

Funding source	Initial funding ($,000)	Forecast ($,000)
Loans	$31,000	$61,000
Grants	$15,000	$15,000
Sale of property – 261-263 Pacific Hwy	$4,500	$4,500
Internal reserve – open space and recreation	$3,000	$3,000
Internal reserve – capital works reserve	$1,200	$5,400
Internal reserve – income producing projects reserve	$4,121	$4,121
Internal reserve – insurance reserve	$500	$500
Internal reserve – community housing major maintenance reserve	$1,500	$1,500
General revenue	$3,138	$3,138
Developer contributions		$5,700
Reduction in infrastructure renewals*		$18,208
Total	**$63,959**	**$122,067**
Interest on loans	$15,289	$24,039

**This amount only relates to infrastructure renewals reduced to fund the upfront capital cost. It does not relate to infrastructure renewals deferred to fund principal and interest loan repayments, contingencies and legal proceedings.*

Interest on loans is forecast at $24.039 million over the life of the borrowings, with $15.60 million payable within the 10-year period covered by Council's Long-Term Financial Plan (LTFP).

Financial Impact on Council

Excluding grants, developer contributions, property sales, and general revenue originally allocated to the project, approximately $93.73 million has been funded through either:

- Increased loan borrowings,
- Redirection of funds from previously allocated internal reserves, or
- A reduction in infrastructure renewal investment.

Each of these funding mechanisms carries a direct and ongoing impact on Council's financial position – and therefore on ratepayers. Council has sought to manage cash flow, contingency risk, and debt repayments within its existing funding envelope. These trade-offs represent the opportunity cost of the project, with funding diverted to the project not available for other council responsibilities and priorities, such as infrastructure renewal.

Operational Forecast and Opportunity Cost

Once operational, the facility is expected to generate an average operational loss (including borrowing costs) of $0.99 million over the ten year period based on the target business case. In addition, facility will incur a depreciation expense of $2.369 million per annum, commencing in Year 1 of the LTFP and subject to annual indexation.

These operating and depreciation costs were not previously factored into Council's long-term financial planning prior to commencement of the project and have contributed to a reduction in available funding for core services, particularly infrastructure renewal.

In future years, once borrowings have been repaid, we expect the facility to generate an operating surplus. This surplus is expected to cover some of the depreciation expense, but not all.

The cumulative financial impact of this project – combined with other pressures – has contributed to the need for Council to consider a Special Variation for financial sustainability.

Link to the Special Rate Variation

The costs associated with the Olympic Pool redevelopment have not previously been addressed through a Special Rate Variation. As a result, funds originally intended to maintain service levels and invest in essential infrastructure have been redirected to this project.

By comparing the costs of the Olympic Pool project with the revenue proposed under current Special Variation options, readers can better understand the project's contribution to the need for rates increase and its broader financial impact on Council's long-term sustainability. Option 2 provides additional revenue of $190 million over ten years, while Option 3 will provides $278 million over the same period.

As Council moves towards the operationalising the facility, the focus will increasingly shift to maximising commercial revenue opportunities – while carefully balancing financial sustainability with community access and use.

Cost shifting

Cost shifting occurs when other levels of Government transfer responsibilities or services to local councils without providing adequate funding to carry them out. This might include new regulatory obligations, service delivery requirements, or infrastructure responsibilities. Over time, cost shifting puts significant pressure on councils' budgets, forcing them to stretch limited resources or fund services from their own revenue – mainly through rates and charges.

This undermines financial sustainability, as councils must either reduce services, delay infrastructure investment, or increase rates to cover costs they weren't originally responsible for. In many cases, it limits a council's ability to plan long-term, invest in community priorities, or respond effectively to local needs.

The recent NSW Government Planning Reforms are an example of recent changes which have placed pressure on Council resources.

ATTACHMENTS

ATTACHMENT 1: PRODUCTIVITY AND IMPROVEMENT PLAN

ATTACHMENT 2: SERVICE LEVEL RESEARCH

Productivity and Improvement Plan

Contents

Introduction

North Sydney Council has faced increasing financial pressure in recent years due to external shocks such as COVID-19 and extreme weather events, high inflation rates, revenue losses, large infrastructure projects and comparatively low rates. Without intervention, these pressures pose a risk to financial sustainability.

In 2023 Council embarked on an ambitious improvement journey that includes an ongoing commitment to increasing productivity and effectiveness through targeted projects and initiatives. This journey has resulted in a significant productivity saving to date, and further savings are projected for future years. However, even with these savings, the funding gap is projected to increase without a Special Variation (SV) to rating increase.

This Organisational Productivity and Improvement Plan highlights the key productivity achievements to date and details planned improvement activities. It demonstrates to the community, the Independent Pricing and Regulatory Tribunal (IPART) and the Office of Local Government that Council has made sustained efforts to minimise the impact of an SV on the community through internal productivity reforms.

What is productivity?

The Productivity Commission of Australia defines productivity primarily as the output produced per unit of input. According to the Commission, productivity is not about working harder or longer, but about working smarter – that is, using resources more efficiently. It also highlights that improvements in productivity are the key long-term driver of economic growth.

In the local government context, productivity refers to how efficiently resources are used to deliver services and achieve positive community outcomes. Inputs include staff time, operating budgets, plant and equipment, materials and technology. Outputs are the tangible services provided – such as waste collection, community programs, development approvals, infrastructure maintenance and renewal, and support provided to residents. Outcomes, while harder to measure, include community wellbeing, satisfaction, safety and environmental quality.

This plan measures productivity savings through direct cost savings, cost containment and additional revenue. It also considers efficiency gains, customer service improvements and risk management.

Background

North Sydney Council's (NSC's) overarching performance management framework has customer experience at its centre and consists of three separate frameworks that work together to sustainably deliver projects and services for the community.

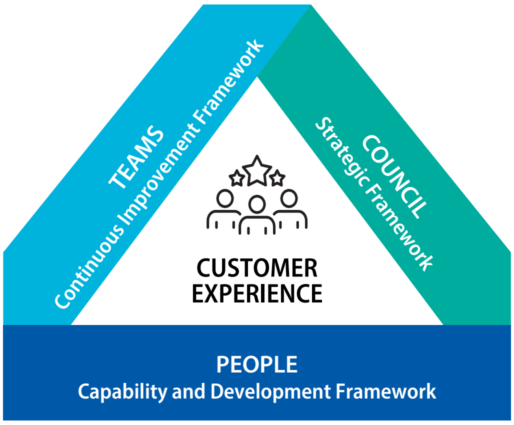


Figure 1: Performance Management Framework

Strategic Framework

This framework focuses on identifying community needs. It is centred around community engagement and uses Informing Strategies to link community priorities with NSC's actions.

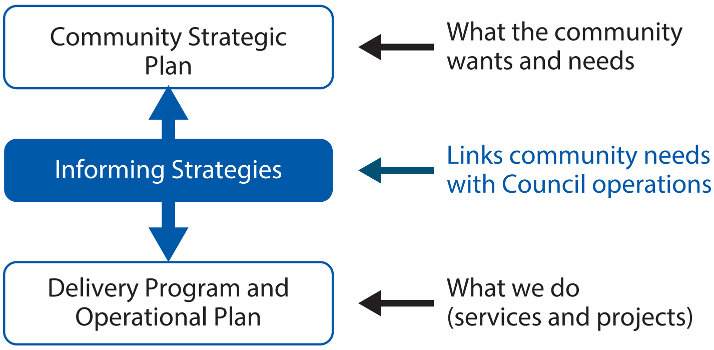


Figure 2: Informing Strategies

The Informing Strategies and new suite of Integrated Planning and Reporting documents were prepared and subsequently adopted in 2024/25.

Continuous Improvement Framework

This framework focuses on how each service unit plans to deliver NSC's strategic goals and achieve continuous improvement. This includes development of service unit plans as well as implementation of the Service Review Program and Process Improvement Program.

NSC's Process Improvement Program involves mapping and subsequent analysis of service procedures to identify and address inefficiencies and customer pain points.

Capability and Development Framework

This framework focuses on how each staff member supports the delivery of service unit and strategic goals

While this Organisational Productivity and Improvement Plan is primarily focused on implementation of the Continuous Improvement Framework, delivery across all three frameworks is essential to support a productive workforce that is focused on delivering outcomes wanted and needed by our community.

About this plan

This Organisational Productivity and Improvement Plan provides an update on Council's progress in implementing productivity improvement actions and quantifies the productivity savings across the organisation.

Every service unit within Council has contributed to the development of this Plan, reflecting the organisation's commitment to continuous improvement and a constructive collaborative culture.

The plan is divided into two parts:

Part 1: Productivity gains

Part 1 summarises productivity outputs delivered over the past three years including cost savings, additional revenue, cost containment and efficiency gains. These are defined below:

- **Cost savings**
  Reductions in Council's expenditure. These occur when less money is required to provide services, deliver projects or run operations.
- **Additional revenue**
  New or increased income streams that expand Council's funding base beyond its regular sources. This can include additional income through user fees and charges, fines, and/or new commercial activities. Unlike savings, which focus on reducing costs, additional revenue directly increases the funds available to support Council's activities.
- **Cost containment**
  Expenditure that Council would have incurred if a proactive initiative had not been undertaken. Cost containment is typically achieved through:
  - Avoided costs: expenses prevented through negotiation, innovation or completing work in-house.
  - Recovered costs: revenue previously lost but subsequently reclaimed.
  - Redirected savings: financial savings reinvested into business improvements.

  In essence, cost containment represents money Council did not need to spend because of proactive initiatives. Without these measures, Council would have been required to increase rates to fund the additional expenditure.
- **Efficiency gains**
  Time saved through process improvements and reinvested into higher value activities to support ongoing improvements, reduce risks, improve customer experience, and deliver better data and reporting to support decision-making. These activities are essential for the long-term sustainability of Council.

Productivity gains can be one-off or recurring (ongoing).

Part 2: Productivity actions

Part 2 outlines the specific actions, process changes and initiatives that have contributed to delivering the productivity gains. Actions and initiatives are grouped into the following categories:

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

- **Continuous improvement initiatives (including process mapping and improvements)**

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

  - Building internal capability
  - Changed format of service delivery
  - Cost avoidance
  - Enhanced procurement and contract management
  - Revenue initiatives
  - Technology improvements
  - Workforce optimisation
  - Quality assurance
  - Online customer service improvements
  - Process improvement
  - Digitisation and automation
  - Rostering/scheduling adjustments

A description of each continuous improvement area, together with specific examples, is provided in part 2.3.

PART 1 PRODUCTIVITY GAINS

Over the past three years, Council has implemented a range of productivity initiatives that have delivered and/or will deliver productivity gains. Further initiatives are also planned for implementation in 2026/27.

This part is divided into three sections:

1. Past and current productivity gains
2. Future productivity gains
3. Outcomes delivered through productivity gains

1.1 Past and current productivity gains

The following tables summarise the estimated productivity savings from productivity and cost containment actions implemented in the past three years or currently underway. Examples of the specific improvement initiatives included under each category are provided in Part 2.3.1.

Operational cost savings and **additional revenue** highlighted in orange in the tables below have been included in the 2026–36 Long-Term Financial Plan forecasts.

Cost containment figures represent the expenditure that Council has avoided through proactive initiatives. These are not shown as a reduction in the budget, but if the initiatives had not been implemented, additional costs would have been incurred, and Council would have been required to increase rates to fund the additional expenditure.

Table 1: Ongoing productivity gains (2023/24 – 2025/26)

Initiative	Cost savings ($/year)	Additional revenue ($/year)	Cost containment ($/year)	Efficiency gains (hrs/year)
Workforce management				
Workforce management	-	-	2,300,000	-
Service reviews				
Street cleaning service review	13,200	-	-	4,194
Customer service review	206,248	-	-	7,036
Development services review	-	-	-	2,550
Continuous improvement				
Building internal capability	496,500	-	71,450	70
Changed format of service delivery	34,700	-	-	70
Cost avoidance	62,900	-	113,100	360
Enhanced procurement and contract management	218,290	200,000	667,259	1,473
Revenue initiatives	-	820,708	46,000	1,000
Technology improvements	648,895	-	197,107	3,388
Workforce optimisation	309,551	-	-	176
Quality assurance	-	-	-	882
Online customer service improvements	-	-	-	1,127
Process improvement	1,992	40,000	310,000	5,178
Digitisation and automation	-	-	-	7,619
Rostering/scheduling adjustments	12,000	631,000	32,000	0
TOTAL	**2,004,276**	**1,691,708**	**3,736,916**	**35,122**
Amount absorbed in 2024/25 budget	815,679	40,000		
Amount included in 2025/26 budget	**1,188,597**	**1,651,708**		

Table 2: One-off productivity gains (2023/24 – 2025/26)

Initiative	Cost savings ($ one-off)	Additional revenue ($ one-off)	Cost containment ($ one-off capital)	Cost containment ($ one-off)
Vacant positions/employee cost savings (2024/25)	2,228,000	-	-	-
Vacant positions/employee cost savings (2025/26)	514,000	-	-	-
Reduction in materials and services (2024/25)	2,204,000	-	-	-
Building internal capability	-	-	-	500,000
Cost avoidance	317,755	-	450,000	-
Enhanced procurement and contract management	-	-	-	92,000
Revenue initiatives	-	200,000	-	271,000
TOTAL	**5,263,755**	**200,000**	**450,000**	**863,000**
Amount absorbed in 2024/25 budget	4,432,000	**200,000**		
Amount included in 2025/26 budget	**831,755**	-		

1.2 Future productivity gains

In addition to the productivity and cost containment actions already implemented or underway in 2025/26, a number of future initiatives are also planned for implementation in 2026/27 onwards.

These are summarised in the table below and examples of the specific improvement initiatives included under each category are provided in Part 2.3.2.

Table 3: Ongoing productivity and cost containment savings included in 2026/27 budget

Initiative	Cost savings ($/year)	Additional revenue ($/year)	Cost containment ($/year)	Efficiency gains (hrs/year)
Service reviews				
Street cleaning service review	386,800	-	-	80
Continuous improvement		-		
Building internal capability	408,000	-	-	70
Changed format of service delivery	-	-	-	441
Cost avoidance	69,070	-	-	-
Enhanced procurement and contract management	3,000	-	-	150
Revenue initiatives	-	852,700	40,000	-
Technology improvements	-	-	9,000	3,204
Workforce optimisation	-	-	-	-
Quality assurance	-	-	-	100
Online customer service improvements	-	-	-	1,702
Process improvement	-	-	-	2,725
Digitisation and automation	-	-	-	2,747
Rostering/scheduling adjustments	1,560	108,000	-	3,900
TOTAL	**868,430**	**960,700**	**49,000**	**15,119**
Amount included in 2026/27 budget	**868,430**	**960,700**		

1.3 Outcomes delivered through productivity gains

This section summarises the benefits delivered through productivity gains.

1.3.1 Direct financial savings

Over the next 10 years, it is anticipated that productivity actions undertaken by Council will result in more than $52 million in cumulative savings and additional income. Table 4 on the following page details these savings, which include:

- $23 million in reduced expenditure, including employee benefits and on-costs, materials and services, and other expenses.
- $29 million in increased income, including user fees and charges and other revenue sources. This increase does not include additional revenue from the sale of naming rights of the North Sydney Olympic Pool or North Sydney Oval. The income from this initiative will be determined through commercial negotiations.

This reduced expenditure and increased income has been included in the 2026–2036 Long-Term Financial Plan (LTFP). In addition to direct operational savings included in the LTFP, ongoing cost containment measures of more than $3.7 million per year (or $43 million over the next ten years assuming 3% indexation) have been identified, along with a one-off cost containment of approximately $0.8 million in 2024/25. These figures represent expenditure that has been avoided.

While cost containment figures do not appear as reductions in the budget, they reflect costs that would otherwise have been incurred and would have required higher rates to fund.

Together, productivity gains – including reduced expenditure, increased income, and cost containment initiatives– have lowered the required rate rise by a cumulative 14.9% over the three-year SV period.

Table 4: Cumulative savings and additional income from productivity improvements

Category		2025/26 – Adopted Budget ($)	2026/27 ($)	2027/28 ($)	2028/29 ($)	2029/30 ($)	2030/31 ($)	2031/32 ($)	2032/33 ($)	2033/34 ($)	2034/35 ($)	2035/36 ($)	TOTAL – 10Y ($)
Service Review Program													
Street cleaning service review	Cost saving	-13,200	-400,330	-410,338	-420,597	-431,112	-441,889	-452,937	-464,260	-475,867	-487,763	-499,957	**-4,485,050**
Customer service review	Cost saving	-190,384	-195,144	-200,022	-205,023	-210,148	-215,402	-220,787	-226,307	-231,964	-237,764	-243,708	**-2,186,268**
Continuous Improvement Program													
Building internal capability	Cost saving	-496,500	-904,613	-927,228	-950,409	-974,169	-998,523	-1,023,486	-1,049,073	-1,075,300	-1,102,182	-1,129,737	**-10,134,719**
Changed format of service delivery	Cost saving	-34,700	-35,568	-36,457	-37,368	-38,302	-39,260	-40,241	-41,247	-42,279	-43,336	-44,419	**-398,476**
Cost avoidance	Cost saving	-380,655	-130,791	-134,061	-137,413	-140,848	-144,369	-147,978	-151,678	-155,470	-159,356	-163,340	**-1,465,304**
Enhanced procurement and contract management	Cost saving	-34,875	-38,747	-39,716	-40,708	-41,726	-42,769	-43,839	-44,934	-46,058	-47,209	-48,390	**-434,096**
	Revenue Increase	200,000	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773	256,017	**2,296,693**
Revenue initiatives	Revenue Increase	780,708	1,641,538	1,682,577	1,724,641	1,767,757	1,811,951	1,857,250	1,903,681	1,951,273	2,000,055	2,050,056	**18,390,779**
Technology improvements	Cost saving	-47,725	-48,918	-50,141	-51,395	-52,679	-53,996	-55,346	-56,730	-58,148	-59,602	-61,092	**-548,048**
Workforce optimisation	Cost saving	-808,321	-301,679	-309,221	-316,952	-324,875	-332,997	-341,322	-349,855	-358,602	-367,567	-376,756	**-3,379,825**
Process improvement	Cost saving	-1,992	-2,042	-2,093	-2,145	-2,199	-2,254	-2,310	-2,368	-2,427	-2,488	-2,550	**-22,875**
	Revenue Increase	40,000	40,000	40,000	40,000	40,000	31,000	31,000	31,000	31,000	31,000	31,000	**346,000**
Rostering/scheduling adjustments	Cost saving	-12,000	-13,860	-14,207	-14,562	-14,926	-15,299	-15,681	-16,073	-16,475	-16,887	-17,309	**-155,279**
	Revenue Increase	631,000	739,000	757,475	776,412	795,822	815,718	836,111	857,013	878,439	900,400	922,910	**8,279,299**
SUBTOTAL	Cost saving	-2,020,352	-2,071,691	-2,123,483	-2,176,570	-2,230,984	-2,286,759	-2,343,928	-2,402,526	-2,462,589	-2,524,154	-2,587,258	**-23,209,942**
SUBTOTAL	Revenue Increase	1,651,708	2,625,538	2,690,177	2,756,431	2,824,342	2,884,950	2,956,299	3,029,432	3,104,392	3,181,227	3,259,983	**29,312,772**
TOTAL		**3,672,060**	**4,697,229**	**4,813,660**	**4,933,001**	**5,055,326**	**5,171,709**	**5,300,227**	**5,431,958**	**5,566,982**	**5,705,381**	**5,847,241**	**52,522,713**

1.3.2 Increased organisational capacity

Combined estimated efficiency gains of more 35,000 hours per year have been identified through past and current productivity improvements. This number is forecast to increase to over 50,000 hours each year (or approximately 2.3 hours per week per employee) from 2026/27 onwards.

Time savings gained through continuous improvement initiatives have been and will continue to be reinvested to meet the needs of a growing population and enable higher-value activities to be undertaken that strengthen risk management, improve customer experience, and enhance data and reporting to support better decision-making. Collectively, these efforts underpin the long-term sustainability of Council.

Moving forward, the efficiency gains will also assist Council to absorb the additional overheads (financial, human resources, technology, and governance) associated with onboarding a new service unit to operate the North Sydney Olympic Pool. This expansion includes the integration of 40 new staff and the associated increase in transactions and governance requirements.

1.3.3 Risk reductions

Council has reduced risks across finance, workforce, operations, technology and community safety through stronger governance, digitisation and process improvements. These steps lower exposure to financial loss, service disruption, compliance breaches and reputational damage. However, outdated systems still constrain many benefits, underscoring the need for continued investment to fully embed resilience and reliability.

Some of the risk reductions delivered through the actions detailed in part 2 are highlighted below:

Finance

- Reduced risk of missed or late payments, debts or invoice errors through automated reminders and streamlined financial controls.
- Improved financial accountability, inventory accuracy and contractual certainty, lowering legal and reputational exposure.
- Reduced risk of over- or under-spending via improved budget visibility and reporting.
- Stronger financial sustainability by ensuring contributions, fees and charges are properly collected.

WHS / safety

- Lowered work health and safety (WHS) risks by reducing manual handling and repetitive administrative tasks.
- Improved hazard identification and incident tracking, ensuring quicker resolution and stronger compliance with safety obligations.

Workforce and leadership

- Clearer accountabilities and stronger performance management reduce industrial and employee relations risks.
- Improved onboarding, training and leadership development lower risks of turnover, disengagement and burnout.
- Building internal capacity reduces reliance on external expertise.

Environmental

- Reduced environmental risks through proactive audits and pollution prevention.
- Reduced environmental impacts of operations, including fuel consumption, emissions and waste, through more efficient practices.

Reputation

- Reduced reputational damage through clearer communication, more consistent public information and stronger transparency.
- Reduced reputational risk from poor customer experiences by digitising services and providing faster, more reliable responses.

Legal liability

- Lowered legal exposure through accurate, standardised documentation (DA conditions, permits, contracts, etc.).
- Reduced risks of appeals or disputes (e.g., planning decisions, fire safety orders, compliance notices) through clearer processes and stronger enforcement.

Business activities (assets and infrastructure)

- Reduced outages and downtime risks via upgraded infrastructure, modern firewalls and proactive monitoring.
- Improved project planning and capital works prioritisation, reducing the risk of abortive or delayed projects.
- Stronger contract management and procurement practices reducing the risk of inconsistent or costly outcomes.

Community / public health and safety

- Improved community safety through stronger food safety, fire safety and playground inspection processes.
- Safer public spaces through proactive road, tree and infrastructure maintenance.

Information management and technology

- Lowered exposure to cyberattacks, phishing and insider threats through improved security operations, automated patching and continuous monitoring.
- Reduced risk of outdated systems, data loss, or incomplete recovery through SaaS migrations, cloud-based backups and digitisation of records.
- Strengthened data privacy protections by reducing manual handling.

1.3.4 Council-wide customer service improvements

Council has significantly enhanced customer service through digitisation, process improvements and better communication. These actions have reduced delays, improved responsiveness and delivered clearer, more reliable interactions for residents, businesses and internal stakeholders. While progress has been strong, some improvements remain dependent on upgrading older systems to ensure consistency and reliability.

Some of the customer service improvements delivered through the actions detailed in part 2 are highlighted below:

Faster, more reliable services

- Quicker turnaround for applications, certificates and permits through online systems and automated workflows.
- More reliable access to key services (e.g., car parks, DA tracking, bookings) due to modernised infrastructure and fewer network outages.
- Reduced delays in correspondence and payments, ensuring suppliers, applicants and ratepayers experience more timely, accurate service.

Improved communication and transparency

- Clearer, more consistent customer communications, including invoices, rate notices and DA conditions.
- Progress towards real-time updates for development applications, certificates and service requests.

Greater convenience and access

- Expanded online services (applications, forms, payments) provide 24/7 access from any device.
- Digital payments reduce wait times and improve convenience for customers.
- Self-service options, such as web chat and dashboards, reduce call volumes and complaints.

Enhanced trust and confidence

- Improved cyber security and data protection increase public confidence that information and transactions are safe.
- Proactive maintenance and inspections reinforce community trust in Council's commitment to safety and service quality.

PART 2 PRODUCTIVITY ACTIONS

This part outlines the specific initiatives that have contributed to delivering the productivity gains under each category:

1. Workforce management
2. Service reviews
3. Continuous improvement initiatives (including process mapping and improvements)

Except for short-term measures implemented to address liquidity, such as holding vacant positions and changing community centre grant funding arrangements, the initiatives are focused on improving the effectiveness and efficiency of Council to ensure we can best meet the needs of the community now and for years to come.

2.1 Workforce management review 2023/24 – 2024/25

In early 2023, Council commenced a comprehensive review of its operating model to streamline leadership, strengthen frontline services and align resources with areas of greatest need.

The review reduced the number of senior leadership positions, with Directors reduced from six to three (halving the Tier 2 structure) and service units created to simplify and rebalance the Tier 3 structure. This realignment released approximately $2.3 million in funding to address critical gaps that would otherwise have required support from rates through the Special Variation (SV). Importantly, the long-term value of this change – through reduced risk, improved governance and productivity gains – extends well beyond the financial figure.

We are seeing the benefits of this change, including the following productivity benefits:

- *Senior management cost containment*: The realignment of the organisation structure has reduced senior management level costs, while maintaining and/or enhancing productivity.
- *Organisational Performance and business process staffing:* These staff have overseen the development of Council's new strategic planning framework and developed and implemented improvement frameworks, which in turn have resulted in further productivity improvements. Without these resources, significant funding would have been required for consultants and/or the organisation improvement would not have occurred.
- *Strengthened financial management and reporting:* Prior to the review, Council was unable to finalise its 2022/23 financial statements on time due to poorly configured systems, limited reporting capability and broader financial challenges. The inclusion of a Chief Financial Officer within the organisation structure has allowed for improved financial management and reporting. This has been critical due to liquidity and sustainability concerns, along with oversight of North Sydney Olympic Pool costs.
- *Building Compliance staffing:* An additional resource was allocated to building compliance due to the pressure placed on this team through high volumes of compliance issues. This resource has ensured Council's legislative requirements have been met and risks reduced, while at the same time improving customer response. Without these resources, funding would have been required for consultants and/or the improvement would not have occurred.
- *Risk management staffing:* A resource was allocated to manage Council's enterprise risk management function. Outside of senior staffing, there was no allocated risk management position to manage and monitor the risk function. Risk management is critical within local government, as highlighted through the North Sydney Olympic Pool project.
- *Parks and Gardens staffing:* Council's green network has expanded substantially in recent years without a proportionate increase in staffing. Additional resourcing has ensured service levels are maintained across the enlarged network.
- *Customer experience:* An additional resource was added to the customer service team to support review and improvement. This has resulted in new processes and systems which have already reduced inefficiencies and improved the overall customer experience.
- *Community capacity building:* An additional resource was allocated to the community development team to expand support for volunteering initiatives and strengthen local capacity.
- *Affordable housing:* An additional resource was temporarily allocated to the strategic planning team to develop an affordable housing scheme and improve opportunities for affordable housing in North Sydney. Without this internal capability, reliance on consultants would have been significantly higher.

In addition to the workforce realignment undertaken in 2023 (outlined above), Council delivered a one-off cost saving of $2.2 million in 2024/25 by holding vacant positions for extended periods. This action was necessary to support short-term liquidity pressures but is not sustainable in the long term, as holding vacancies open increases workforce pressure, reduces service capacity and risks burnout among remaining staff. Prolonged vacancies can also delay projects, reduce responsiveness to the community and undermine the productivity gains achieved through the workforce review.

In 2024/25 Council also implemented a leave management initiative to reduce leave liabilities.

2.1.1 Workforce management summary

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

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

2.2 Service review program (2024/25 onwards)

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

The framework embeds a culture of continuous improvement, encouraging staff to think critically and creatively about current and future needs. Benefits are delivered across five key areas:

- Learning and growth: building staff capability to deliver high-quality, cost-efficient services.
- Internal processes: maximising opportunities for innovation, streamlining procedures, and removing inefficiencies.
- Customer experience: ensuring services continue to meet community needs and expectations.
- Financial sustainability: improving value for money and ensuring long-term affordability of services.
- Environmental sustainability: minimising adverse environmental impacts of Council operations.

The service review program operates on a four-year cycle, with two to three reviews undertaken annually.

Reviews of Customer Service, Development Services and Street Cleaning Operations were undertaken in 2024/25. The Street Cleaning Service Review was the pilot review for the new Service Review Framework.

Reviews of Governance, Tree Management, and Traffic and Transport will be completed in 2026/27.

2.2.1 Customer Service Review

The Customer Service Review delivered substantial improvements to efficiency, governance, risk management and the customer experience. Key changes focused on process optimisation, workforce realignment, digitisation and technology upgrades. Collectively, these initiatives have reduced costs, freed up staff capacity, and improved the quality and timeliness of services to the community. Overall, more than 7,000 staff hours per year have been saved through automation, digitisation, and smarter ways of working.

Some of the already implemented improvements include:

- *Website and self-service improvements*
  Redeveloped website content provided customers with clearer, more accessible information. This increased self-service, reduced call volumes and freed staff to manage more complex enquiries.
- *Streamlined licensing and permits*
  Outdated, paper-based licensing and permit systems were consolidated into digital processes. This included a centralised application form, electronic registers, debtor management, and refreshed templates and training materials. These changes delivered direct annual savings through role disestablishment and reduced printing and postage costs.
- *Workforce optimisation*
  Duplicate leadership roles were removed and departmental meetings, KPIs, recognition programs and a structured five-day training plan were introduced.
- *Multi-disciplinary team capability*
  Staff were cross-trained across the call centre, front counters and administration. This allowed flexible rostering, improved productivity and greater resilience during peak demand, reducing downtime and lifting service responsiveness.
- *Technology upgrades*
  A new Contact Centre Platform introduced skills-based call routing, faster onboarding and real-time after-call task completion. Automated Resident Data Reports and Address Comparison Reports reduced manual workload on annual parking permit audits, improving data integrity and compliance.
- *Online payments*
  A secure online payment gateway was introduced, reducing cash handling, counter visits and staff processing time.
- *Digitisation*
  Resident and Temporary Parking Permits were digitised, enabling online renewals and payments, removing printing and postage costs, and reducing administrative handling.

2.2.2 Development Services Review

The Development Services Review has delivered significant efficiency improvements, enhanced governance and measurable productivity gains. By digitising workflows, standardising templates, introducing triage and building internal capability, the review has improved consistency, transparency and turnaround times for applicants. The productivity benefits are substantial and already delivering faster outcomes for the community, including a >20% reduction in gross average assessment times (from 158 days in January 2025 to 125 days in June).

Some of the already implemented improvements include:

- *Application triage*
  Introduced structured Development Application Triage meetings, ensuring consistent allocation, faster processing and reduced risk of inconsistent referrals.
- *Notification process*
  Shifted from weekly batching to mid-week processing, cutting delays and enabling quicker determinations.
- *Notification signs*
  Replaced single-use plastic boards with A3 paper signs featuring QR codes, lowering costs, improving sustainability and providing customers simple online access to DA information.
- *Delegations*
  Expanded staff delegations for minor variations and appeals, reducing unnecessary referrals to the Planning Panel and speeding up decision-making.
- *Process mapping*
  Documented and published priority processes, reducing training time, improving consistency, and supporting quicker onboarding of new staff.
- *Condition library*
  Embedded standardised condition templates in the assessment system, reducing errors, improving clarity for applicants and strengthening legal defensibility.
- *Report and template updates*
  Streamlined and standardised reports, making them clearer, more consistent and easier to understand for decision-makers and applicants.

- *Legal services reform*
  Appointed an in-house planning law specialist, reducing reliance on external legal providers, cutting costs and improving management of appeals. The savings from this appointment are included under 'Building internal capability' in section 2.3.
- *Referral templates*
  Introduced standardised internal referral templates, improving clarity, tracking and turnaround times while reducing duplicated effort.
- *Data and reporting*
  Implemented real-time dashboards and Power BI reporting, giving managers and staff greater oversight of workloads, performance and decision timeframes.

2.2.3 Street Cleaning Service Review (pilot)

The Street Cleaning Service Review identified more than $400,000 in annual savings, with full benefits expected from 2026/27. To date, several improvements have already been implemented, delivering immediate efficiencies, risk reduction and better customer outcomes. Early actions have realised $13,200 per year in fuel and maintenance savings, alongside significant time efficiencies that are being reinvested into service delivery.

Some of the already implemented improvements include:

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

2.2.4 Service review summary

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

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

2.3 Continuous improvement initiatives (ongoing)

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

As part of this program, process mapping commenced in early 2024. This work has provided a clear, visual understanding of workflows, helping staff identify inefficiencies and implement practical improvements. Approximately 270 processes have now been mapped, creating clearer documentation, supporting compliance and generating valuable training resources. While process mapping has directly driven many improvements, it represents just one element of the broader continuous improvement agenda.

Continuous improvement across Council has been achieved through:

1. **Building internal capability**
   Building staff expertise to reduce reliance on external consultants and contractors. This includes upskilling staff, creating specialist roles and enabling teams to perform work previously outsourced, which improves resilience and lowers costs.
2. **Changed formats of service delivery**
   Adjusting how services are delivered to make them more efficient, sustainable, or cost-effective (e.g. outsourcing food handling, using volunteers, introducing new service models).
3. **Cost avoidance**
   Preventing expenditure that would otherwise have been incurred. Achieved by introducing new processes, improving procurement terms, sourcing free or low-cost alternatives and reviewing grants. These initiatives ensure Council delivers the same or better services without additional outlay.
4. **Digitisation and automation**
   Transforming manual, paper-based or repetitive processes into streamlined digital workflows. These initiatives improve accuracy, save staff time, and enhance service delivery by leveraging automation and digitised records.
5. **Enhanced procurement and contract management**
   Securing better value from suppliers through smarter purchasing, bundled contracts and stronger negotiation. This category also includes improved vendor management and consolidation of systems or platforms to reduce duplication.
6. **Online customer service improvements**
   Making it easier for the community to interact with Council by moving services online. These initiatives reduce administrative effort, improve response times and provide more accessible and transparent customer experiences.
7. **Process improvement**
   Analysing workflows to identify inefficiencies and redesign processes. This structured approach ensures consistency, supports training, aids compliance and underpins continuous improvement across all service areas.
8. **Quality assurance**
   Ensuring projects and services are delivered consistently and meet required standards. Initiatives focus on improved oversight and processes that reduce errors and improve quality and reliability.
9. **Revenue initiatives**
   Generating new or enhanced income streams to support Council's financial sustainability. Examples include additional advertising in public places, user fees and charges, improved invoicing systems and better debt management practices.
10. **Rostering/scheduling adjustments**
    Improving efficiency and service coverage through smarter scheduling and rostering. Initiatives include reducing reliance on overtime, staggering shifts and focusing patrols and maintenance where they are most needed, ensuring better use of resources and continuous service delivery.
11. **Technology improvements**
    Enhancing systems and infrastructure to reduce manual handling, improve data accuracy, and increase resilience. These initiatives include system consolidations, platform upgrades, and integrations that improve efficiency and reduce risks.
12. **Workforce optimisation**
    Maximising the impact of our workforce by aligning people, skills, and resources to areas of greatest need, ensuring Council delivers more with the same resources while strengthening resilience and supporting a productive, engaged workforce.

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

2.3.1 Past and current productivity improvement actions

The tables below highlight specific actions, process changes and initiatives that have already been implemented and have contributed to delivering productivity gains.

P1. Building internal capability

Council has made significant progress in reducing reliance on external providers by building specialist skills and expertise in-house. This investment in staff training, multidisciplinary teams, and new roles has increased resilience, improved responsiveness, and reduced costs.

Notable Examples:

- **Planning Legal Counsel**: Appointment of an in-house planning legal counsel reduced reliance on external legal services for appeals and advice.
- **Role evaluations:** Previously outsourced, now conducted in-house, generating ongoing savings and reducing turnaround times.
- **Playground inspections**: Selected team members trained and accredited to conduct inspections, replacing the need for regular external contractors.
- **Prosecutions**: Ranger and Parking Services staff now trained to represent Council in court, eliminating the need for external legal representation.
- **Customer Service transformation**: Teams retrained across multiple functions (call centre, front counter, administration) to create flexibility, improve productivity, and reduce downtime.
- **Strategic planning:** Development of a full suite of Council strategies completed internally, avoiding consultancy costs.
- **Project Management Framework**: Developed in-house rather than relying on consultants, avoiding costs while strengthening governance and delivery of capital projects.

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

Estimated gains			
$497,000 cost savings (per year)	$71,000 cost containment (per year)	$500,000 cost containment (one-off)	70 hrs/year efficiency gains

P2. Changed format of service delivery

Council has modernised the way certain services and events are delivered, reducing costs while maintaining or improving community outcomes. By moving away from traditional resource-intensive approaches, these changes have created efficiencies, encouraged community participation, and ensured service quality is sustained at a lower cost.

Notable Examples:

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

These initiatives demonstrate Council's ability to adapt service delivery models to be more cost-effective and efficient without compromising outcomes for the community.

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

P3. Cost avoidance

Council has reduced unnecessary expenditure through smarter processes, stronger governance, and more efficient use of resources. These initiatives have avoided costs that would otherwise have been incurred, while also delivering efficiency gains and strengthening staff capability. Grant funding arrangements were also altered for one year to address short-term liquidity pressures.

Notable Examples:

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

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

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

P4. Digitisation and automation

Council has significantly modernised its operations by digitising manual processes and introducing automation across a wide range of services. These changes have replaced paper-based systems, reduced repetitive manual tasks, improved accuracy and reporting, and delivered faster, more consistent outcomes for both staff and the community. The efficiencies gained have freed up staff time for higher-value activities, strengthened compliance, and reduced organisational risk.

Notable Examples:

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

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

Estimated gains

7,620 hrs/year efficiency gains

P5. Enhanced procurement and contract management

Council has delivered significant improvements in procurement and contract management by taking a more strategic and coordinated approach. Through role consolidation, supplier negotiations, bulk purchasing, and the formalisation of long-term agreements, Council has reduced licensing and service costs, avoided large capital expenditures, and strengthened vendor partnerships. These initiatives have improved governance, achieved measurable savings, and redirected resources towards higher-value services that benefit the community.

Notable Examples:

- **Cyber security platforms:** Multiple stand-alone tools were replaced by a unified cyber security platform, reducing licensing costs and staff time spent managing separate systems.
- **Firewall replacement**: Negotiated with the vendor to secure next-generation firewalls at no cost, avoiding a major capital purchase.
- **Telephony, mail, rates and community engagement systems:** Migrated to more cost-effective providers, achieving ongoing annual savings and improved service delivery.
- **Insurance and claims**: Directing repairs to preferred providers reduced costs and improved value for money.
- **Role consolidation**: Combined the Contracts Manager and Procurement Manager into one role, improving governance while reducing staffing costs.
- **Bundled maintenance works:** Packaging jobs geographically achieved significant contractor savings, with funds reinvested into additional works.
- **Use of electric vehicles**: Council has moved towards the purchase of electric vehicles, reducing exposure to fuel price fluctuations.
- **Vendor agreements:** Formalised long-term agreements and secured contributions from external partners, delivering more stable and beneficial outcomes.
- **Bulk purchasing and signage**: Buying materials in larger volumes and switching to reusable signage reduced costs and waste.

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

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

P6. Online customer service improvements

Council has transformed customer interactions by moving away from paper-based, manual, and fragmented processes to digital, streamlined, and accessible services. Through online forms, digital platforms, and upgraded web content, customers now have 24/7 access to services, while staff benefit from reduced manual handling, fewer enquiries, and more accurate data capture. These initiatives have delivered efficiency gains, minimised risk of errors, and enhanced transparency, while creating a simpler, faster, and more consistent experience for the community.

Notable Examples:

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

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

Estimated gains

1,130 hrs/year efficiency gains

P7. Process improvements

Council has strengthened operations by streamlining workflows, standardising procedures, and embedding smarter practices across multiple service areas. By removing duplication, automating manual processes, and integrating new systems, efficiencies have been created that free up staff for higher-value tasks, reduce risks, and improve consistency. These changes have lifted service standards, reduced compliance and audit risks, and ensured faster, more reliable outcomes for the community.

Notable Examples:

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

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

Estimated gains			
$2,000 cost savings (per year)	$40,000 additional revenue (per year)	$310,000 cost containment (per year)	5,180 hrs/year efficiency gains

P8. Quality assurance

Council has strengthened quality assurance by improving internal processes, standardising responses, and taking greater control of service delivery. These initiatives have reduced errors, improved consistency, and created more reliable outcomes for both staff and the community.

Notable Examples:

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

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

Estimated gains
880 hrs/year efficiency gains

P9. Revenue initiatives

Council has strengthened its financial sustainability by introducing new fees, updating outdated charges, identifying new/expanded revenue opportunities, and recovering costs that were previously absorbed. These measures ensure that those using services or undertaking activities that require additional oversight contribute fairly to the cost of providing them. The initiatives not only improve accountability and cost recovery but also support safer practices, better compliance, and more transparent service delivery.

Notable Examples:

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

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

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

P10. Rostering and scheduling adjustments

Council has strengthened rostering and scheduling practices to reduce inefficiencies, improve service coverage, and better align resources with operational needs. By introducing flexible rosters, adjusting service-level requirements, and staggering shift times, Council has reduced reliance on overtime and casual staff, focused resources where they are most needed, and ensured continuous regulatory coverage. These changes have removed unnecessary expenditure, improved visibility of officers, and ensured more consistent regulatory outcomes for the community.

Notable Examples:

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

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

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

P11. Technology improvements

Council has made essential upgrades to its technology platforms to improve efficiency, strengthen security, and deliver more reliable services for staff and the community. Many of these improvements have been delivered in-house, with minimal investment, by making better use of existing systems and resources. While these changes have reduced risks and cut manual workloads, they are short-term solutions. Council's core systems remain outdated and will ultimately require significant investment to achieve a sustainable technology environment.

Notable Examples:

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

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

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

P12. Workforce optimisation

Council has taken steps to optimise its workforce by streamlining processes, shifting tasks in-house, making greater use of volunteers, and reducing reliance on external contractors. By making better use of internal resources and community partnerships, Council has improved efficiency, achieved savings, and delivered more consistent service outcomes.

Notable Examples:

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

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

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

2.3.2 Future productivity improvement actions

The tables below highlight some of the productivity and cost containment actions planned for implementation in 2026/27 onwards.

F1. Building internal capability

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

Notable Examples:

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

Estimated gains	
$408,000 cost savings (per year)	70 hrs/year efficiency gains

F2. Changed format of service delivery

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

Notable Examples:

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

Estimated gains
440 hrs/year efficiency gains

F3. Cost avoidance

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

Notable Examples:

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

Estimated gains
$69,000 cost savings (per year)

F4. Digitisation and automation

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

Notable Examples:

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

Estimated gains
2,750 hrs/year efficiency gains

F5. Enhanced procurement and contract management

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

Notable Examples:

- **Pre-employment checks:** Bundled background checks with volume discounts will reduce costs and save hiring managers' time, shortening recruitment times.
- **Procurement consolidation:** Common items will be consolidated under unified contracts, leveraging Council's purchasing power and reducing duplication.

The potential cost savings from procurement consolidation are not yet known.

Estimated gains	
$3,000 cost savings (per year)	150 hrs/year efficiency gains

F6. Online customer service improvements

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

Notable Examples:

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

Estimated gains

1,770 hrs/year efficiency gains

F7. Process improvements

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

Notable Examples:

- **Document management workflow:** Workflows will be redesigned so tasks are allocated to role-based pools with automated escalation, reducing delays and ensuring timely action.
- **Onboarding:** A centralised digital onboarding process will give new employees a clearer start, improve engagement, and help them reach productivity sooner.
- **Committees and statutory meetings:** Reports for all meetings will be moved to a single document collaboration platform, removing manual formatting and publication tasks while improving accuracy and transparency.
- **Bond management:** A streamlined bond management system will reduce processing steps, cut delays, and improve consistency in bond release.
- **Coal Loader event bookings:** A single online booking form and updated guidelines will simplify processes for event organisers and staff, reducing duplication and increasing clarity.
- **Accessibility guidelines:** New accessibility guidelines, developed with the Access and Inclusion Committee, will be applied to all future capital works, reducing remediation costs and ensuring inclusive infrastructure from the outset.
- **Grants:** A new Community Investment Framework will replace ad hoc funding processes with coordinated partnership agreements, improving transparency, accountability, and efficiency.
- **Communications and engagement requests:** Standardised online request forms and templates will replace ad hoc briefings, reducing miscommunication and ensuring more consistent, timely promotion of Council initiatives.

Potential productivity gains are not yet quantified for some initiatives.

Estimated gains

2,730 hrs/year efficiency gains

F8. Quality assurance

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

Notable example:

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

Estimated gains
100 hrs/year efficiency gains

F9. Revenue initiatives

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

Notable Examples:

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

  **Subject to community exhibition and Council approval*

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

F10. Rostering and scheduling adjustments

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

Notable Examples:

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

Estimated gains		
$1,600 cost savings (per year)	$108,000 additional revenue (per year)	3,900 hrs/year efficiency gains

F11. Technology improvements

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

Notable Examples:

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

Estimated gains	
$9,000 cost savings (per year)	3,200 hrs/year efficiency gains

F12. Workforce optimisation

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

Notable Example:

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

Estimated gains
Potential productivity gains are not yet quantified

Service Level/Asset Management – Community Survey

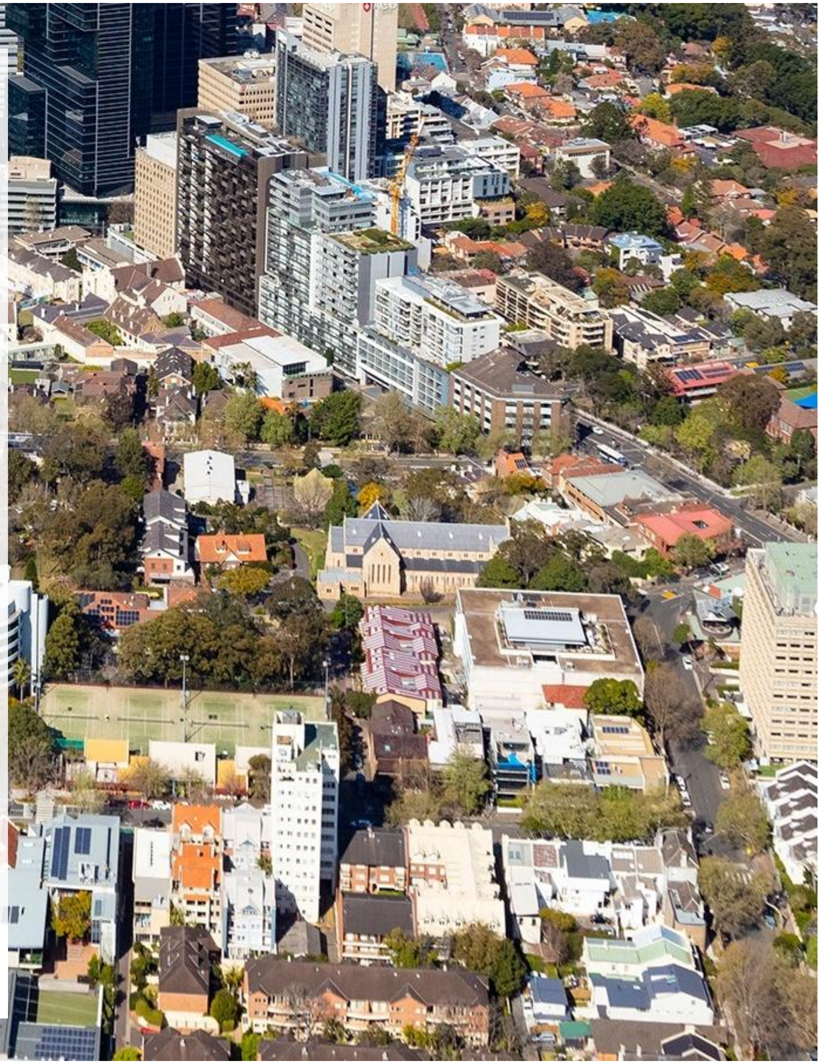
Community Baseline Measure (Stage 1)

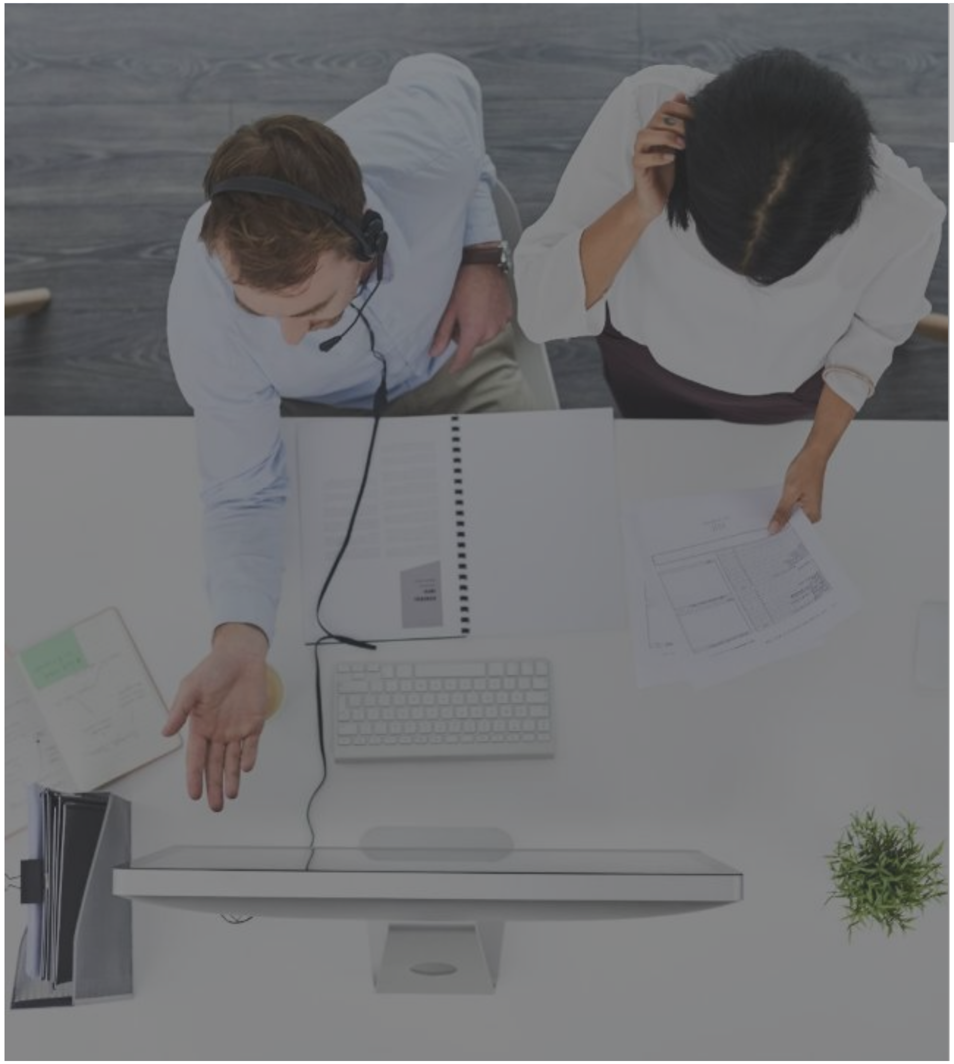
Informed Community Response (Stage 2)

Prepared by: Micromex Research
Date: Updated October 9, 2025

Report Outline

micromex research





Research Objectives

North Sydney Council commissioned Micromex Research to conduct a two-stage consultation project with residents regarding asset management within the North Sydney Council local government area (LGA). Below is a summary of the methodology:

- **Community Baseline Measure:** The first stage of the consultation involved a representative survey of residents living in the North Sydney LGA. This baseline stage involved a mixed mode methodology, with residents recruited via telephone and online community panels. The survey aimed to explore residents' perceptions regarding Council's financial investment across asset classes and support for increased rates to cover maintenance and improvement costs:
    - Interviews conducted between 28th July to 11th August 2025
    - N=605 residents were interviewed during this stage (Telephone: N=505; Online: N=100)
- **Informed Community Response:** The second stage of the community consultation consisted of a self complete online survey. Residents from the baseline survey were provided with the opportunity to receive an SMS or email link to an online, self complete survey. The survey sought to explore residents' preference for conditions and desired level of investment across community asset classes, based on more detailed text/image-based information:
    - Conducted between 28th July to 11th August 2025
    - N=302 residents completed Stage 2 of the consultation

Methodology and Sample

Sample selection and error

- **Community Baseline Measure:** A total of N=505 resident interviews were completed via telephone, N=100 were completed via online community panels (together with Stage 2). A sample size of N=605 residents provides a maximum sampling error of plus or minus 4.0% at 95% confidence. This means that if the survey was replicated with a new universe of N=605 residents, 19 times out of 20 we would expect to see the same results, i.e. +/- 4.0%. For example, an answer such as 'yes' (50%) to a question could vary from 46% to 54%.
- **Informed Community Response:** A total of N=302 residents completed Stage 2 of the research, all of whom had completed the Stage 1 questionnaire. A total sample size of N=302 residents provides a maximum sampling error of plus or minus 5.6% at 95% confidence. This means that if the survey was replicated with a new universe of N=302 residents, 19 times out of 20 we would expect to see the same results, i.e. +/- 5.6%. For example, an answer such as 'yes' (50%) to a question could vary from 44% to 56%.

Interviewing

Interviewing was conducted in accordance with The Research Society Code of Professional Behaviour.

Data analysis

The data within this report was analysed using Q Professional.

Within the report, blue and red font colours are used to identify statistically significant differences between groups, i.e., gender, age, etc.

Significance difference testing is a statistical test performed to evaluate the difference between two measurements. To identify the statistically significant differences between the groups of means, 'One-Way Anova tests' and 'Independent Samples T-tests' were used. 'Z Tests' were also used to determine statistically significant differences between column percentages.

Note: All percentages are calculated to the nearest whole number and therefore the total may not exactly equal 100%.

Ratings questions

The Unipolar Scale of 1 to 3 was used in investment questions, where 1 was less and 3 was more.

The Unipolar Scale of 1 to 5 was used in satisfaction/support questions, where 1 was not at all satisfied/supportive, and 5 was very satisfied/supportive.

This scales allowed us to identify different levels of these questions across respondents.

Top 2 (T2) Box: refers to the aggregate percentage (%) score of the top two scores for agreement. (i.e. agree & strongly agree)

Top 3 (T3) Box: refers to the aggregate percentage (%) score of the top three scores for support and satisfaction. (e.g. somewhat supportive/satisfied, supportive/satisfied and very supportive/ satisfied)

Micromex LGA Benchmark

Micromex has developed Community Satisfaction Benchmarks using normative data from over 80 unique councils, more than 200 surveys and over 100,000 interviews since 2012.

Summary Findings

micromex research

Executive Summary

Purpose

This two-stage community consultation, conducted by Micromex Research, is designed as an early step in building the evidence base for a potential future Special Rate Variation (SRV). The findings provide a clear, resident-driven picture of priorities, willingness to pay, and funding expectations.

Why This Matters

IPART's decision earlier this year to reject North Sydney Council's SRV application highlighted three main concerns:

1. Transparency of purpose – the need for a clear link between rate increases and specific asset/service priorities.
2. Community consultation – evidence that residents had been fully informed of financial implications.
3. Reasonableness of the proposal – demonstrating that increases were justified, measured, and supported by evidence.

This research directly addresses those concerns and sets the foundation for a staged, transparent SRV development process.

Framing as Early Input

This consultation is not a rate proposal in itself. Instead, it provides:

- Baseline evidence of community attitudes and informed preferences.
- A foundation for financial modelling, linking investment needs with feasible rate paths.
- A roadmap for staged consultation, ensuring the eventual SRV application is tested, refined, and community-endorsed

Executive Summary

Key Findings from the Research

- Strong recognition of shared responsibility/intergenerational equity: 72% agree every generation should contribute to renewing infrastructure (see Slides 57-59)
- There is <u>little</u> appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – <u>even knowing that maintaining/increasing services will require an increase in rates</u> (see Slides 19, 25 and 63):
  - Targeted willingness to pay: Residents prioritise stormwater (66% support), roads/transport (67%), and footpaths (65%) for increased investment once backlogs and funding gaps are explained – whereas support is less for asset classes such as bus shelters/street furniture and supporting infrastructure such as fences, retaining walls, etc (see Slide 63)
  - Selective trade-offs: The community can discriminate between services, providing Council with opportunities for savings. For instance, 'reducing greenhouse gas emissions' has one of the highest 'improve' scores – but 'environmental education/workshops' has one of the highest 'reduce' scores (see Slide 25). Other lower priority areas that could be streamlined include town promotion, cycleways, street beautification and car parking/enforcement
- Support for innovation: High endorsement of alternative revenue sources, including partnerships, naming rights, and event hire (see Slide 22).

In summary:

This research represents a first, transparent consultation step toward a potential SRV. It shows residents understand the financial trade-offs, are prepared to invest in essential infrastructure, and support innovative funding approaches. By positioning this as early input, Council demonstrates responsiveness to IPART's concerns and commitment to building a community-aligned, future-focused financial strategy.

Executive Summary

The Qualitative Perspective

Part of Council's task in the subsequent stages of community engagement will be to rebuild trust amongst some in the community:

- 74% of residents are at least somewhat satisfied with the performance of Council – this is well down on both our metropolitan benchmark of 89% and Council's previous score of 92% in 2023 (obtained prior to the recent SRV application process) (see Slide 86)
- Encouragingly, based on the follow-up questionnaire, 84% were at least somewhat satisfied with the current community consultation, and 86% were at least somewhat satisfied with the amount of information provided in this consultation – suggesting continued engagement by Council with the community may help to rebuild community trust (see Slides 87 and 89)
- Based on open-ended questions, past 'mismanagement' and concerns around transparency, especially the North Sydney Pool project, has created mistrust in Council and created scepticism that rate rises will be used effectively (see Slides 20, 59 and 88).

Executive Summary

Next Steps

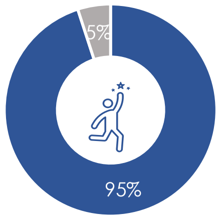
Council will use this research to:

1. Model targeted SRV scenarios tied directly to asset renewal priorities.
2. Conduct further consultation with residents on specific funding options.
3. Demonstrate to IPART that future SRV proposals are based on transparent, staged, and evidence-driven engagement.

Community Baseline Measure

Summary Findings – Stage 1

Baseline sample



95% of residents rated their quality of life as good to excellent

Rates and Spending:

66% of residents are at least somewhat supportive of paying more in rates to maintain or improve services.

Residents who are supportive/ very supportive believe improvements are needed/ will benefit the area and that current rates manageable compared to other council areas. For those less supportive, residents cited cost of living pressures and Council's financial management as key concerns.

When asked about alternative revenue sources, there was stronger support for corporate/private event pool hire (87%), commercial/large group park fees (77%) and facility naming rights (74%).

Service/Infrastructure Priorities:

When residents were asked about their preference for Council to focus on lower-cost services and infrastructure, resulting in lower quality or fewer options, or high-quality services and infrastructure at a higher cost, 43% took a balanced view, 36% preferred higher-quality services, at higher cost, and 21% leaned toward lower-cost, lower-quality options.

Residents were asked if they believe Council should reduce, maintain or improve service levels across 51 service areas. In summary, the majority of residents prefer for Council to maintain – if not improve – service levels, with some areas seen as a higher priorities for improvement.

Improve (top 3):

- Affordable/diverse housing (39%), reducing greenhouse gas emissions (33%) and Council input into transport planning (33%)

Reduce (top 3):

- Environmental education/workshops (36%), town centre promotion (33%) and cycleways (33%)

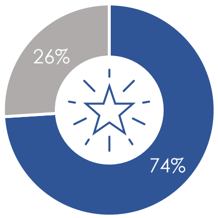
Maintain (top 3):

- Libraries (opening hours and physical spaces – 78%), sportsfields (78%), wharves and jetties (77%).

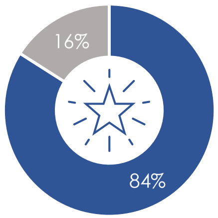
Informed Community Response

Summary Findings – Stage 2

Informed sample



Overall, 74% of residents are at least somewhat satisfied with the performance of Council across all responsibility areas.



84% of residents were at least somewhat satisfied with the community consultation.

Future Funding:

Almost three quarters of residents (72%) agree or strongly agree with the statement 'each generation should contribute to the renewal of community infrastructure they have used and benefited from'.

Whilst a sizeable minority (47%) do not want Council to take on further debt, the underlying expectation is that if debt is required, Council should take a cautious approach; that is, borrowing tied to current financial sustainability and income-generating projects, rather than debt-driven acceleration of infrastructure delivery.

Asset Investment:

On average, overall, nearly 1 in 3 residents prefer more Council spending, and 63% support paying more in Council rates.

Support for paying more in rates to cover maintenance and renewal costs was strongest for roads and transport (67%), stormwater (66%) and footpaths (65%); It was lowest for bus shelters and street furniture (57%).

- Stormwater: 95% want same/more investment and 66% support paying more.
- Supporting Infrastructure: 94% want same/more investment and 62% support paying more.
- Roads and Transport: 92% want same/more investment and 67% support paying more.
- Bus Shelters and Street Furniture: 86% want same/more investment and 57% support paying more.
- Footpaths: 90% want same/more investment and 65% support paying more.
- Buildings: 90% want same/more investment and 62% support paying more.
- Parks, Reserves and Sportsfields: 89% want same/more investment and 63% support paying more.

Baseline sample

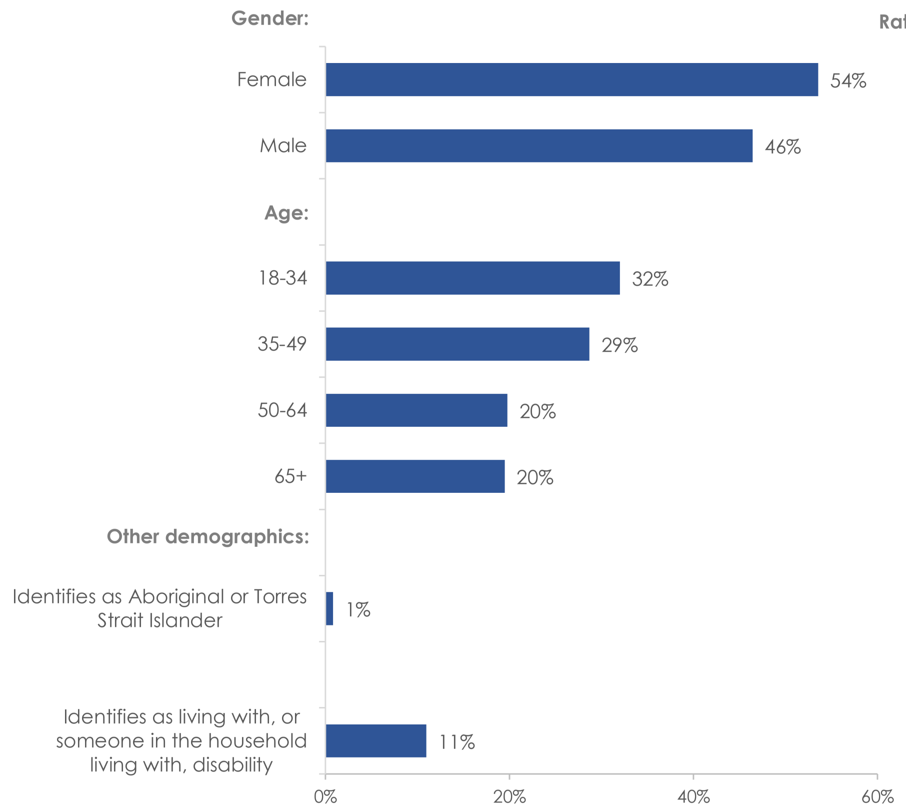
Section One:
Community Baseline Measure

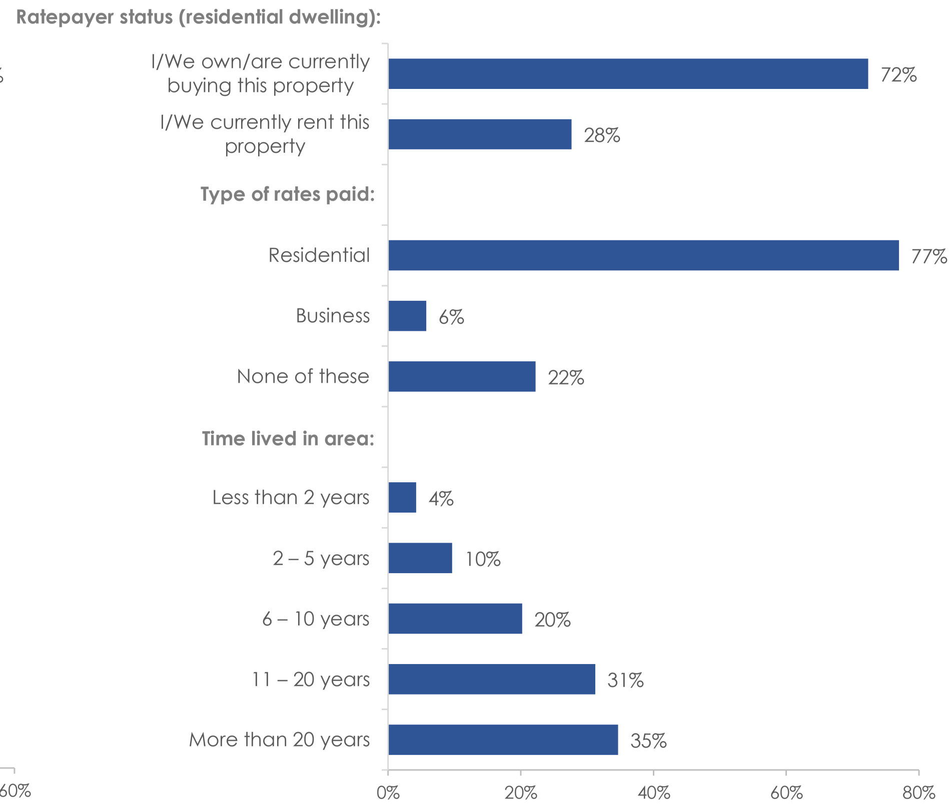
micromex research

Sample Profile

The sample was weighted by age and gender to reflect the 2021 ABS Census data for the North Sydney local government area.

Baseline sample





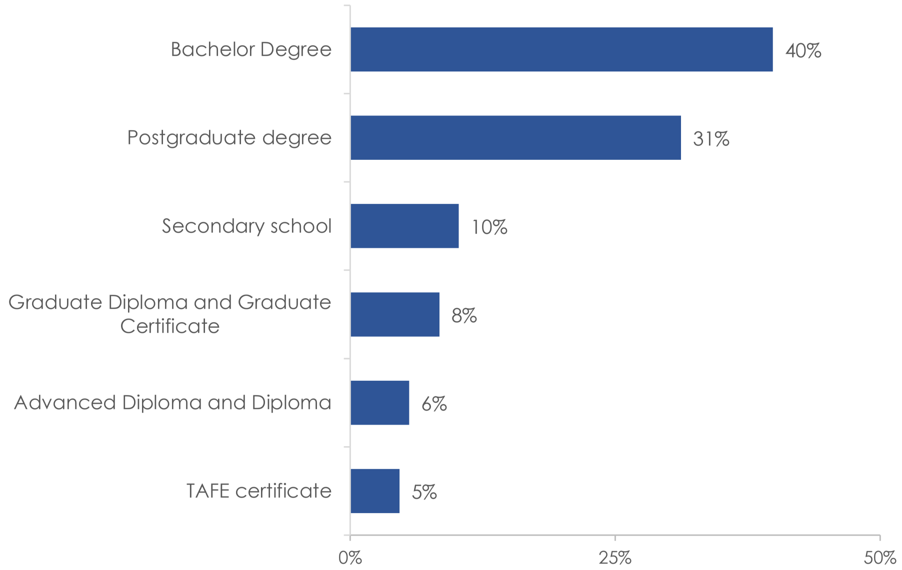
Base: N = 605

Sample Profile

Baseline sample

The sample was weighted by age and gender to reflect the 2021 ABS Census data for the North Sydney local government area.

Highest level of education:



Residential suburb	N=605
Cremorne	16%
North Sydney	15%
Wollstonecraft	11%
Cammeray	11%
Neutral Bay	11%
Crows Nest	9%
McMahons Point	5%
Waverton	5%
St Leonards	4%
Kirribilli	4%
Lavender Bay	3%
Milsons Point	2%
Cremorne Point	2%
Kurraba Point	1%

Base: N = 605

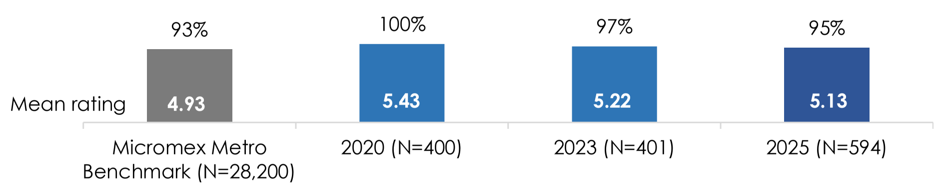
Quality of Life

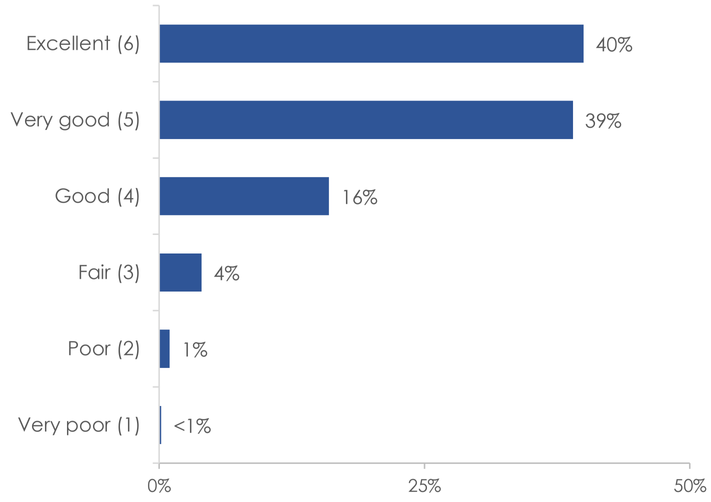
Baseline sample

Overall, 95% of residents rated their quality of life living in the North Sydney LGA as good to excellent – there was minimal difference across key demographics (which is not surprising given the very high overall score).

Whilst still very high, and higher than the Metro Benchmark, quality of life ratings have seen a downward trend from 2020 (100% to 95% top 3 box rating). Whilst this may reflect factors such as the increased cost of living in recent years, our metropolitan quality of life benchmarks have not declined since the COVID years.

Good to Excellent rating (T3B %) compared to benchmark and past years





	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	95%	95%	96%	97%	94%	95%	95%	96%	94%	96%	93%	96%
Mean rating	5.13	5.13	5.13	5.10	5.08	5.25	5.13	5.12	5.14	5.12	5.10	5.17
Base	594	277	317	188	169	119	118	438	156	199	187	208

Base: N = 594

Q2. *Overall, how would you rate the quality of life you have living in the area?*

Scale: 1 = very poor, 6 = excellent

Section 1a.
Services and Infrastructure in the LGA

Baseline sample

This section explores support for increased rates to maintain or improve services in the local area, support for alternative revenue sources and preference for cost vs quality.

micromex research

Section One Introduction

Baseline sample

Note: The following information was provided to respondents at the beginning of the survey in Stage 1 of the research.

North Sydney Council is currently working to strengthen service and infrastructure delivery to support quality of life now, and into the future.

Based on Council's current financial position, together with ageing infrastructure, it has been determined that current service levels are unsustainable. A review of rating levels has also indicated the average rates in North Sydney Local Government area are low compared to many local councils.

Together with the community, Council must make some difficult decisions and compromises to shape the future. Council is asking for your help to guide this process by sharing your opinion on services, infrastructure, and rating levels.

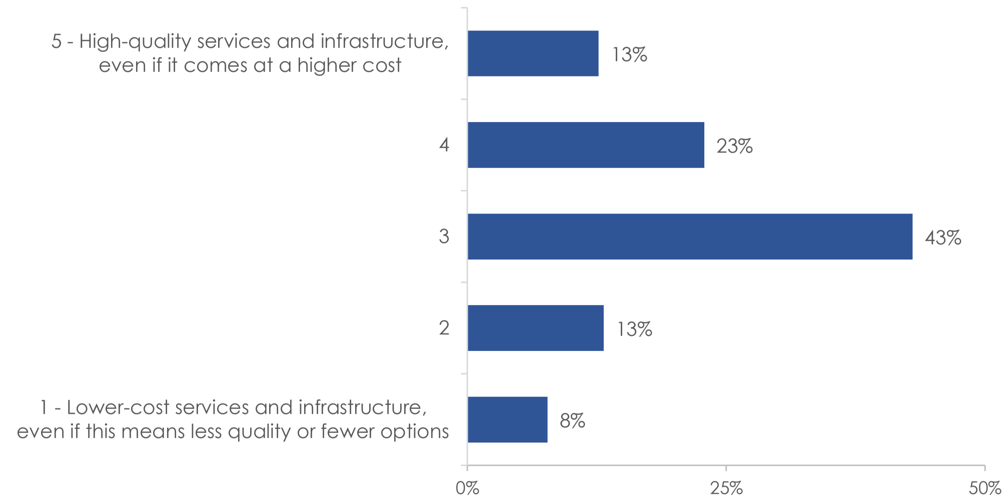
Cost vs. Quality

Baseline sample

43% of residents sit in the middle on the cost-quality trade-off, perhaps suggesting an interest in at least maintaining services at their current levels.

Focussing on those who leaned away from the midpoint, 36% favoured higher quality services at higher cost, while 21% preferred lower-cost, lower-quality options.

Support for high-quality services is stronger among those aged 18-34 and 65+, while those aged 35-64 are more cost-conscious.



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Rated 4 to 5 (high-quality, higher cost)	36%	35%	36%	41%	27%	28%	46%	35%	37%	38%	37%	32%
Rated 1 to 2 (lower-cost, lower-quality or fewer options)	21%	24%	19%	21%	22%	24%	16%	23%	16%	19%	17%	26%
Base	602	280	322	194	174	118	117	435	167	206	187	209

Q3. *Thinking generally about service provision. On a scale of 1 to 5, where 1 means you would prefer for Council to focus more on lower-cost services and infrastructure, even if this means lower quality, or fewer options, and 5 means you prefer to see Council focus on providing high-quality services and infrastructure, even if it comes at a higher cost. How would you rate your position on this area?*

Support for Paying More in Rates to Improve Services/Infrastructure

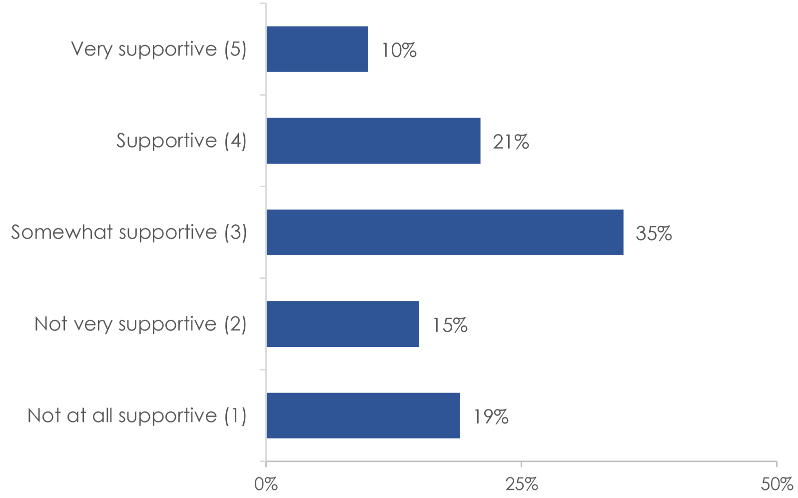
Baseline sample

Context: *North Sydney Council's average residential rates for 2025/26 will be $1,079. This is compared with neighbouring councils in the North Shore, Mosman $1,762, Lane Cove $1,439, Willoughby $1,323, and the Northern Beaches $1,901.*

Two thirds of residents were at least somewhat supportive of paying more in rates to maintain or improve services and infrastructure in the local area.

Note that amongst those who gave the mid-point code 3 on Q3 (see previous slide), 68% were at least somewhat supportive of paying more in rates, suggesting that as hypothesised on the previous slide, they have an interest in at least maintaining services at their current levels.

	Overall	Cost vs. Quality rating (Q3)		
		Rated 4-5 (higher quality)	Rated 3	Rated 1-2 (lower cost)
Top 3 Box %	66%	82%	68%	33%
Mean rating	2.87	3.48	2.83	1.91
Base	605	214	262	126



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	66%	67%	64%	68%	63%	60%	70%	64%	70%	65%	69%	64%
Mean rating	2.87	2.93	2.82	2.94	2.76	2.71	3.07	2.81	3.02	2.90	2.93	2.78
Base	605	281	324	194	174	120	118	438	167	206	189	210

Base: N = 605

Q12a. *In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area?*

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support (by group)

Support for Paying More in Rates to Improve Services/Infrastructure

Baseline sample

Residents who are supportive/very supportive of paying more in rates to improve services/infrastructure believe improvements are needed/will benefit the area and that current rates are not that high/manageable compared to other councils.

Those not supportive highlight financial concerns, past mismanagement (e.g., pool spending), and feel they don't get value for money, with mention of alternative funding sources available (charging private schools).

Example verbatims are provided on the next slide.

Reason for rating	N=605
Supportive/Very supportive (4-5)	**31%**
Improvements are needed/it will benefit the area	22%
Our rates are not that high/comparable/within reason	10%
Financial mismanagement/transparency (e.g. spending on the pool)	5%
Other funding sources are available, e.g. private schools	1%
Other comments	4%
Don't know/no response	1%
Somewhat supportive (3)	**35%**
Improvements are needed/it will benefit the area	14%
Financial mismanagement/transparency/disagree with previous spending	13%
Financial concerns/can only afford a small increase	12%
Other funding sources/ideas for saving money	6%
Do not pay rates	1%
Other comments	6%
Don't know/no response	1%
Not very/Not at all supportive (1-2)	**34%**
Financial concerns	17%
Financial mismanagement/transparency/disagree with previous spending	17%
Other funding sources/ideas for saving money	9%
Don't get enough value for money for rates paid/no increase needed/maintain what we have	4%
Comparison with other councils, is not fair	3%
Other comments	3%
Don't know/no response	<1%

Base: N = 605

Q12a. In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area?
Q12b. Why do you say that?

Support for Paying More in Rates to Improve Services/Infrastructure

Baseline sample

Example verbatims

Supportive/ Very supportive

"Not happy to see all the services reduced to a minimum, so rates will need increases in line with other council areas"

"Where we live is wonderful, Council do a great job and offer excellent services and facilities"

"Do not mind paying more in rates but it should be spent wisely"

"Costs are increasing and compared to other councils it's reasonable to increase them"

"I am aware that the Council is not in a great financial position because they used funds for a pool that no one needs"

"Supportive of a rate increase, though I would like private schools to pay more for being in the area"

"Recognise hardship for some, thus the importance of spending wisely"

Somewhat supportive

"Happy with improvements at a reasonable cost"

"Very happy with the way the area is maintained"

"Depends on how much the increase is"

"Rates increase will be difficult due to cost of living"

"The money needs to be spent wisely, not wasted"

"More transparency about what the money is being used for and how much"

"I'm not more supportive because Council could work with the community to save money such as; more residents doing at home composting, more community education and consultation from council, asking for money to attend markets"

"Those suburbs quoted with higher rates, do look a lot cleaner and sharper"

Not at all/Not very supportive

"Council has mismanaged finances where they need to look at other ways to source funding"

"Council overspent on the pool and residents shouldn't have to cover the costs of that"

"Council need to be more transparent and accountable with using funds"

"Comparing rates between councils is irrelevant as every council is vastly different"

"Council should charge privates schools rates"

"I don't see where the money is spent or how the amounts are justified"

"The rent for small business are very high and they are already suffering, so rate increases would affect owners a lot"

"Cost of living crisis - high strata fees, water rates, electricity etc., plus, I'm already paying a lot of taxes - I don't understand why I have to pay more at the local level"

Base: N = 605

Q12a. *In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area?*

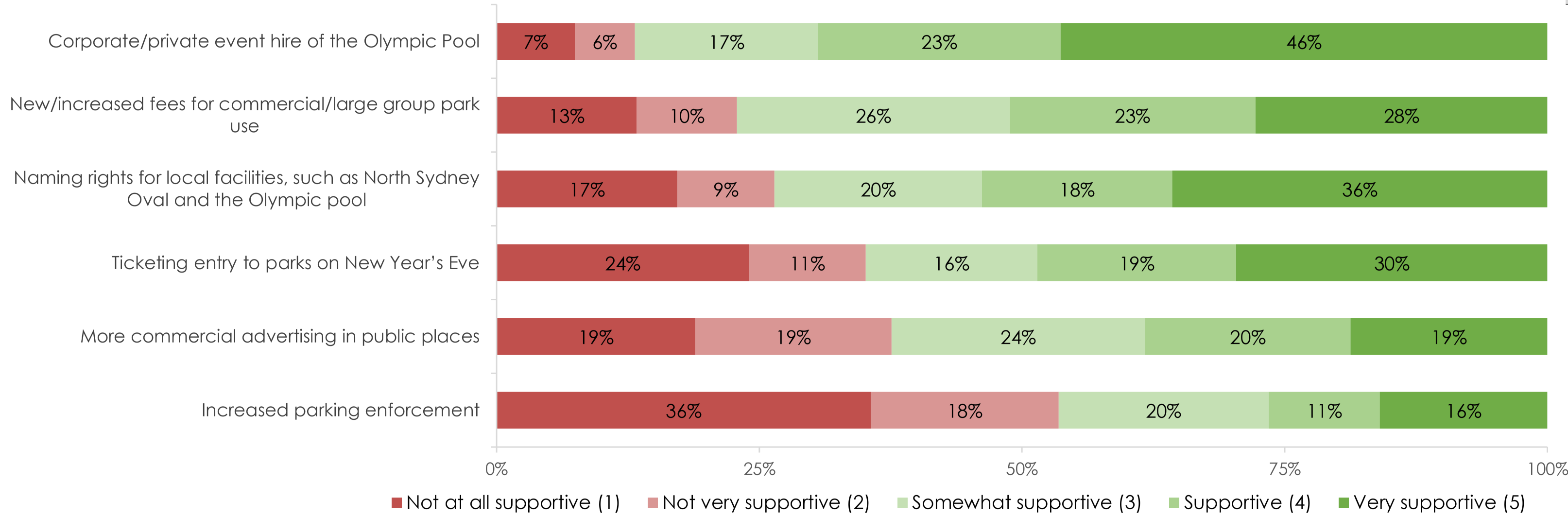
Q12b. *Why do you say that?*

Alternative Sources of Revenue

Baseline sample

Residents are most supportive of corporate/private event hire of the Olympic Pool (87%), new/increased fees for commercial or large group park use (77%), and naming rights for local facilities (74%) as ways to offset Council rate pressures. Ticketed park entry on New Year's Eve (65%) and more commercial advertising in public places (62%) received moderate support, while increased parking enforcement had the lowest levels of support (47%).

Support levels vary by demographics, with males and ratepayers generally more supportive across most measures.



T3B %	Mean rating
87%	3.95
77%	3.43
74%	3.46
65%	3.19
62%	3.01
47%	2.53

Base: N = 604-605

Q12c . To offset or reduce the pressure on Council rates as a revenue source, how supportive are you of the following?

Scale: 1 = not at all supportive, 5 = very supportive
Please see Appendix 1 for results by demographics 22

Section 1b.

Community Priorities for Service Levels

Baseline sample

This section is split across 7 sub-sections to explore resident infrastructure investment priorities across 51 services/facilities.

micromex research

Section 1b Introduction

Baseline sample

The following information was provided to respondents prior to them rating the 51 services/facilities – note that respondents were told there would be an increase in average rates for maintaining or improving services/infrastructure:

We would now like you to think about specific services and infrastructure in the North Sydney local area. For each of these we will ask you if you think Council should:

- *Reduce services/ reduce maintenance of infrastructure (i.e. shorter opening hours, reduced quality)*
- *Maintain services or infrastructure*
- *Improve services or infrastructure, which may include more services, better services, longer opening hours, new or upgraded infrastructure*

Please note that maintaining or improving services or infrastructure will require an increase in average rates.

Service Level Priority Summary

Baseline sample

Residents were asked whether Council should reduce/maintain/improve each of 51 services/infrastructure classes, which we grouped into seven categories. This slide provides a summary of outcomes across all 51 services/infrastructure classes.

On average, almost two thirds of residents (64%) favoured maintaining current service levels – and a further 23% on average supported improvements. In contrast, only 13% of residents on average favoured reducing service levels. Of course, results varied across the 51 attributes:

- Service areas with higher preference for improvement include affordable/diverse housing initiatives (39%), reducing greenhouse emissions (33%), Council input to transport planning (33%), programs for disadvantaged residents (32%), disability/access programs (32%), online services (31%), public toilets (31%) and affordable local events (30%).
- Areas most nominated for reduction include environmental education/workshops (36%), town centre promotion (33%), cycleways (33%), public art/creative activations (28%), street beautification (27%), and parking/enforcement (26%).

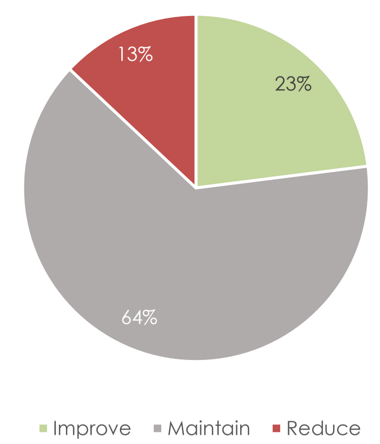
Improve (highest %)

Affordable/diverse housing initiatives	39%	Disability support and access programs	32%
Reducing greenhouse gas emissions	33%	Public toilet maintenance	31%
Council input into transport planning	33%	Online services	31%
Programs for disadvantaged residents	32%	Affordable local events (e.g. Festivals, music, art, workshops)	30%

Reduce (highest %)

Environmental education/workshops	36%	Public art and creative street activations	28%
Town centre promotion	33%	Street beautification programs (i.e. streets alive and community gardens)	27%
Cycleways	33%	Car parking and enforcement	26%

Average future service expectation across 51 services/facilities:



Base: N = 605

25

Section 1b(a).

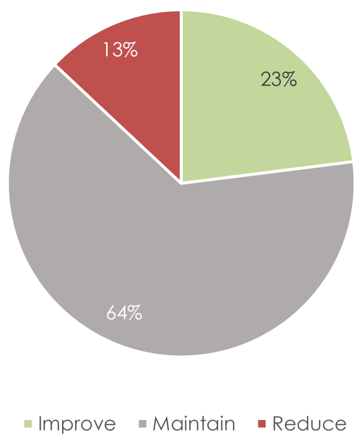
Environmental Sustainability

Baseline sample

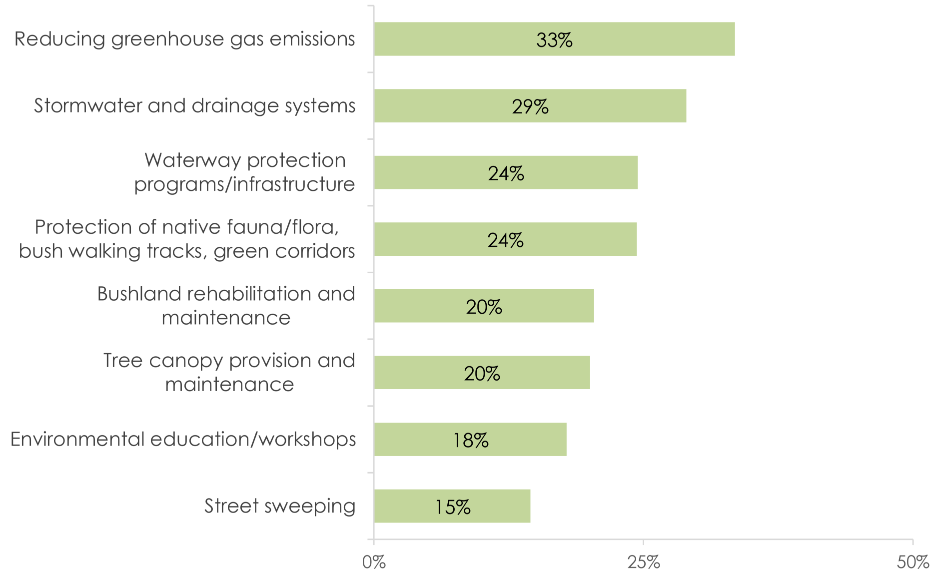
On average, almost 1 in 4 (23%) residents would like to see Council improve Environmental Sustainability services and infrastructure. 64% would like to see the service level maintained and 13% reduced.

Residents are most likely to want to see Council make improvements in 'reducing greenhouse gas emissions' and 'stormwater and drainage systems' (the latter perhaps reflecting what had been a wet winter in Sydney).

Average future service expectation across 8 services/facilities:



Improve



Base: N = 604-605

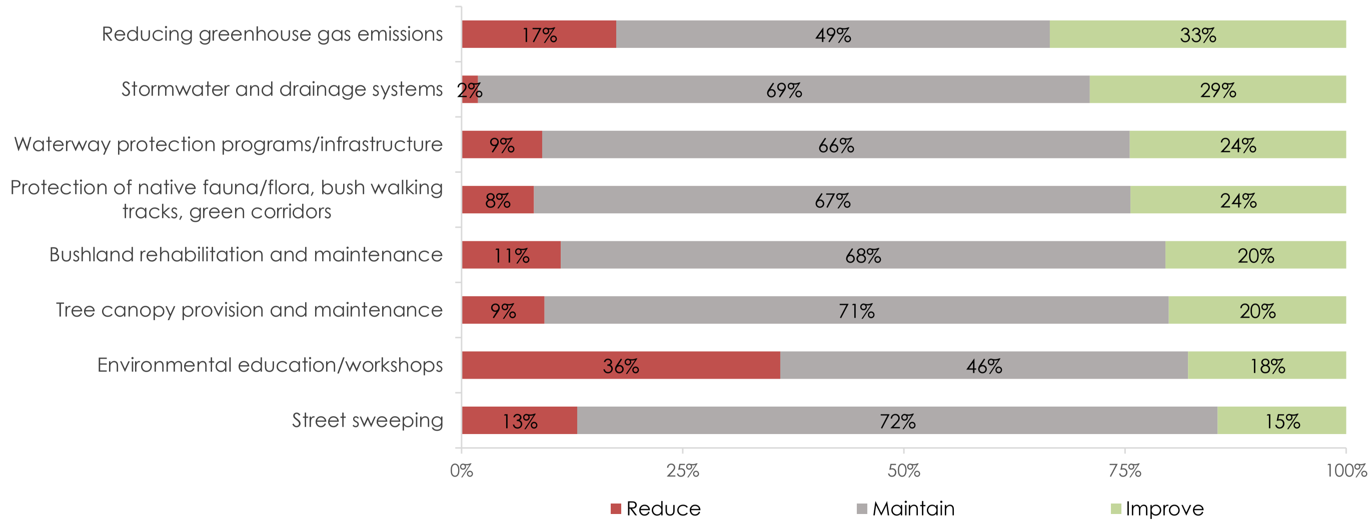
Environmental Sustainability

Baseline sample

Across all eight Environmental attributes, the majority of residents wanted the services at least maintained, if not improved:

- In particular, there is almost universal agreement that attention to 'Stormwater and drainage systems' cannot be reduced
- The one potential opportunity for Council to reduce service delivery is with 'environmental education/ workshops', with 36% believing Council should reduce its level of service.

Younger residents (18-34) and non-ratepayers are more likely to desire improvements across almost all environmental sustainability areas. Those aged 18-34 are significantly more likely to want Council to improve their 'environmental education/workshops', while those aged 65+ are significantly more likely to want improvements in 'tree canopy provision and maintenance' and 'street sweeping'.



Base: N = 604-605

Q5. *Thinking about our local environmental sustainability, do you think Council should reduce, maintain, or improve…*

Environmental Sustainability

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Reducing greenhouse gas emissions	33%	29%	37%	41%	32%	26%	30%	29%	46%	36%	33%	31%
Stormwater and drainage systems	29%	29%	29%	32%	24%	26%	35%	26%	38%	34%	24%	28%
Waterway protection programs/ infrastructure	24%	24%	25%	27%	25%	22%	23%	20%	36%	31%	23%	19%
Protection of native fauna/flora, bush walking tracks, green corridors	24%	27%	22%	27%	25%	21%	23%	21%	32%	29%	24%	20%
Bushland rehabilitation and maintenance	20%	22%	19%	25%	19%	15%	19%	17%	29%	25%	20%	16%
Tree canopy provision and maintenance	20%	21%	19%	14%	22%	19%	28%	20%	21%	17%	23%	20%
Environmental education/workshops	18%	19%	17%	27%	14%	10%	17%	14%	28%	21%	20%	13%
Street sweeping	15%	18%	12%	10%	17%	13%	21%	15%	14%	10%	14%	19%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q5. *Thinking about our local environmental sustainability, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 28

Section 1b(b).

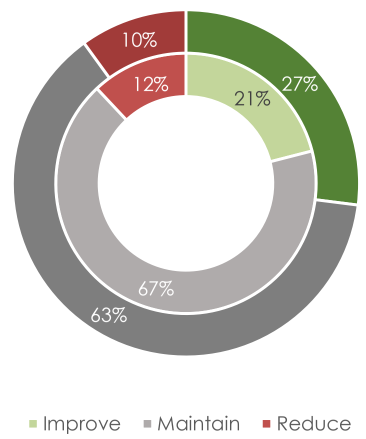
Social Inclusion

Baseline sample

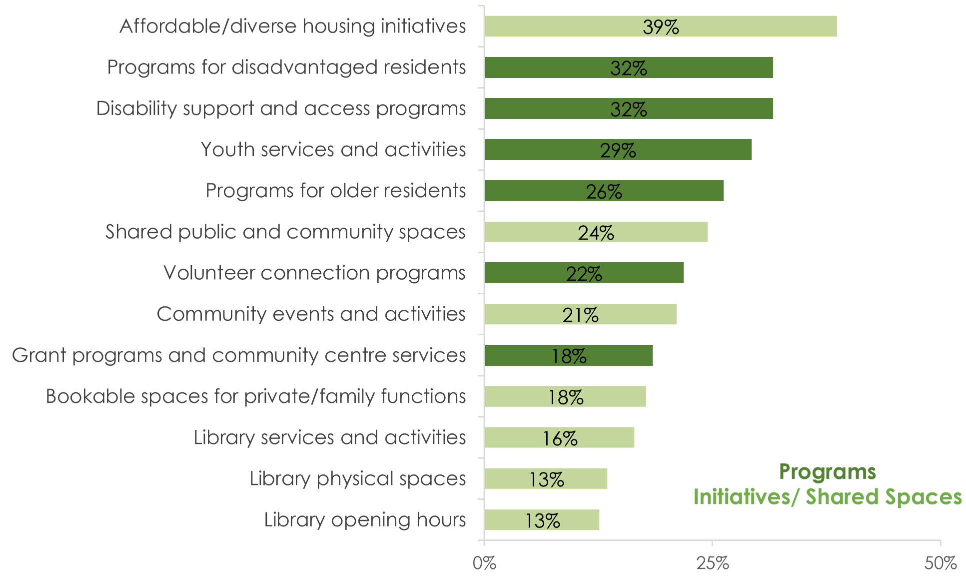
On average, 27% of residents would like to see Council improve community programs, with 63% preferring the provision to be maintained (outer circle of pie chart below). 21% would like to see improvements in initiatives and shared spaces (such as libraries) and 67% would like to see the service level maintained.

Residents are most likely to want to see Council make improvements on 'affordable/diverse housing initiatives' (39%).

Average future service expectation across services/facilities: 6 community programs (outer circle) 7 initiatives/shared spaces (inner circle)

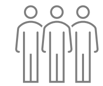


Improve



Base: N = 603-605

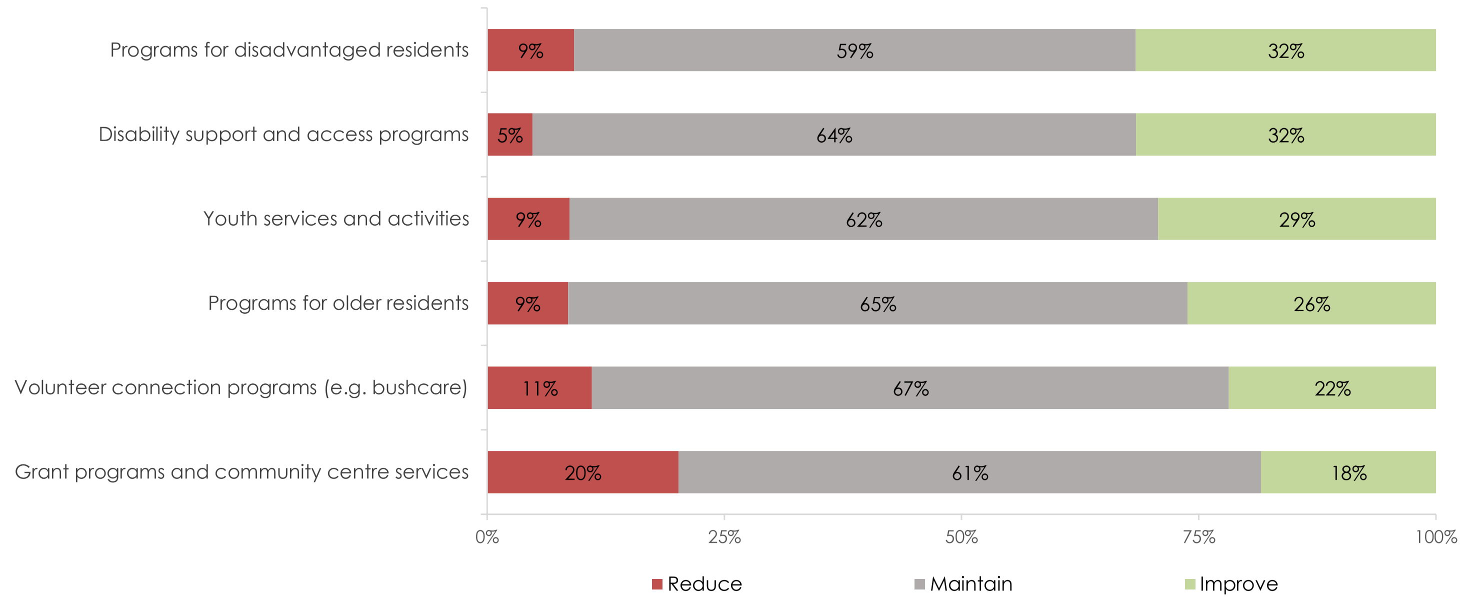
Social Inclusion – Community Programs



Across the six program-focussed Social Inclusion services, the majority of residents wanted the services at least maintained, if not improved.

Almost 1 in 3 favoured improvement in ‘programs for disadvantaged residents’ and ‘disability support and access programs’ – and relatively few wanting a reduction in these services. ‘Grant programs and community centre services’ generated a more polarised response, with 18% wanting improvement and 20% wanting reduced service levels.

Non-ratepayers have a higher preference for improvements across all community programs.



Base: N = 603-605

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

Social Inclusion – Community Programs

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Programs for disadvantaged residents	32%	30%	33%	43%	28%	23%	28%	27%	43%	36%	34%	25%
Disability support and access programs	32%	29%	34%	43%	29%	19%	29%	26%	47%	40%	27%	28%
Youth services and activities	29%	32%	27%	37%	28%	20%	29%	24%	43%	35%	27%	25%
Programs for older residents	26%	23%	29%	32%	24%	21%	26%	21%	39%	27%	23%	28%
Volunteer connection programs	22%	22%	21%	19%	25%	18%	26%	19%	29%	22%	26%	18%
Grant programs and community centre services	18%	15%	21%	24%	19%	11%	16%	15%	29%	19%	22%	15%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

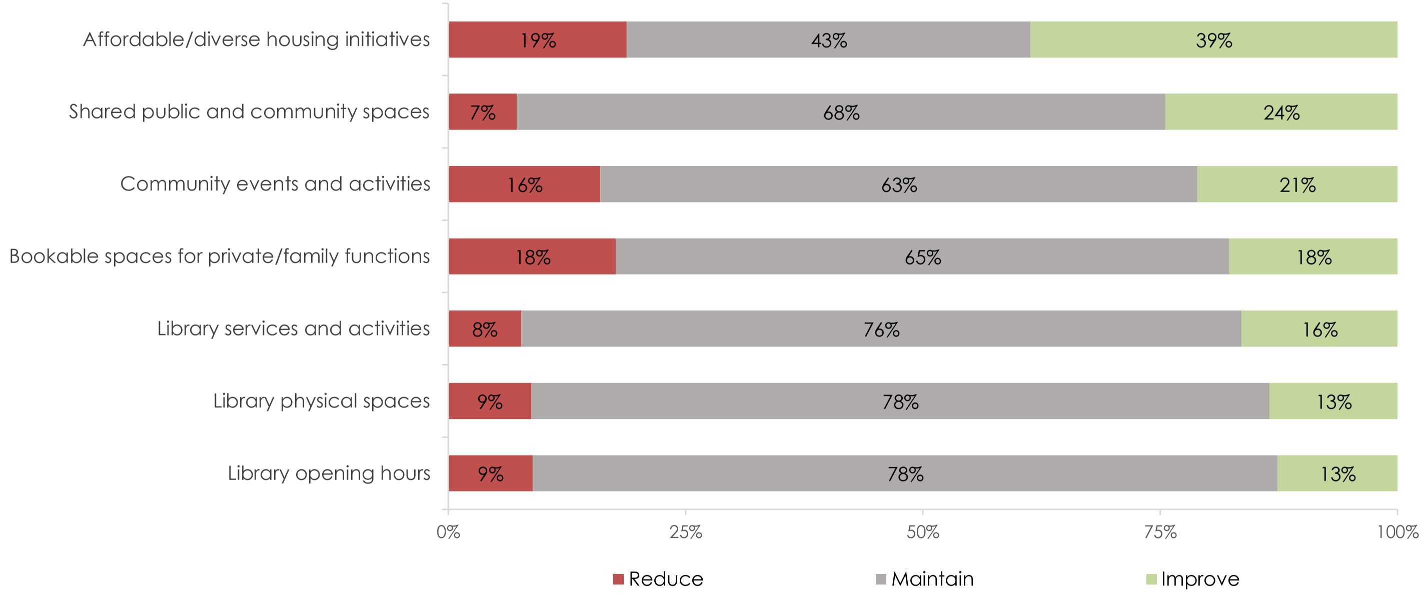
A significantly higher/lower percentage (by group) 31

Social Inclusion – Initiatives and Shared Spaces

Baseline sample

Across the seven other Social Inclusion services that are more initiative/shared-space based, there was generally lower support for improving the services – but higher interest in maintaining current service levels. This was particularly noticeable for the three library attributes, where maintain scores were all above 75%

39% believe Council should improve efforts in 'affordable/diverse housing initiatives', while 19% believe they should be reduced – Younger residents and non-ratepayers are significantly more likely to want to see improvements in this area.



Base: N = 603-605

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

Social Inclusion – Initiatives and Shared Spaces

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Affordable/diverse housing initiatives	39%	35%	42%	47%	32%	30%	44%	30%	60%	41%	39%	36%
Shared public and community spaces	24%	25%	24%	32%	27%	16%	17%	19%	39%	29%	24%	20%
Community events and activities	21%	23%	20%	33%	20%	9%	15%	16%	34%	24%	23%	17%
Bookable spaces for private/family functions	18%	16%	19%	24%	17%	11%	16%	14%	28%	25%	15%	12%
Library services and activities	16%	17%	16%	22%	19%	9%	9%	13%	26%	21%	21%	8%
Library physical spaces	13%	14%	13%	13%	19%	10%	9%	11%	21%	14%	18%	9%
Library opening hours	13%	15%	10%	21%	14%	6%	4%	10%	20%	19%	16%	4%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 33

Section 1b(c).

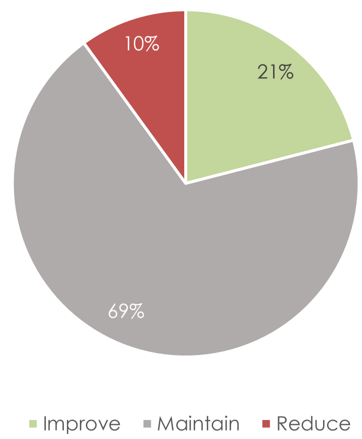
Open Space and Recreation

Baseline sample

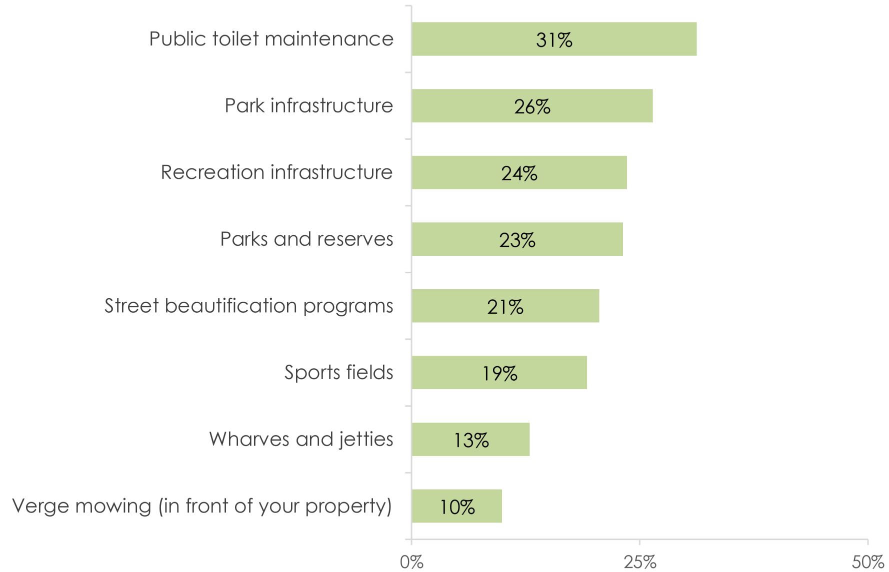
On average, 1 in 5 (21%) residents would like to see Council improve Open Space and Recreation services and infrastructure. 69% would like to see the service level maintained and 10% reduced.

Residents are most likely to want to see Council make improvements in 'public toilet maintenance' (31%) and 80% believe Council should maximise the use of existing spaces.

Average future service expectation across 8 services/facilities:



Improve



Base: N = 605

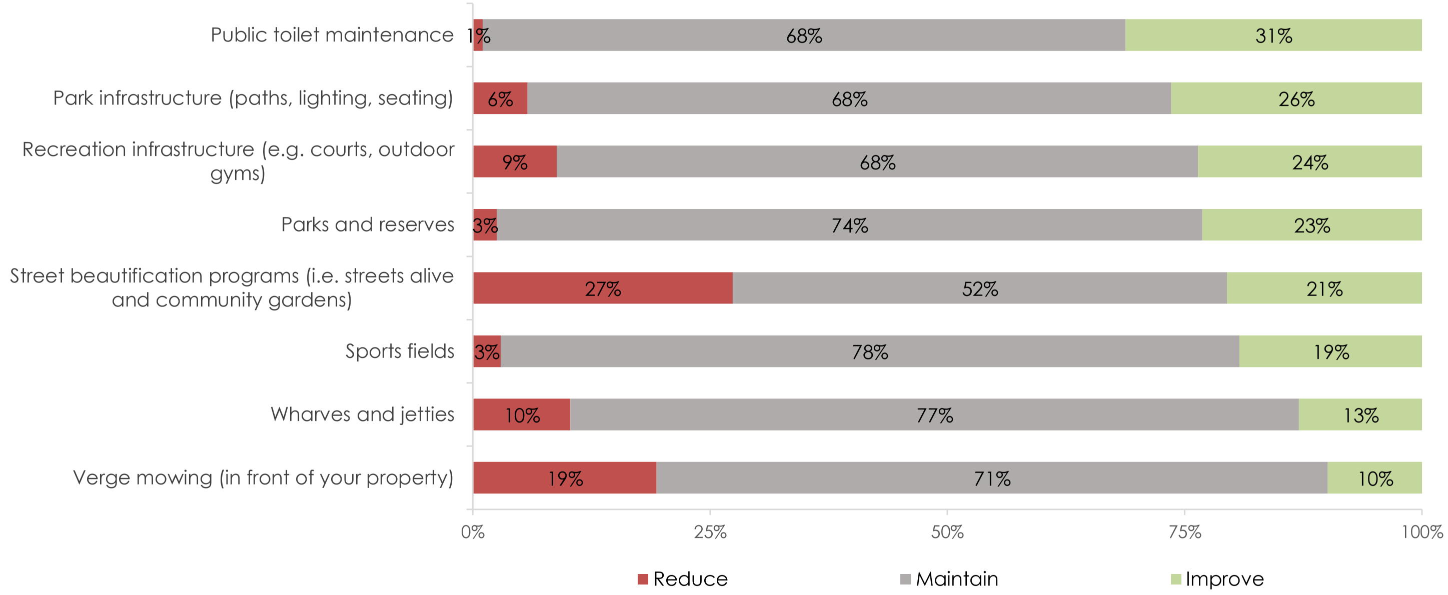
Open Space and Recreation

Baseline sample

Across all eight Open Space and Recreation attributes, the majority of residents wanted the services at least maintained, if not improved. 31% believe Council should improve 'public toilet maintenance' (and only 1% wanted to see it reduced), and 26% desire improvements in 'park infrastructure' (with only 6% favouring a reduction).

The one potential opportunity for Council to reduce service delivery is with 'street beautification programs', where 27% believe Council should <u>reduce</u> their servicing - although this still means 73% want this service at least maintained if not improved.

Younger residents (18-34) and non-ratepayers are more likely to desire improvements across all open space and recreation spaces. Those aged 18-34 years are significantly more likely to want Council to improve 'public toilet maintenance', 'recreation infrastructure', 'parks and reserves' and 'sports fields'.



Base: N = 605

Q7a. Thinking about our open space and recreation, do you think Council should reduce, maintain, or improve…

Open Space and Recreation

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Public toilet maintenance	31%	30%	33%	41%	32%	22%	23%	26%	44%	36%	28%	29%
Park infrastructure (paths, lighting, seating)	26%	24%	28%	33%	24%	21%	24%	23%	37%	28%	23%	28%
Recreation infrastructure	24%	23%	24%	36%	22%	17%	12%	19%	36%	31%	24%	16%
Parks and reserves	23%	29%	18%	32%	20%	14%	22%	20%	30%	28%	24%	18%
Street beautification programs	21%	19%	22%	24%	17%	14%	27%	19%	25%	21%	21%	19%
Sports fields	19%	24%	15%	30%	17%	12%	12%	19%	20%	17%	22%	19%
Wharves and jetties	13%	14%	12%	16%	11%	10%	14%	11%	19%	16%	11%	12%
Verge mowing (in front of your property)	10%	9%	11%	11%	8%	9%	12%	10%	11%	11%	8%	11%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q7a. *Thinking about our open space and recreation, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 36

Open Space and Recreation

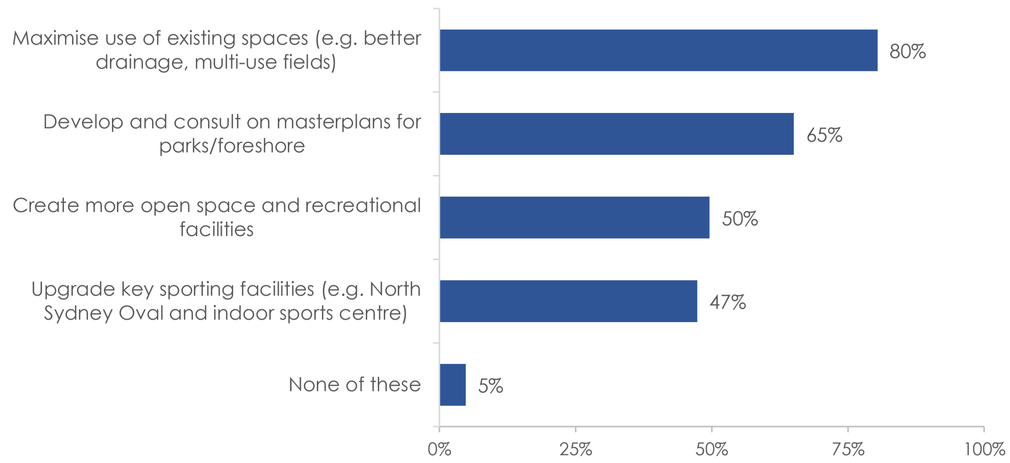
Baseline sample

For the Open Space/Recreation category, we also asked residents which potential new actions Council should implement (from a list of four).

Support for new services was high – only 5% of residents felt Council should not implement any of the four possible options.

Residents prefer making better use of current spaces and planning strategically (top two bars at right), with less interest in new facilities and upgrades. For instance, 80% would like to see existing spaces maximised, compared to 50% who want more open spaces/rec facilities.

Support is broadly consistent across demographics, though younger residents (18-34) show more interest in creating more open space (63%) compared to older residents (65+, 41%).



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Maximise use of existing spaces	80%	79%	81%	79%	83%	80%	80%	83%	75%	77%	83%	81%
Develop and consult on masterplans for parks/foreshore	65%	65%	65%	64%	64%	71%	63%	66%	63%	63%	69%	64%
Create more open space and recreational facilities	50%	49%	50%	63%	44%	43%	41%	46%	59%	53%	52%	44%
Upgrade key sporting facilities	47%	48%	47%	56%	47%	41%	41%	43%	59%	46%	49%	47%
None of these	5%	6%	4%	5%	3%	7%	6%	5%	5%	5%	2%	7%
Base	605	281	324	194	174	120	118	438	167	206	189	210

Q7b. Research has shown that based upon the population of North Sydney, there is a shortage of open space and recreation facilities. Which, if any, of the following actions do you think Council should implement?

A significantly higher/lower percentage (by group) 37

Section 1b(d).

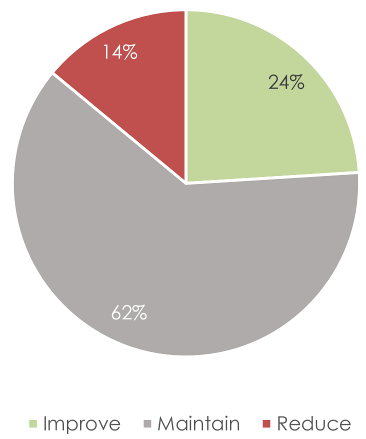
Integrated Transport

Baseline sample

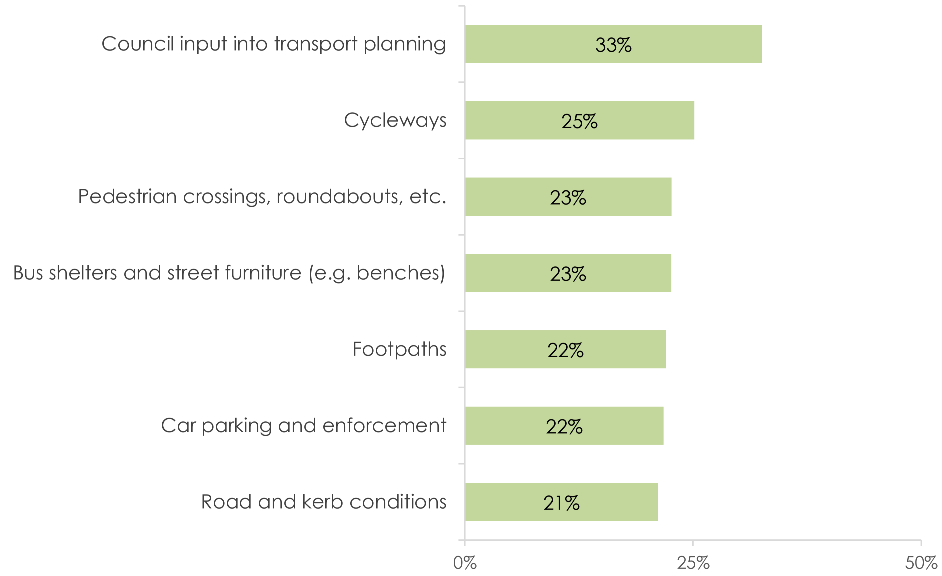
On average, 1 in 4 (24%) residents would like to see Council improve integrated transport infrastructure and 62% would like to see the service level maintained – while 14% on average suggested services could be reduced.

Residents are most likely to want to see Council make improvements with input into transport planning (33%).

Average future service expectation across 7 services/facilities:



Improve



Base: N = 602-605

Integrated Transport

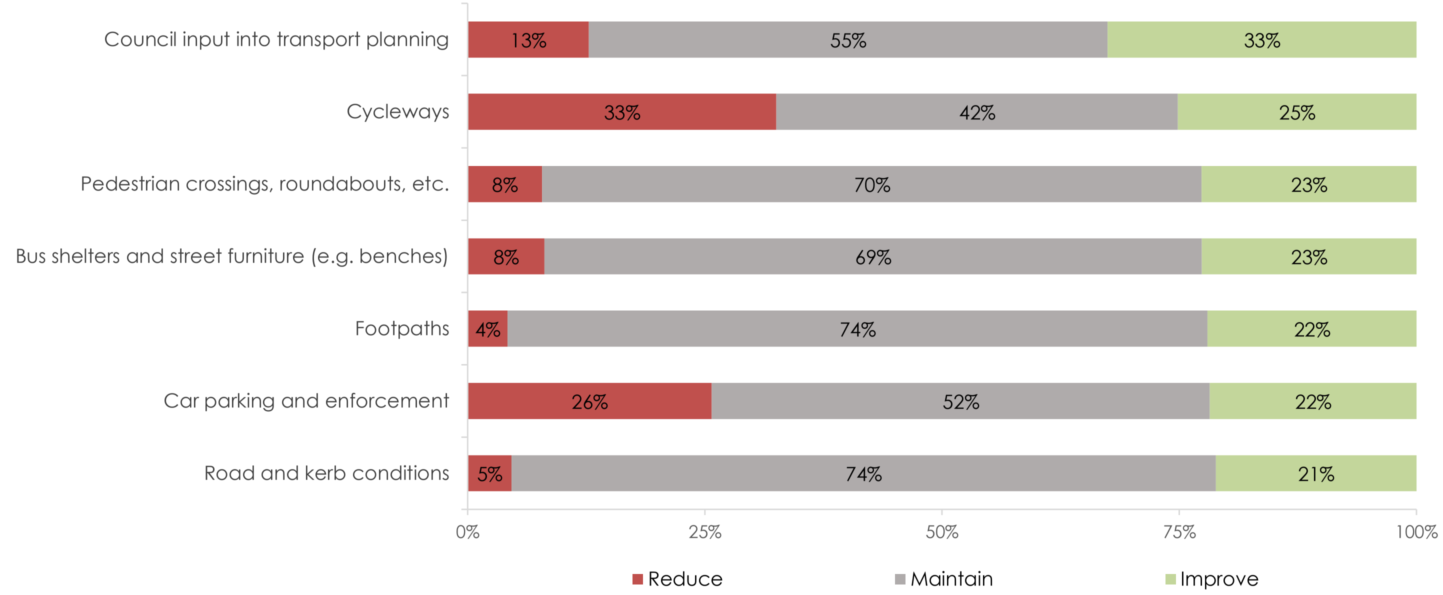
Baseline sample

Across all seven Integrated Transport attributes, the majority of residents wanted the services at least maintained, if not improved.

However:

- In terms of cycleways, residents are divided, with 25% wanting improvements and 33% wanting to see a reduction
- Similar polarisation was seen for 'car parking and enforcement'.

Those aged 18-34 are significantly more likely to want to see Council improve 'bus shelters and street furniture' (33%) and 'car parking and enforcement' (32%).



Base: N = 602-605

Q8. *Thinking about our integrated transport, do you think Council should reduce, maintain, or improve…*

Integrated Transport

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Council input into transport planning	33%	33%	32%	32%	36%	30%	32%	31%	36%	39%	31%	27%
Cycleways	25%	28%	23%	29%	28%	24%	15%	21%	35%	34%	26%	16%
Pedestrian crossings, roundabouts, etc.	23%	23%	22%	29%	25%	15%	17%	18%	35%	32%	18%	18%
Bus shelters and street furniture	23%	18%	27%	33%	19%	16%	17%	16%	40%	32%	19%	17%
Footpaths	22%	23%	21%	21%	23%	20%	24%	19%	30%	24%	20%	23%
Car parking and enforcement	22%	22%	21%	32%	15%	17%	21%	16%	37%	32%	17%	16%
Road and kerb conditions	21%	24%	19%	21%	23%	18%	21%	20%	23%	23%	18%	23%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q8. *Thinking about our integrated transport, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 40

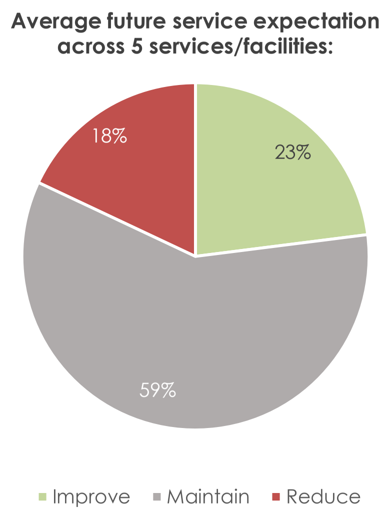
Section 1b(e).

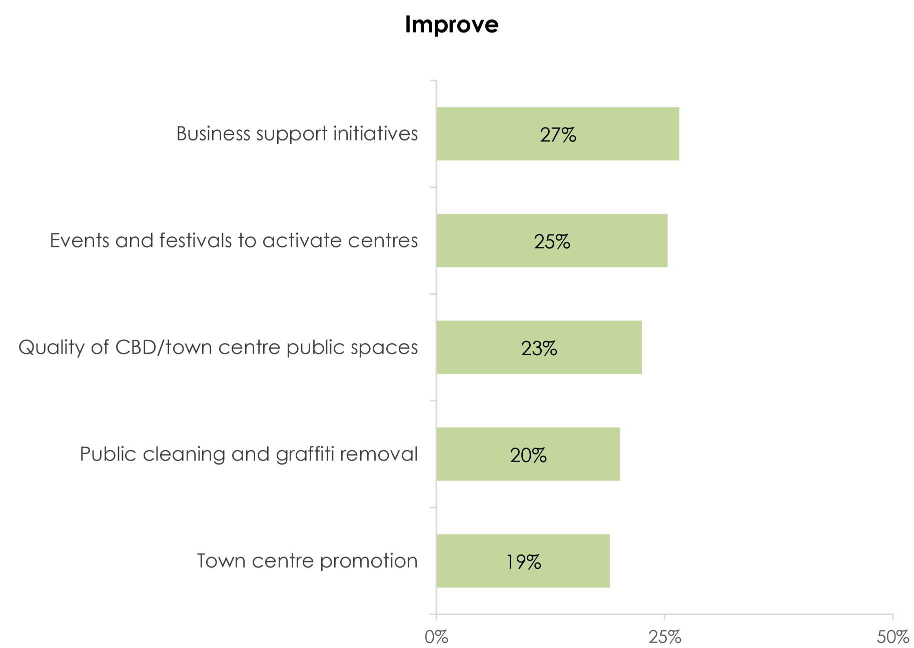
Economic Development

Baseline sample

On average, 23% of residents would like to see Council improve Economic Development, and a further 60% would like to see efforts maintained. A relatively high average of 18% were in favour of reduced Economic Development services.

Residents are most likely to want to see Council make improvements to 'business support initiatives' (27%).





Base: N = 604-605

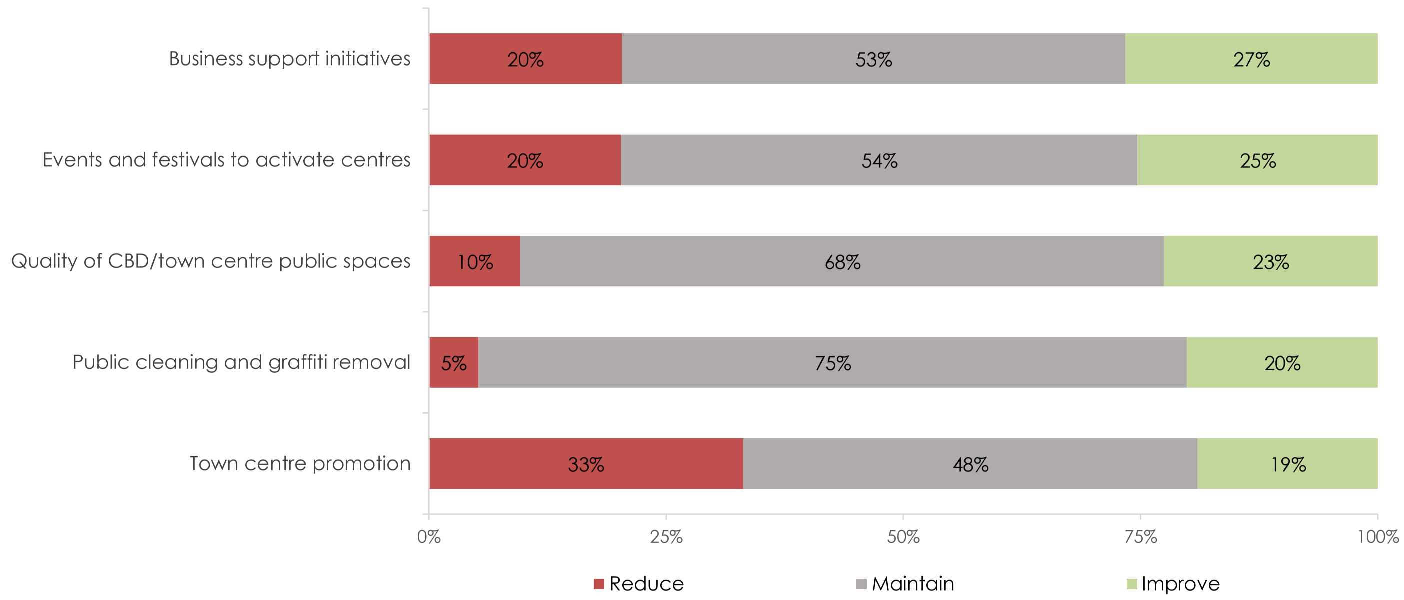
Economic Development

Baseline sample

The majority of residents want Council to maintain current service levels, with slightly higher support for improvements in 'business support initiatives' (27%) and 'events/festivals' (25%).

33% would like to see a reduction in 'town centre promotion' – these residents are more likely to be older and have lived in the LGA longer-term.

Younger residents and non-ratepayers are more likely to desire improvements across all economic development areas.



Base: N = 604-605

Q9a. Thinking about our economic development, do you think Council should reduce, maintain, or improve…

Economic Development

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Business support initiatives	27%	27%	26%	35%	29%	19%	17%	21%	42%	33%	27%	20%
Events and festivals to activate centres	25%	24%	27%	33%	27%	21%	15%	20%	39%	27%	30%	19%
Quality of CBD/town centre public spaces	23%	21%	24%	24%	23%	19%	23%	19%	32%	25%	21%	21%
Public cleaning and graffiti removal	20%	22%	18%	30%	14%	15%	18%	18%	27%	25%	16%	19%
Town centre promotion	19%	18%	20%	22%	21%	14%	15%	13%	34%	28%	17%	12%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q9a. *Thinking about our economic development, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 43

Economic Development

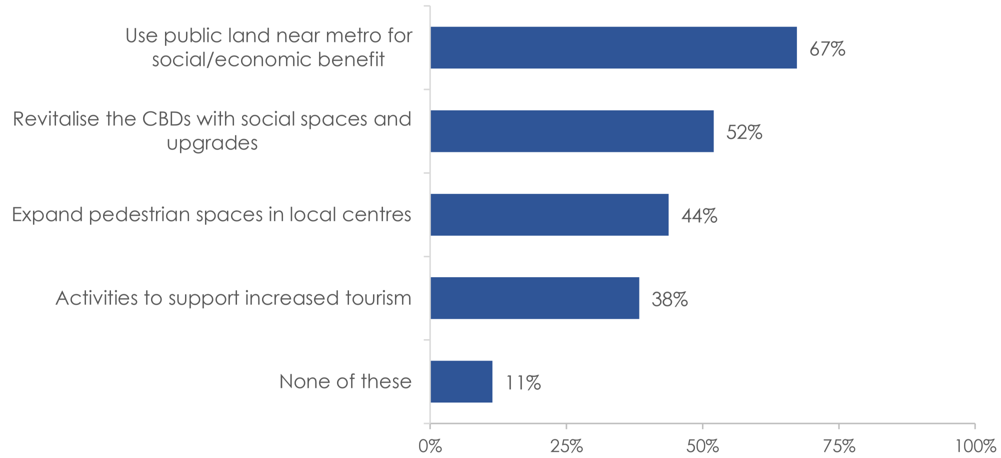
Baseline sample

For the Economic Development category, we also asked residents which potential new actions Council should implement (from a list of four).

We noted earlier for the Open Space/Recreation category that only 5% of residents felt Council should <u>not</u> implement any of the four possible options. This is now 11% for Economic Development, which is consistent with the reduce/maintain/improve results on the previous slides – but still suggests the community favours additional services.

Most residents support using public land near the metro for social/economic benefit (67%) and revitalising CBDs with social spaces and upgrades (52%).

Younger residents are more supportive of revitalisation and expanding pedestrian spaces in local centres.



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Use public land near metro for social/ economic benefit	67%	70%	65%	68%	75%	65%	57%	67%	67%	68%	70%	64%
Revitalise the CBDs with social spaces and upgrades	52%	53%	51%	68%	44%	44%	46%	45%	69%	58%	52%	47%
Expand pedestrian spaces in local centres	44%	49%	39%	54%	37%	36%	45%	42%	49%	44%	48%	40%
Activities to support increased tourism	38%	36%	40%	44%	40%	30%	35%	32%	55%	39%	43%	34%
None of these	11%	11%	12%	3%	9%	19%	20%	14%	4%	8%	10%	16%
Base	605	281	324	194	174	120	118	438	167	206	189	210

Q9b. *Recent community consultation within North Sydney, has indicated a need to secure employment in North Sydney. Which, if any, of the following actions do you think council should implement?*

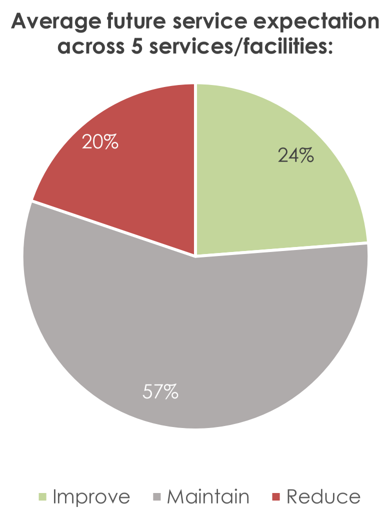
A significantly higher/lower percentage (by group) 44

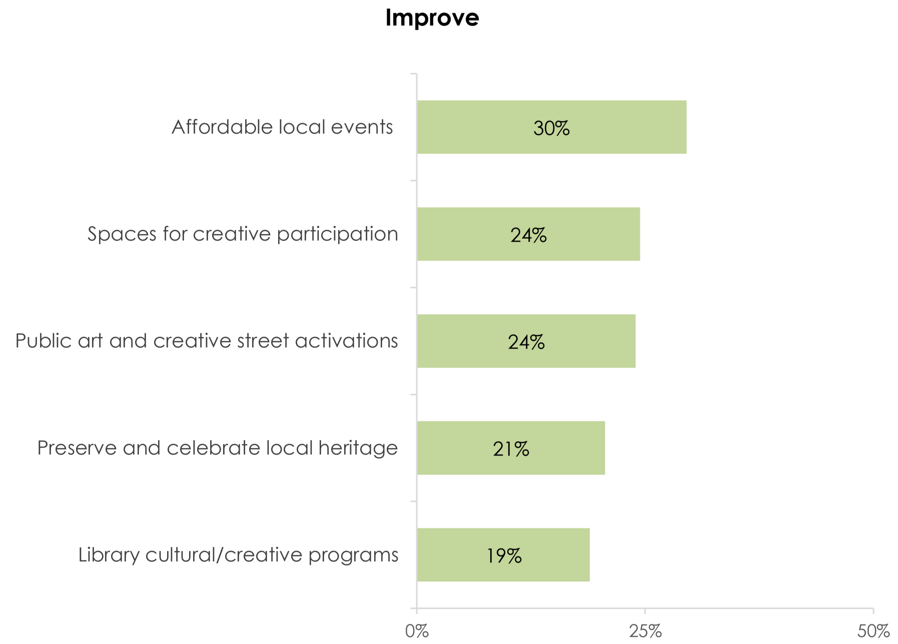
Section 1b(f).

Culture and Creativity

On average, 24% of residents would like to see Council improve culture and creativity services, and 57% would like to see service levels maintained. Compared to the other categories, a relative high average of 20% of residents selected the reduce option.

Improvements are most desired for 'affordable local events'.





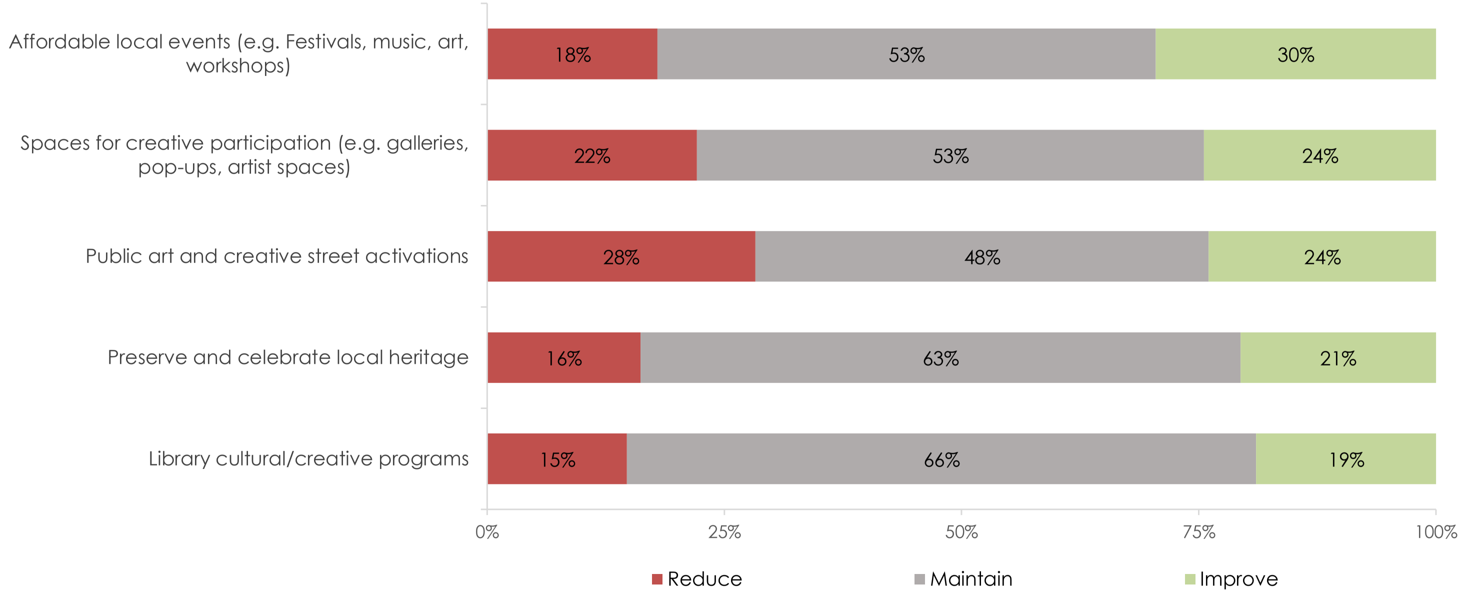
Base: N = 605

Culture and Creativity

Baseline sample

Across all five Culture and Creativity attributes, the majority of residents wanted the services at least maintained, if not improved. However, perhaps the most notable finding is the relatively consistently high reduce scores, with the lowest reduce score being quite high at 15%.

28% would like to see a reduction in 'public art/street activations'.



Base: N = 605

Q10a. Thinking about our culture and creativity, do you think Council should reduce, maintain, or improve…

46

Culture and Creativity

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Affordable local events	30%	29%	30%	46%	30%	17%	15%	23%	47%	39%	30%	19%
Spaces for creative participation	24%	25%	24%	32%	30%	12%	17%	20%	37%	31%	25%	18%
Public art and creative street activations	24%	24%	24%	32%	27%	14%	16%	18%	39%	35%	21%	16%
Preserve and celebrate local heritage	21%	21%	20%	29%	19%	12%	18%	19%	26%	18%	23%	21%
Library cultural/creative programs	19%	18%	20%	24%	22%	12%	13%	16%	28%	26%	20%	11%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q10a. Thinking about our culture and creativity, do you think Council should reduce, maintain, or improve…

A significantly higher/lower percentage (by group) 47

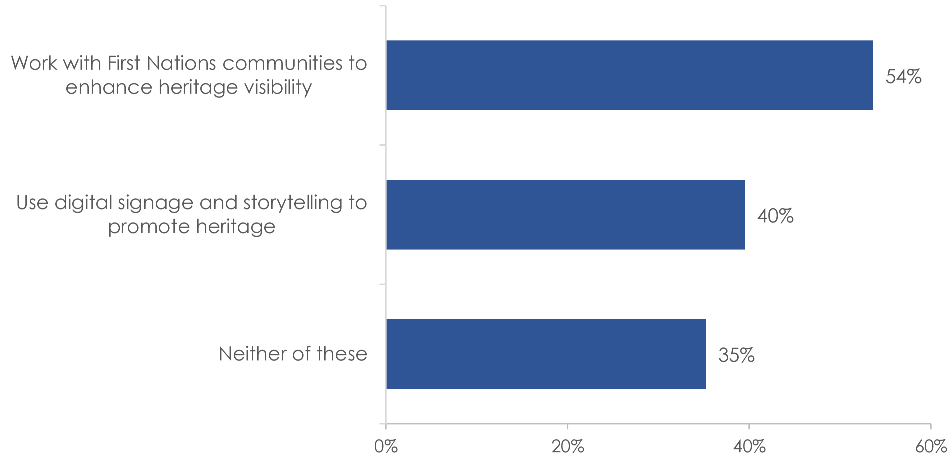
Culture and Creativity

Baseline sample

For the Culture and Creativity category, we also asked residents which potential new actions Council should implement (from a list of two).

Almost two thirds of residents (65%) felt Council should implement one or both of the two initiatives.

'Work with First Nations communities to enhance heritage visibility' was selected by 54% of residents – and support was significantly higher support among females and those aged 18-34.



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Work with First Nations communities to enhance heritage visibility	54%	48%	59%	64%	58%	42%	43%	51%	60%	58%	56%	47%
Use digital signage and storytelling to promote heritage	40%	38%	41%	48%	41%	27%	37%	38%	45%	46%	42%	31%
None of these	35%	40%	31%	27%	29%	50%	43%	37%	30%	29%	31%	45%
Base	605	281	324	194	174	120	118	438	167	206	189	210

Q10b. Recent community consultation within North Sydney, has indicated a desire to implement new initiatives through the following measures. Which, if any, of the following actions do you think council should implement?

A significantly higher/lower percentage (by group)

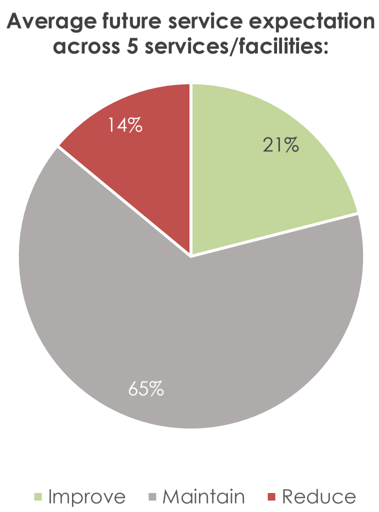
Section 1b(g).

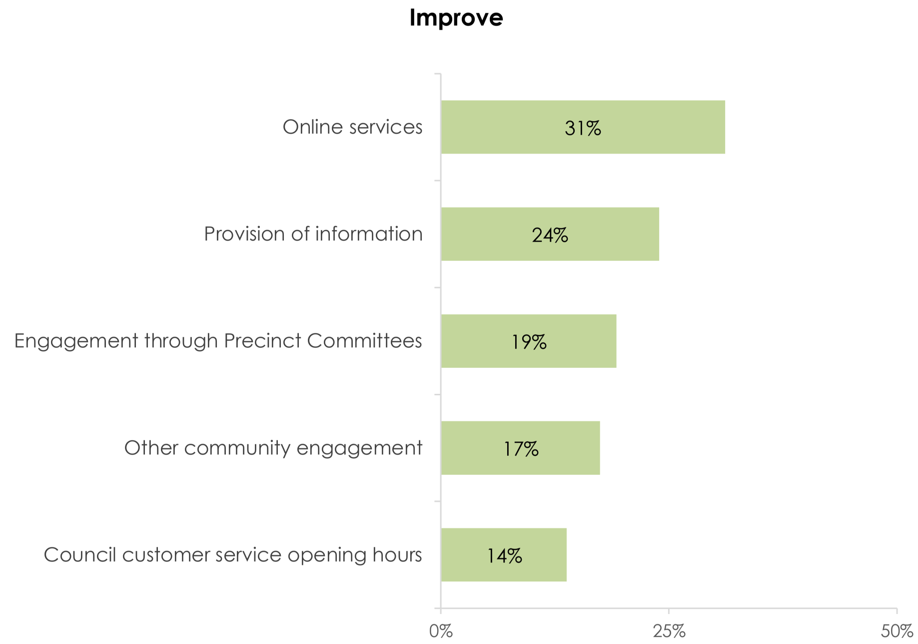
Customer Experience

Baseline sample

On average, 21% of residents would like to see Council improve customer experience metrics, and a further 65% would like to see service levels maintained. The average selection of 'reduce' was 14%.

Improvements are most desired for 'online services' (31%), and less for 'Council customer service opening hours', which presents Council with an opportunity to build their digital service offering.





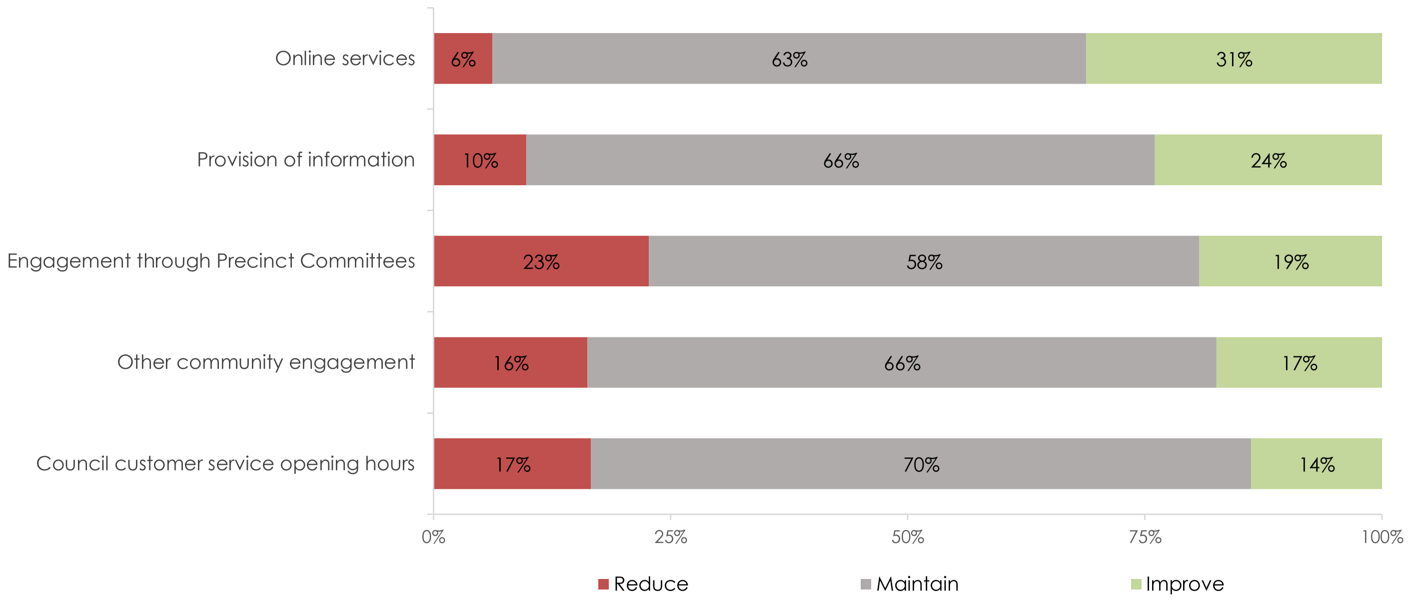
Base: N = 601-604

Customer Experience

Baseline sample

Across all five Customer Experience attributes, the majority of residents wanted the services at least maintained, if not improved.

Younger residents, non-ratepayers and those new to the LGA are most likely to desire improvements, especially in online services and Council's customer service hours of operation.



Base: N = 601-604

Q11. Thinking about our customer experience, do you think Council should reduce, maintain, or improve…

Customer Experience

Baseline sample

'Improve' %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Online services	31%	32%	31%	49%	30%	20%	14%	25%	46%	39%	29%	25%
Provision of information	24%	23%	25%	27%	27%	16%	22%	20%	34%	30%	23%	19%
Engagement through Precinct Committees	19%	19%	19%	21%	22%	13%	18%	16%	27%	22%	20%	16%
Other community engagement	17%	14%	20%	22%	21%	9%	13%	14%	27%	22%	20%	10%
Council customer service opening hours	14%	14%	14%	21%	13%	8%	10%	11%	22%	17%	12%	13%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q11. *Thinking about our customer experience, do you think Council should reduce, maintain, or improve…*

A significantly higher/lower percentage (by group) 51

Informed sample

Section Two:
Informed Community Response

Section Two Introduction

Note: The following information was provided to respondents prior to commencing Stage 2 of the research.

About community infrastructure assets:

Council undertakes regular reviews of the condition of its community assets to determine the amount of money it should spend on infrastructure, such as roads, footpaths, buildings, stormwater, other infrastructure and parks and reserves. Council is trying to determine where the community's priorities are to help allocate resources to asset maintenance and renewal to best meet the community's expectations.

What does asset maintenance and renewal mean?

Maintenance is work performed on an asset that keeps it in a useable condition, e.g. painting buildings, filling potholes, fixing playgrounds and swings.

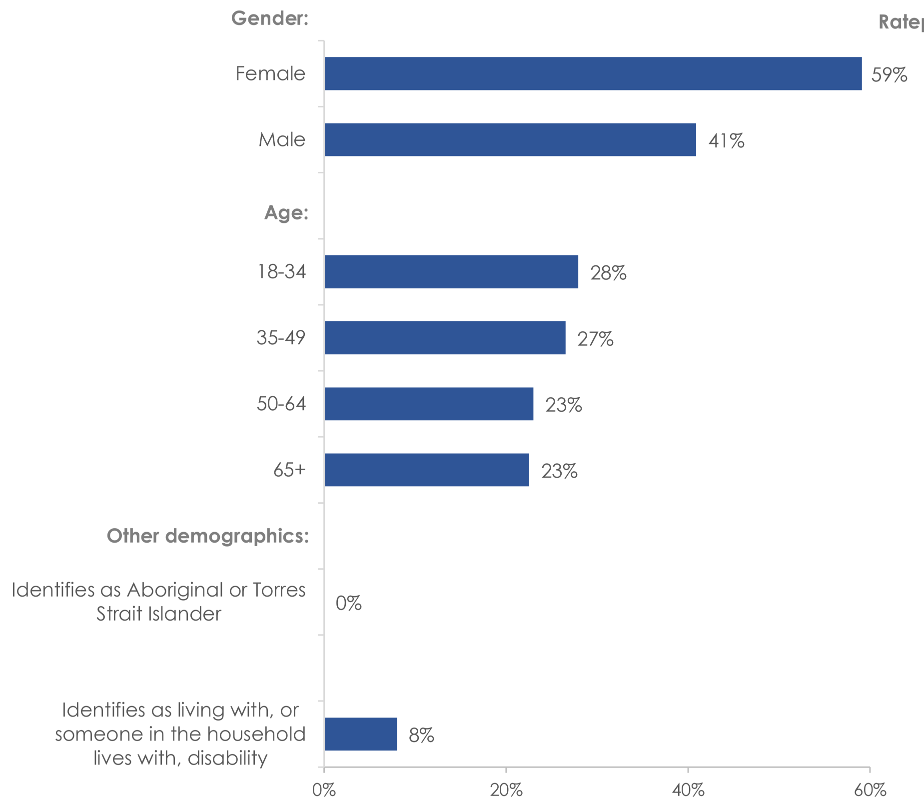
Renewal is work performed on an asset to bring it back to its original condition, e.g. the replacement of a building, reconstructing a segment of road, replacing a bridge or playground. Using industry benchmarks, Council have reviewed its asset groups to work out if they are in very good, good, fair, poor or very poor condition. The following pages provide a snapshot for each asset group. The issue facing Council is that while a lot of assets are in very good/good or fair condition, a large proportion are at risk of falling into poor/very poor condition.

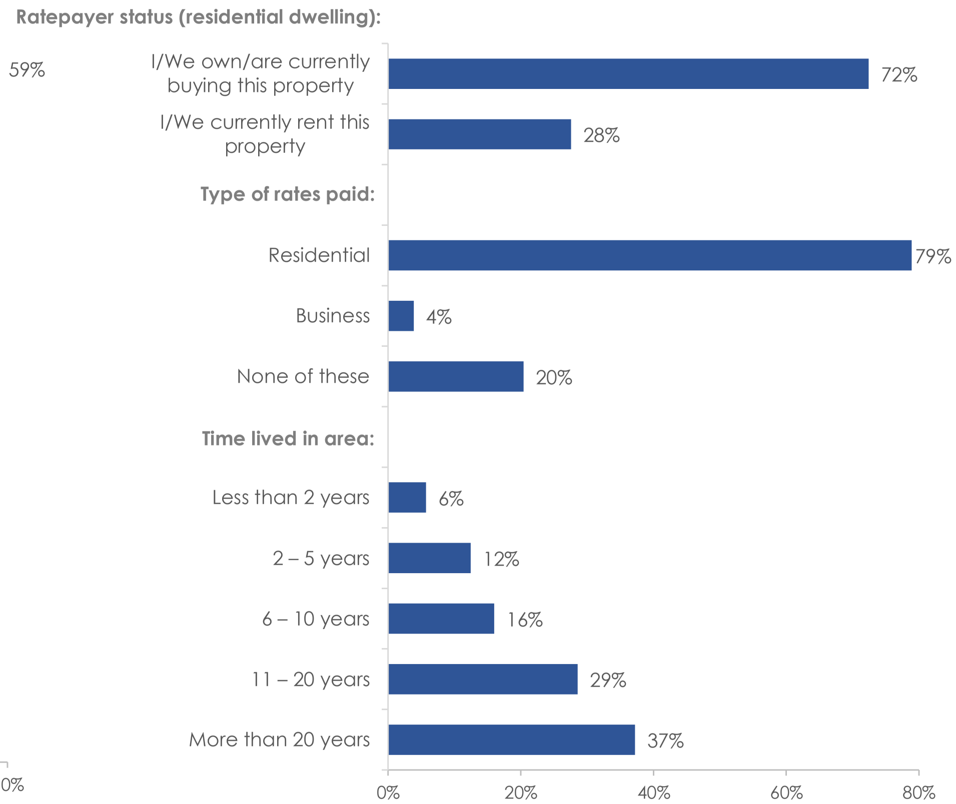
Where are we now?

A snapshot of community asset conditions and current investment levels is provided in this survey. For each asset group, included is an indication of Council's current expenditure on maintenance and renewals, together with a visual representation of each of the condition levels of good, fair and poor.

Sample Profile

Informed sample



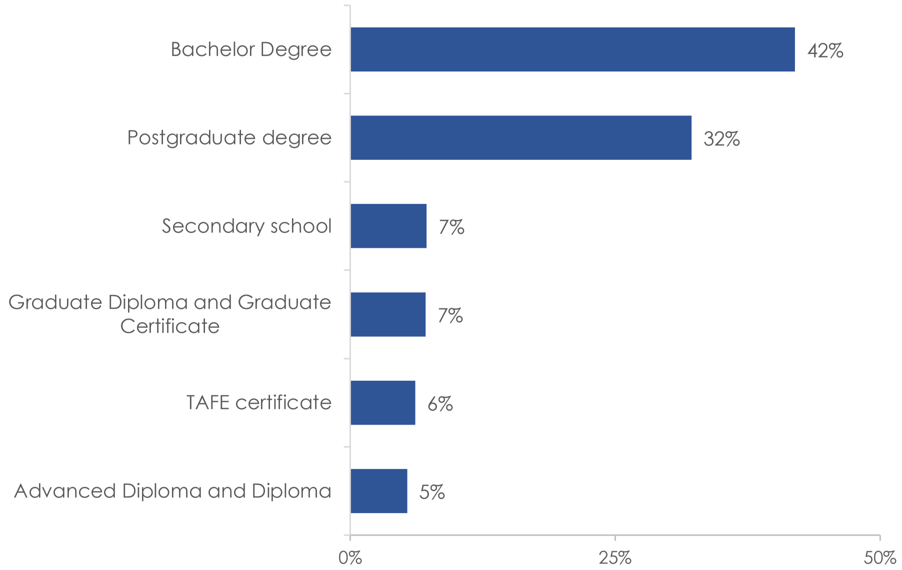


Base: N = 302

Sample Profile

Informed sample

Highest level of education:



Residential suburb	N=302
Cremorne	15%
Wollstonecraft	13%
North Sydney	13%
Crows Nest	11%
Cammeray	9%
St Leonards	7%
Neutral Bay	7%
Kirribilli	6%
Waverton	6%
Lavender Bay	5%
McMahons Point	5%
Cremorne Point	2%
Milsons Point	2%
Kurraba Point	1%

Base: N = 302

Section 2a.
Funding Considerations

Informed sample

This section explores agreement with statements regarding infrastructure renewals and loan borrowing.

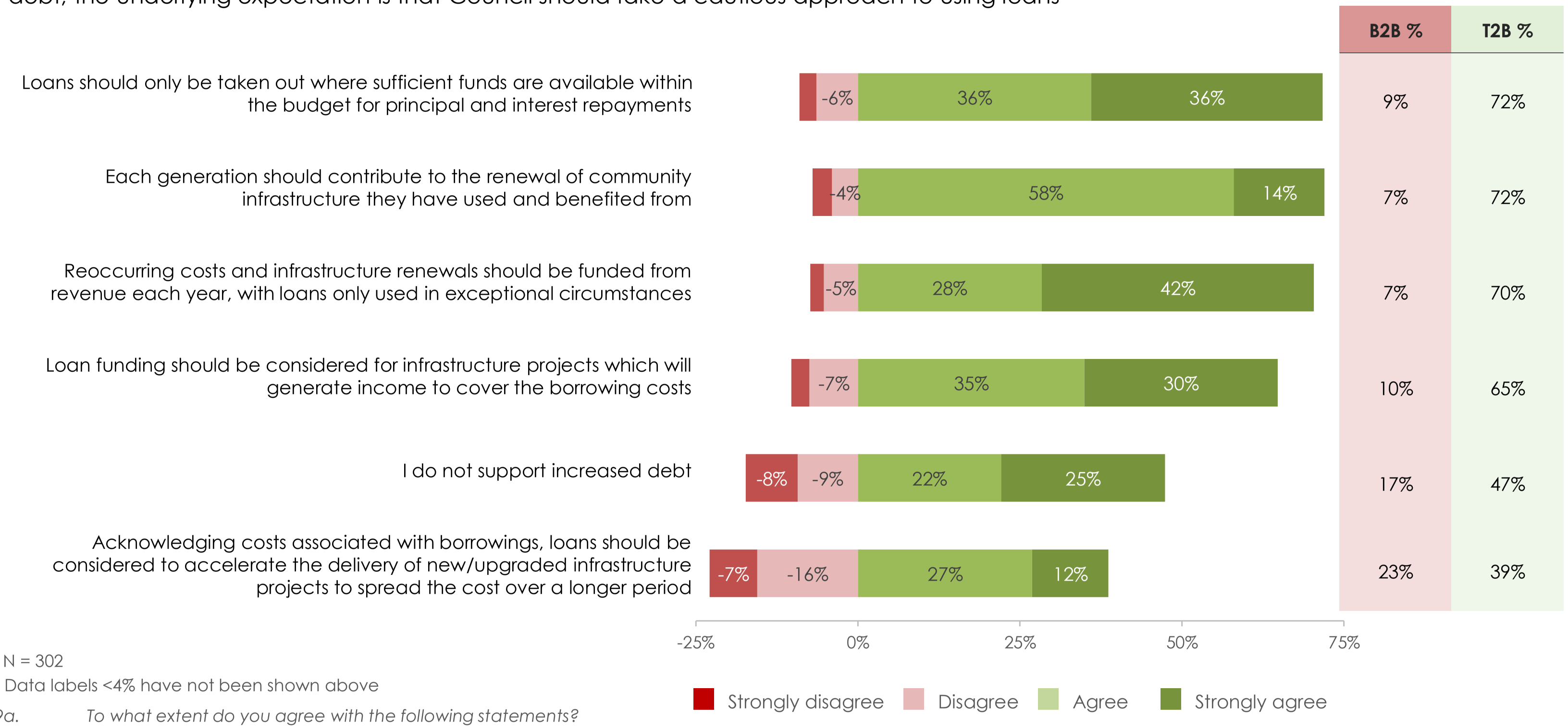
micromex research

Funding Agreement Summary

Informed sample

There are two themes explored in the chart below (with further analysis on the following slides):

- ***Intergenerational equity***: When asked about 'each generation contributing to the renewal of community infrastructure they have used and benefitted from', 72% agreed and only 7% disagreed – a nett agreement of 65%, the highest of all six statements
- ***Funding***: The remaining five statements are funding related, and our sense is that whilst a sizeable minority (47%) do not want Council to take on further debt, the underlying expectation is that Council should take a cautious approach to using loans



Base: N = 302
Note: Data labels <4% have not been shown above
Q8a/9a. To what extent do you agree with the following statements?

Infrastructure Renewals

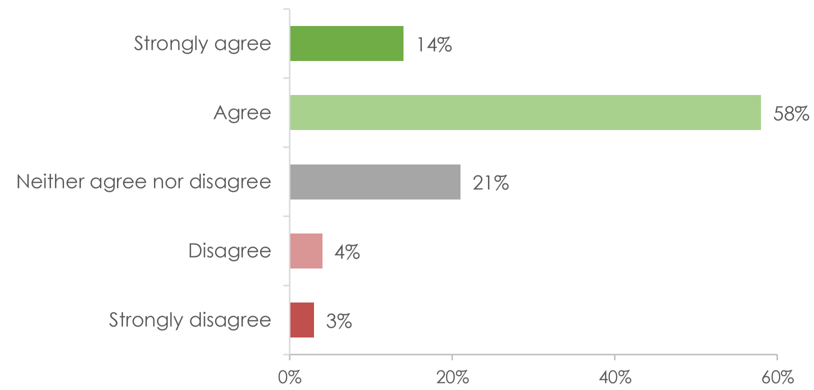
Informed sample

Context: *Development and subdivision within North Sydney increased significantly with the opening of the Sydney Harbour Bridge in 1932 and continued after World War 2. It was during this development period that much of the infrastructure in North Sydney was originally built. Council manages $1.6 billion in infrastructure assets, which have a lifespan varying from 10 years to 250 years.*

72% of residents agree or strongly agree with the statement *'each generation should contribute to the renewal of community infrastructure they have used and benefited from'*.

There were no significant differences by key demographics, however, slightly lower agreement was seen from those aged 18-34.

"Each generation should contribute to the renewal of community infrastructure they have used and benefited from"



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Agreement %	72%	73%	71%	61%	79%	73%	76%	72%	72%	71%	77%	69%
Base	302	125	175	27	79	121	74	245	57	67	107	128

Q8a. *To what extent do you agree with the following statement?*

Infrastructure Renewals

Informed sample

Most residents agree that maintaining and renewing infrastructure across generations is fair, but there were some concerns raised about Council's financial management and the rising cost of living. Some suggestions were made regarding other means of funding, including, for example, businesses and schools in the area who also use local infrastructure.

Example verbatims:

"We should contribute, but fairly" (Rated 4)

"Infrastructure should be maintained or upgraded for the future generations. However, this needs to be done with a strategic view based on population forecasts" (Rated 4)

"If you want to live somewhere nice, you have to be prepared to pay for it. council needs to focus on spending well and not wasting money on state, federal or global issues" (Rated 4)

"Cost of living is sky high we already pay a lot of rates; residents should not have to pay for poor council management of funds" (Rated 3)

"North Sydney Council do not have the capability to manage these assets as demonstrated by the pool debacle. Maintenance of assets, should be largely paid for through user pays to the degree possible. Businesses should cover a larger share given that many of their employees and customers would by larger users of council infrastructure" (Rated 1)

"Each generation should contribute to the renewal of community infrastructure they have used and benefited from"

Reason for agreement rating	N=302
Agree/Strongly agree (4-5)	72%
It is fair/user pays	33%
It is important/maintenance is needed/maintained for future generations	30%
Mismanagement of funds/disagree with past financial decisions	4%
Other methods of funds raising e.g. schools	4%
Financial concerns	3%
Don't know/no response	4%
Neither agree nor disagree (3)	21%
Mismanagement of funds affects agreement	5%
Financial concerns	2%
It is fair/user pays	2%
It is important/maintenance is needed/maintained for future generations	2%
Council should stay within their budget	1%
Other comments	7%
Don't know/no response	3%
Disagree/Strongly disagree (1-2)	7%
Financial concerns	2%
It's unfair	1%
Mismanagement of funds affects agreement	1%
Other methods of funds raising e.g. schools	1%
Council should stay within their budget	1%
User pays	<1%
Other comments	<1%
Don't know/no response	1%

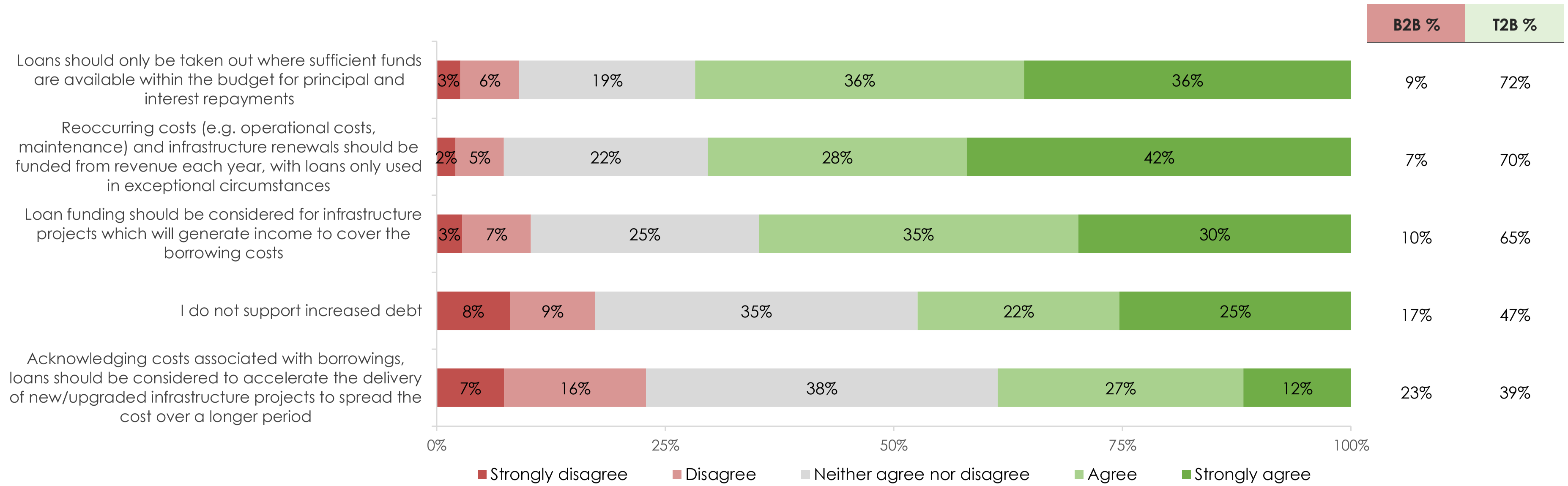
Q8a. To what extent do you agree with the following statement?
Q8b. Why do you say that?

Loan Borrowing

Informed sample

Context: *Borrowing for infrastructure allows councils to deliver projects sooner than otherwise would be possible, but comes at the cost of interest repayments, which may impact future budgets and rates. By 30 June 2026, Council will have $55.8 million in debt, requiring $7.3 million per annum in loan repayments and interest, which must be funded from annual revenue. For example, a $20 million loan taken out over 20 years (maximum) to fund a new community facility would require $33.5 million (principal repayment plus interest) in rating income to pay back the loan over the 20-year period.*

Whilst a sizeable minority (47%) do not want Council to take on further debt, the underlying expectation is that if debt is required, Council should take a cautious approach; that is, borrowing tied to current financial sustainability and income-generating projects, rather than debt-driven acceleration of infrastructure delivery. For instance, a nett subtotal of 52% of respondents agreed/strongly agreed with both 'Loans should only be taken out where sufficient funds are available within the budget for principal and interest repayments' and 'Loan funding should be considered for infrastructure projects which will generate income to cover the borrowing costs'.



Q9a. *Please state your agreement with the following principles.*

Loan Borrowing

Informed sample

Agreement %	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Loans should only be taken out where sufficient funds are available within the budget for principal and interest repayments	72%	73%	71%	69%	74%	74%	69%	73%	69%	70%	76%	70%
Reoccurring costs (e.g. operational costs, maintenance) and infrastructure renewals should be funded from revenue each year, with loans only used in exceptional circumstances	70%	74%	68%	65%	77%	69%	71%	72%	67%	67%	71%	73%
Loan funding should be considered for infrastructure projects which will generate income to cover the borrowing costs	65%	73%	59%	54%	76%	69%	61%	68%	57%	54%	80%	63%
I do not support increased debt	47%	46%	49%	46%	51%	51%	40%	46%	50%	45%	55%	44%
Acknowledging costs associated with borrowings, loans should be considered to accelerate the delivery of new/upgraded infrastructure projects to spread the cost over a longer period	39%	49%	31%	35%	35%	39%	48%	39%	37%	32%	43%	41%
Base	302	125	175	27	79	121	74	245	57	67	107	128

Q9a. *Please state your agreement with the following principles.*

A significantly higher/lower level of agreement (by group) 61

Section 2b.
Asset Class Management

Informed sample

A snapshot of community asset conditions and current investment levels were provided in the survey. For each of the asset groups, an indication of Council's current expenditure on maintenance and renewals, together with a visual representation of each of the condition levels of very good/good, fair and poor/very poor was provided for the respondent to gain a deeper understanding.

This section is split into seven sub-sections to explore asset ratings, level of investment and support for future spend.

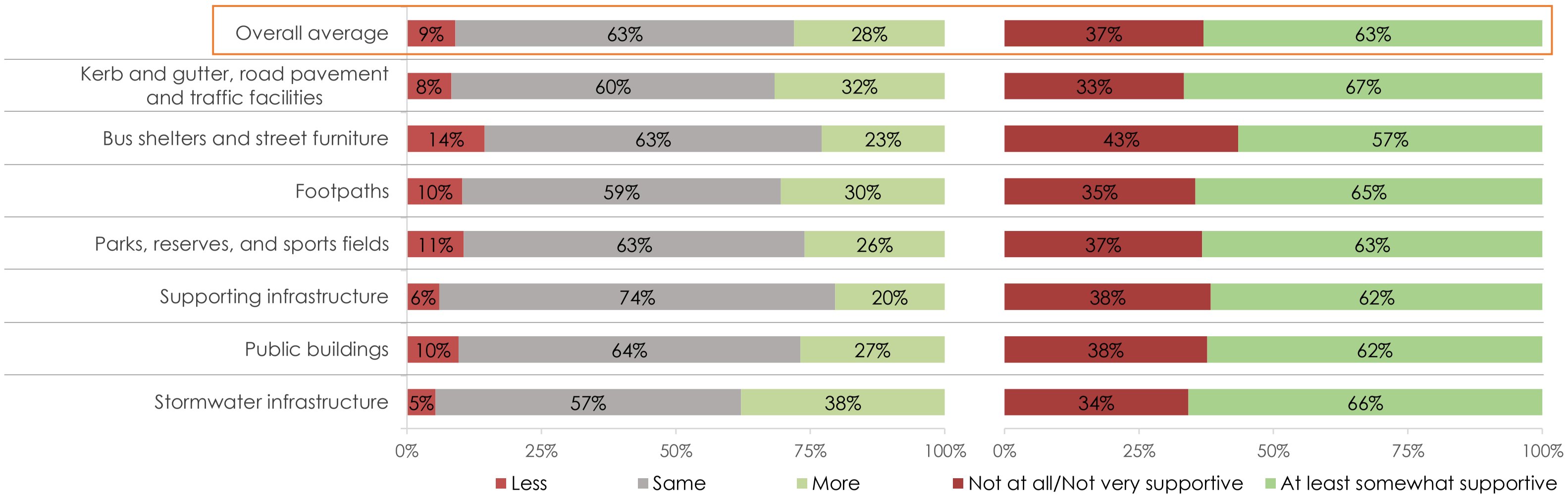
Investment and Support Summary

Informed sample

Across the seven asset classes, on average 28% of residents would like to see Council spending 'more' on facilities/infrastructure, while 63% wanted the same level of spend. On average, only 9% of residents wanted less spending. This split of investment opinion – based on a more detailed assessment of each of the seven asset classes – is very similar to the more 'top-of-mind' investment split obtained in the initial phone survey across the 51 services/infrastructure categories, where on average 23% selected improve, 64% selected maintain, and 13% selected reduce (see Slide 25).

On average, 63% of the follow-up respondents were at least somewhat supportive of paying more in rates to cover maintenance and improvement costs – with very similar results across six of the seven categories, the exception being bus shelters and street furniture with a 57% at least somewhat supportive score.

Desire for more investment, and support to pay more, is high for stormwater infrastructure (potentially influenced by recent weather events) and kerb and gutter, roads and traffic facilities, while support for paying more in rates to maintain or improve bus shelters and street furniture is lowest with 43% not supportive.



Q1-7b. Should Council spend more, the same or less for maintenance and renewal?
Q1-7c. Using the scale below, how supportive are you of paying more in rates to maintain or improve facilities in the local area?

63

Section 2b(a).

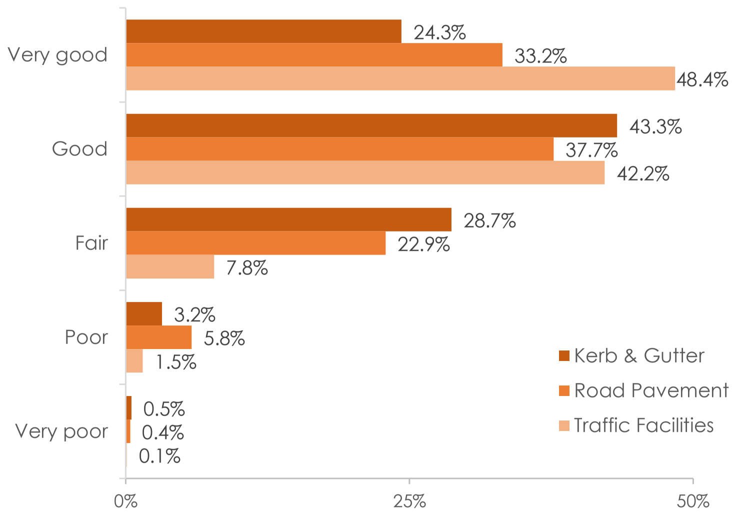
Roads and Transport Infrastructure

Informed sample

Context: *Council manages 260km of kerb and gutter, 153km of road pavements, and 1,173 traffic facilities including median strips, raised pedestrian crossings and roundabouts.*

Replacement value: $450 million. This assumes Council's transport related infrastructure is replaced every 66 years in a like for like condition.

Current Condition Levels:



Very good/ Good: **Fair:** **Poor/ Very poor:**

Council needs $6.52 million annually to maintain its road and transport infrastructure but currently has only $5.99 million budgeted for 2025/26.

Additionally, there is a $24 million backlog of infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, roads and traffic facilities will continue to deteriorate, creating safety risks and travel delays.

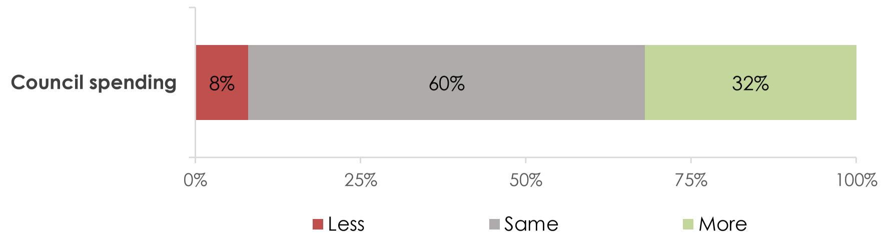
64

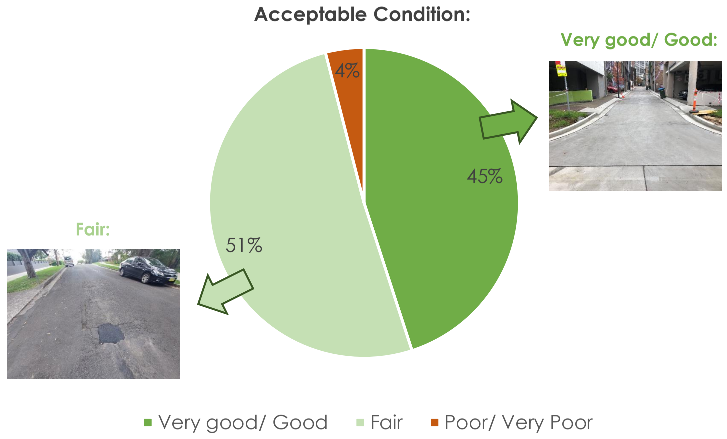
Roads and Transport Infrastructure

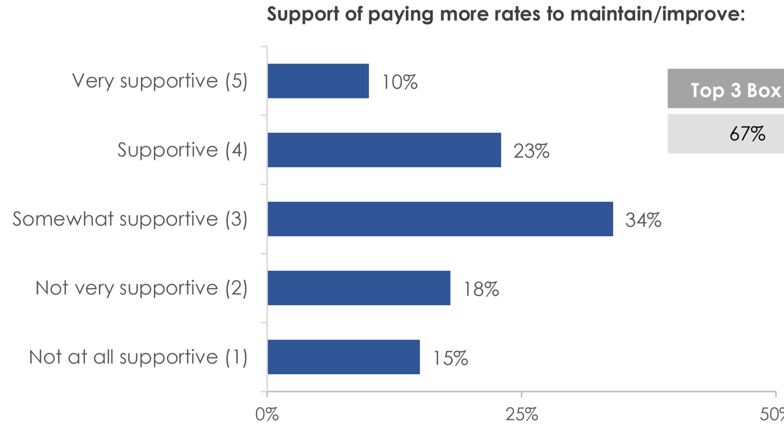
Informed sample

For roads and transport infrastructure;

- 51% believe 'fair' conditions are acceptable
- 92% would like to see the same or more investment (1 in 3 wanting more), and
- 67% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
67%	2.94

Base: N = 302

Scale: 1 = not at all supportive, 5 = very supportive

Q1a. What condition do you consider acceptable for our kerb and gutter, road pavement and traffic facilities?
Q1b. Should Council spend more, the same or less on kerb and gutter, road pavement and traffic facilities maintenance and renewal?
Q1c. Using the scale below, how supportive are you of paying more in rates to maintain or improve kerb and gutter, road pavement and traffic facilities in the local area?

Roads and Transport Infrastructure

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q1a)												
Very good/ Good	45%	39%	48%	50%	39%	41%	49%	38%	62%	54%	40%	40%
Fair	51%	57%	48%	43%	59%	55%	50%	57%	37%	38%	58%	58%
Poor/ Very poor	4%	4%	4%	8%	3%	4%	1%	5%	1%	8%	2%	2%
Council spend (Q1b)												
More	32%	26%	36%	34%	26%	28%	39%	26%	46%	35%	30%	30%
Same	60%	64%	57%	54%	68%	60%	58%	63%	52%	52%	64%	64%
Less	8%	10%	7%	12%	7%	12%	3%	11%	2%	13%	6%	6%
Support (Q1c)												
Top 3 Box %	67%	68%	66%	69%	68%	57%	72%	63%	77%	65%	68%	67%
Mean rating	2.94	3.07	2.84	2.97	2.86	2.77	3.17	2.87	3.11	2.80	3.01	3.01
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q1a. *What condition do you consider acceptable for our kerb and gutter, road pavement and traffic facilities?*
Q1b. *Should Council spend more, the same or less on kerb and gutter, road pavement and traffic facilities maintenance and renewal?*
Q1c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve kerb and gutter, road pavement and traffic facilities in the local area?*

Section 2b(b).

Bus Shelters and Street Furniture

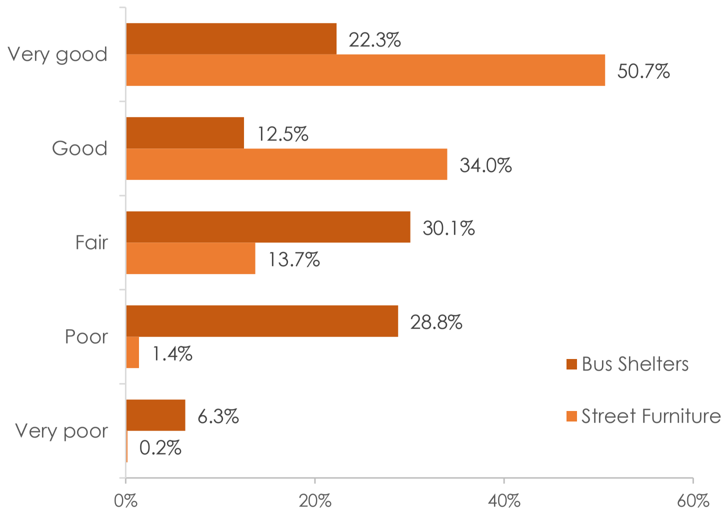
Informed sample

Context: *Council manages 66 bus shelters and 1,084 items of street furniture.*

Council needs $330,000 annually to maintain its bus shelters and street furniture, but has only $200,000 budgeted for 2025/26.

There is also a $2.1 million backlog of deteriorating bus shelters and street furniture in poor condition, with only $400,000 available to address it, meaning that without increased investment, public transport users will face reduced comfort, accessibility, and safety, especially during poor weather or at night.

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

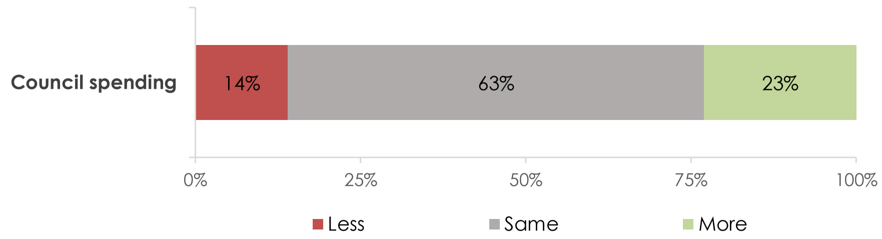
67

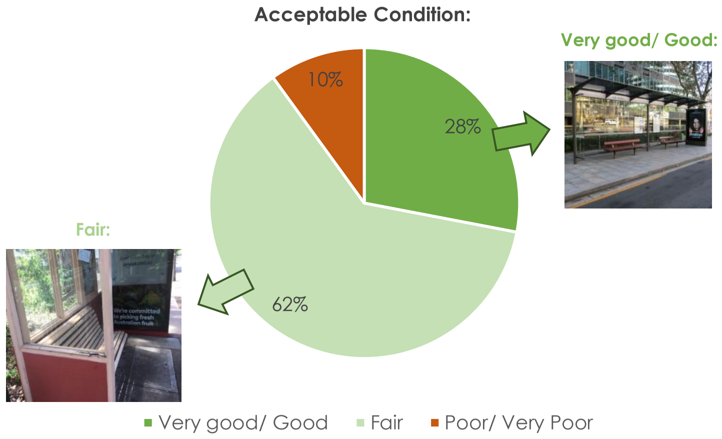
Bus Shelters and Street Furniture

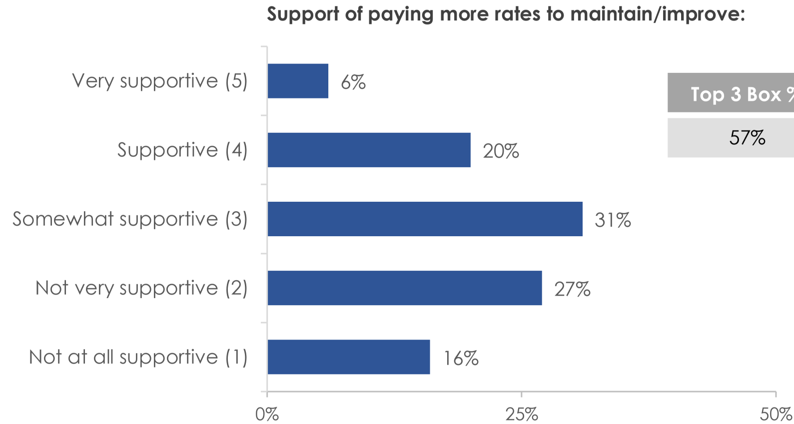
Informed sample

For bus shelters and street furniture;

- 62% believe 'fair' conditions are acceptable
- 86% would like to see the same or more investment (nearly 1 in 4 wanting more), and
- 57% support paying more in rates for maintenance and improvements (the lowest of the seven asset classes).







Top 3 Box %	Mean rating
57%	2.72

Base: N = 302

Q2a. *What condition do you consider acceptable for our bus shelters and street furniture?*
Q2b. *Should Council spend more, the same or less on bus shelters and street furniture maintenance and renewal?*
Q2c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve bus shelters and street furniture in the local area?*

Scale: 1 = not at all supportive, 5 = very supportive

Bus Shelters and Street Furniture

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q2a)												
Very good/ Good	28%	29%	28%	38%	18%	22%	34%	25%	36%	33%	26%	26%
Fair	62%	59%	63%	46%	70%	71%	61%	64%	56%	53%	67%	65%
Poor/ Very poor	10%	12%	9%	16%	12%	7%	5%	11%	8%	14%	7%	9%
Council spend (Q2b)												
More	23%	23%	23%	31%	10%	24%	27%	18%	37%	28%	20%	20%
Same	63%	58%	66%	54%	73%	60%	65%	65%	56%	55%	63%	70%
Less	14%	19%	12%	16%	17%	17%	8%	17%	7%	17%	17%	10%
Support (Q2c)												
Top 3 Box %	57%	54%	58%	62%	60%	46%	57%	52%	70%	62%	49%	57%
Mean rating	2.72	2.78	2.68	2.77	2.70	2.53	2.87	2.62	2.98	2.75	2.63	2.75
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q2a. *What condition do you consider acceptable for our bus shelters and street furniture?*
Q2b. *Should Council spend more, the same or less on bus shelters and street furniture maintenance and renewal?*
Q2c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve bus shelters and street furniture in the local area?*

Section 2b(c).

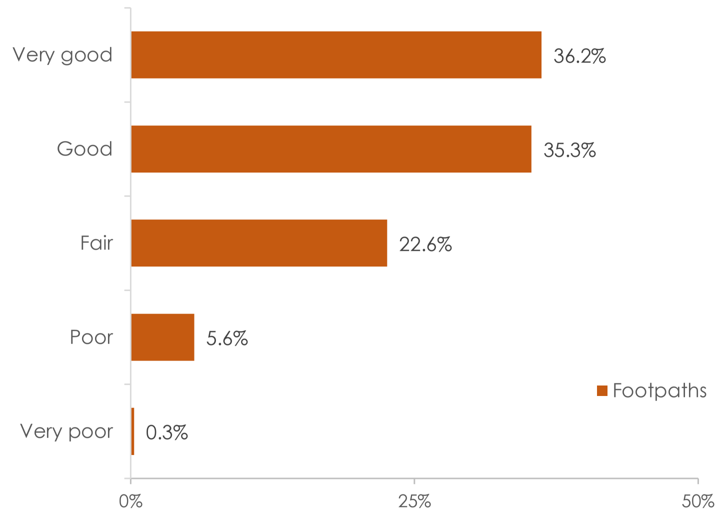
Footpaths

Informed sample

Context: *There are approximately 265.9km of footpath assets located within road reserves and parks (including walking tracks).*

Replacement value: $155 million. This assumes Council's footpaths are replaced every 40 years on average in a like for like condition (does not consider upgraded surfaces such as granite pavers in CBD locations.)

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $3.9 million annually to maintain its footpaths, but has only $400,000 budgeted for 2025/26.

There is also a $9.2 million backlog of footpaths in poor or very poor condition, with no dedicated budget to address it, meaning that without increased investment, aging footpaths will create accessibility and safety risks, particularly for people with mobility issues, older residents, and families.

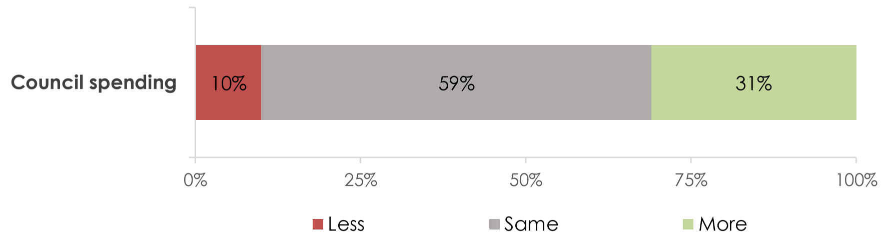
70

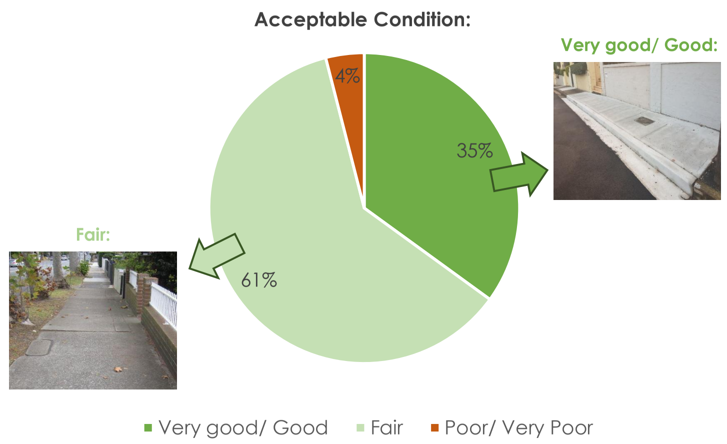
Footpaths

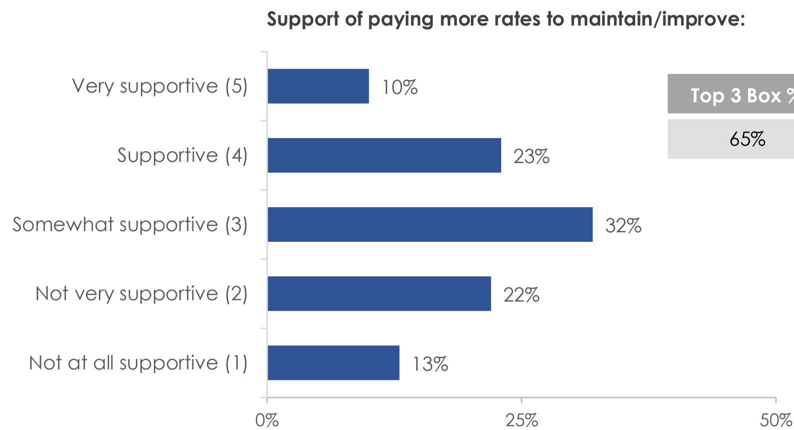
Informed sample

For footpaths;

- 61% believe 'fair' conditions are acceptable
- 90% would like to see the same or more investment (nearly 1 in 3 wanting more), and
- 65% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
65%	2.94

Base: N = 302

Q3a. *What condition do you consider acceptable for our footpaths?*
Q3b. *Should Council spend more, the same or less on footpath maintenance and renewal?*
Q3c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve footpaths?*

Scale: 1 = not at all supportive, 5 = very supportive

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Footpaths

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q3a)												
Very good/ Good	35%	34%	35%	34%	29%	30%	45%	31%	44%	33%	34%	36%
Fair	61%	62%	61%	58%	68%	65%	54%	64%	53%	59%	64%	61%
Poor/ Very poor	4%	5%	4%	8%	3%	5%	1%	5%	3%	8%	2%	2%
Council spend (Q3b)												
More	31%	37%	26%	19%	27%	34%	45%	31%	30%	24%	33%	34%
Same	59%	49%	66%	69%	63%	53%	50%	56%	67%	63%	58%	57%
Less	10%	14%	8%	12%	11%	13%	5%	13%	3%	12%	9%	9%
Support (Q3c)												
Top 3 Box %	65%	63%	66%	58%	68%	59%	75%	63%	69%	64%	62%	66%
Mean rating	2.94	2.96	2.93	2.73	2.99	2.76	3.33	2.90	3.03	2.86	2.98	2.98
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q3a. What condition do you consider acceptable for our footpaths?
Q3b. Should Council spend more, the same or less on footpath maintenance and renewal?
Q3c. Using the scale below, how supportive are you of paying more in rates to maintain or improve footpaths?

Section 2b(d).

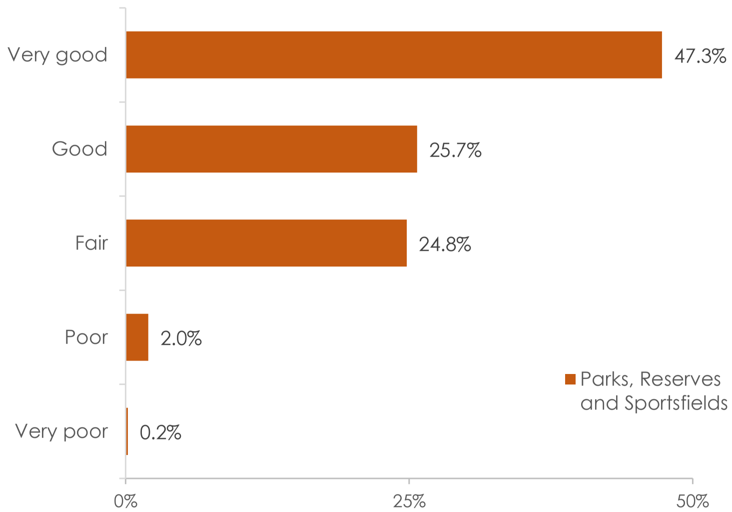
Parks, Reserves and Sportsfields

Informed sample

Context: *There are approximately 2,508 items of furniture, 44 playgrounds and 88 sporting related assets within Council parks and reserves.*

Replacement value: $40.2 million. This assumes these assets are replaced every 25 years on average in a like for like condition (does not consider upgraded surfaces or equipment).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $1.6 million annually to maintain its parks, recreational assets, but has only $610,000 budgeted for 2025/26.

There is also a $900,000 backlog of parks infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, play equipment, sports facilities, and open spaces will degrade. This will have impacts on the accessibility and useability of our open spaces.

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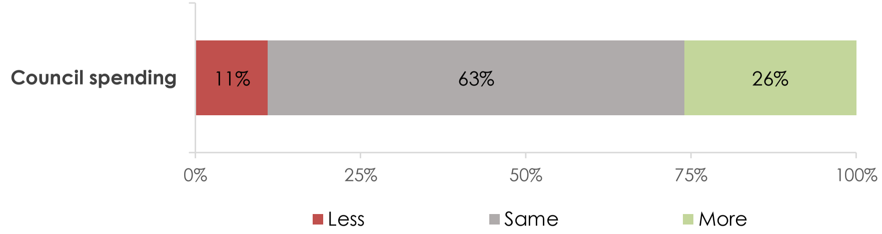
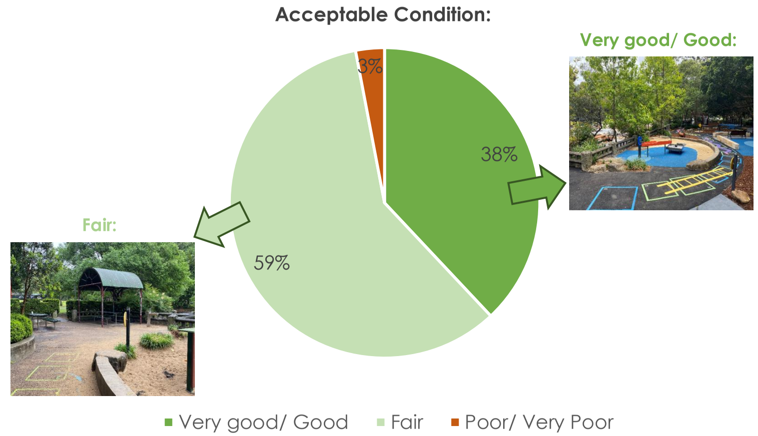
Parks, Reserves and Sportsfields

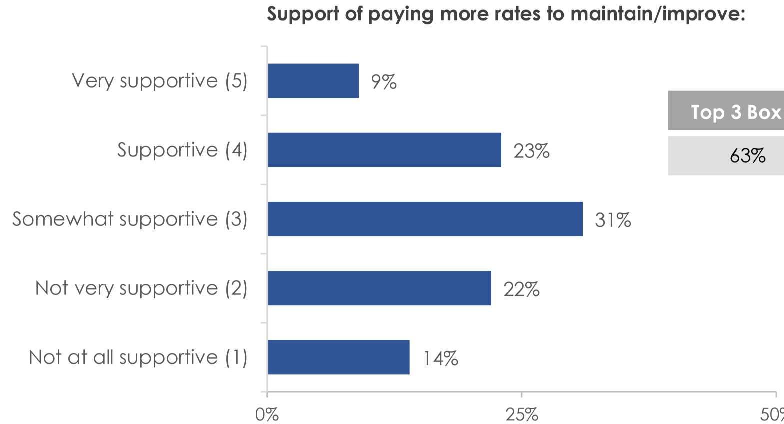
Informed sample

For parks, reserves and sportsfields;

- 59% believe 'fair' conditions are acceptable
- 89% would like to see the same or more investment (1 in 4 wanting more), and
- 63% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
63%	2.90

Base: N = 302

Q4a. What condition do you consider acceptable for our parks and recreational assets?
Q4b. Should Council spend more, the same or less on parks and recreational assets in terms of maintenance and renewal?
Q4c. Using the scale below, how supportive are you of paying more in rates to maintain or improve parks, reserves, and sports fields in the local area?

Scale: 1 = not at all supportive, 5 = very supportive

Parks, Reserves and Sportsfields

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q4a)												
Very good/ Good	38%	33%	41%	54%	26%	28%	42%	33%	51%	38%	35%	40%
Fair	59%	61%	58%	42%	73%	66%	57%	63%	49%	58%	64%	57%
Poor/ Very poor	3%	5%	2%	4%	1%	6%	1%	4%	0%	5%	1%	3%
Council spend (Q4b)												
More	26%	30%	24%	31%	22%	24%	27%	23%	34%	25%	24%	29%
Same	63%	59%	67%	58%	70%	61%	65%	65%	60%	63%	67%	61%
Less	11%	12%	10%	12%	8%	15%	8%	12%	6%	12%	9%	11%
Support (Q4c)												
Top 3 Box %	63%	61%	65%	65%	67%	55%	65%	59%	74%	65%	62%	62%
Mean rating	2.90	2.92	2.89	2.96	3.00	2.65	2.96	2.79	3.20	2.95	2.93	2.83
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q4a. What condition do you consider acceptable for our parks and recreational assets?
Q4b. Should Council spend more, the same or less on parks and recreational assets in terms of maintenance and renewal?
Q4c. Using the scale below, how supportive are you of paying more in rates to maintain or improve parks, reserves, and sports fields in the local area?

Section 2b(e).

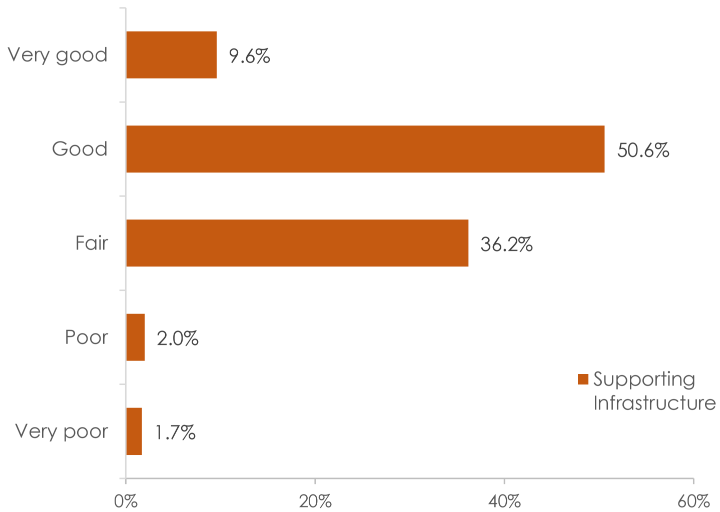
Supporting Infrastructure

Informed sample

Context: *Council manages approximately 44km of fences, 2,618 bollards, 1,874 lighting assets, 44 marine structures, 25km of retaining walls and 4.9km of seawalls.*

Replacement value: $303.9 million. This assumes these assets are replaced every 74 years on average in a like for like condition (does not consider upgraded materials or equipment).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

The Council needs $4.1 million annually to maintain its supporting infrastructure, but has only $1.33 million budgeted for 2025/26.

There is also an $11 million backlog of supporting infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, essential supporting infrastructure may fail, leading to reduced safety, usability, and increased long-term repair costs.

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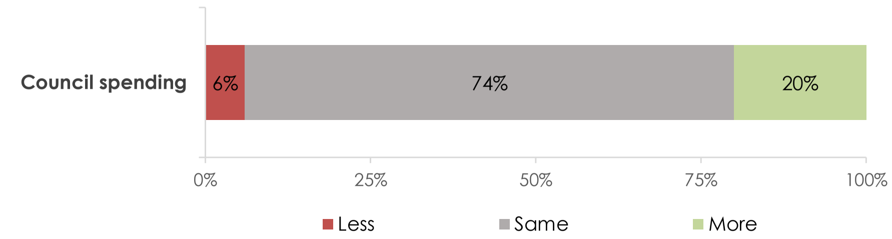
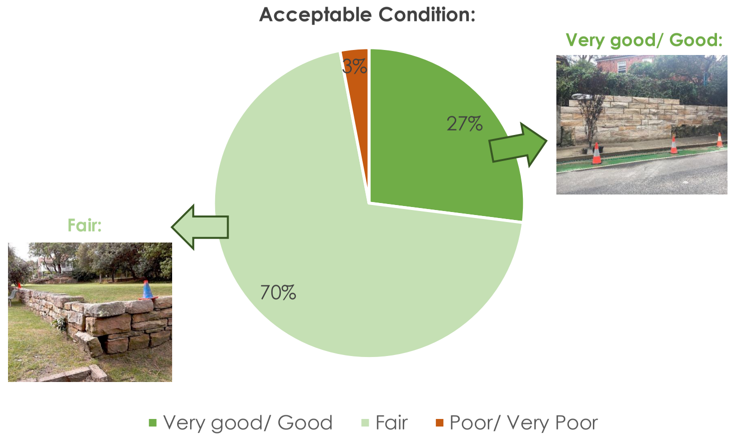
Supporting Infrastructure

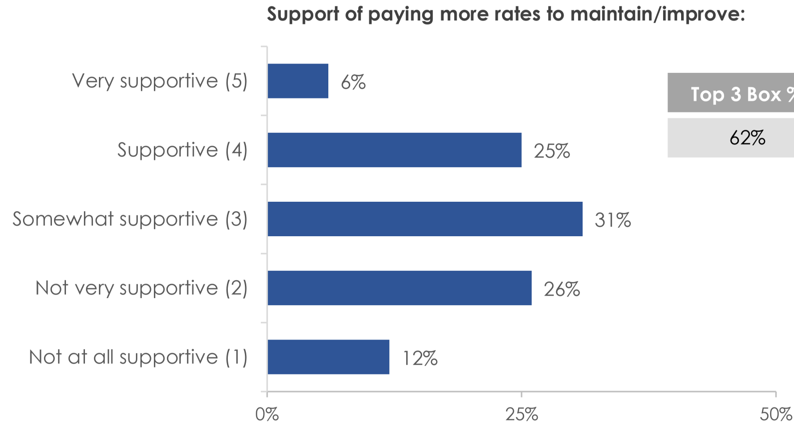
Informed sample

For supporting infrastructure;

- 70% believe 'fair' conditions are acceptable
- 94% would like to see the same or more investment (1 in 5 wanting more), and
- 62% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
62%	2.86

Base: N = 302

Q5a. What condition do you consider acceptable for supporting infrastructure?
Q5b. Should Council spend more, the same or less on supporting infrastructure maintenance and renewal?
Q5c. Using the scale below, how supportive are you of paying more in rates to maintain or improve supporting infrastructure in the local area?

Scale: 1 = not at all supportive, 5 = very supportive

Supporting Infrastructure

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q5a)												
Very good/ Good	27%	29%	25%	31%	14%	26%	38%	23%	37%	25%	27%	29%
Fair	70%	64%	74%	61%	86%	70%	61%	72%	63%	68%	72%	70%
Poor/ Very poor	3%	6%	1%	8%	0%	3%	1%	5%	0%	7%	2%	1%
Council spend (Q5b)												
More	20%	19%	21%	11%	14%	28%	31%	20%	21%	16%	25%	20%
Same	74%	72%	75%	81%	81%	65%	65%	72%	78%	76%	71%	74%
Less	6%	8%	4%	8%	5%	7%	4%	8%	1%	8%	4%	6%
Support (Q5c)												
Top 3 Box %	62%	63%	61%	58%	62%	59%	69%	60%	67%	60%	62%	63%
Mean rating	2.86	2.89	2.83	2.77	2.85	2.71	3.12	2.79	3.02	2.76	2.93	2.90
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q5a. *What condition do you consider acceptable for supporting infrastructure?*
Q5b. *Should Council spend more, the same or less on supporting infrastructure maintenance and renewal?*
Q5c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve supporting infrastructure in the local area?*

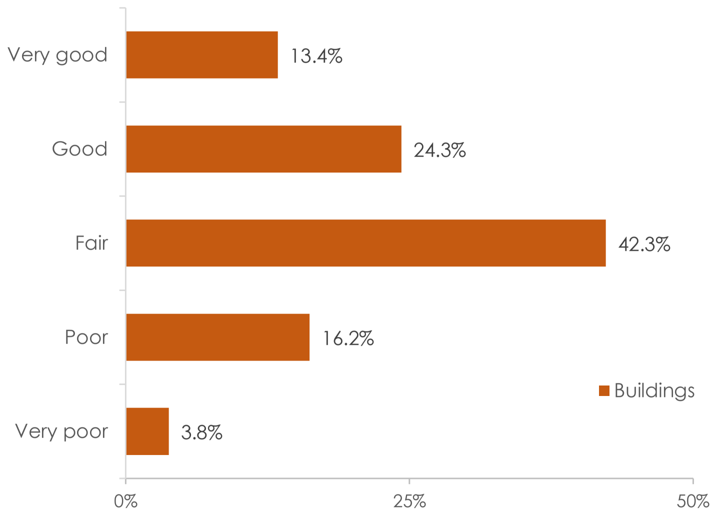
Section 2b(f).

Buildings

Informed sample

Context: *Council owns 140 buildings. These include Civic and Operational Buildings (e.g. Council Chambers, Depots, Library etc), community centres and halls, childcare centres, indoor sports centre, clubhouses, public amenities, North Sydney Oval buildings, Coal Loader buildings, community housing and museums. In addition, Council owns 11 investment properties.*
Replacement value: $347 million. This assumes these assets are replaced every 68.7 years on average in a like for like condition (does not consider upgrades or improved finishes).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

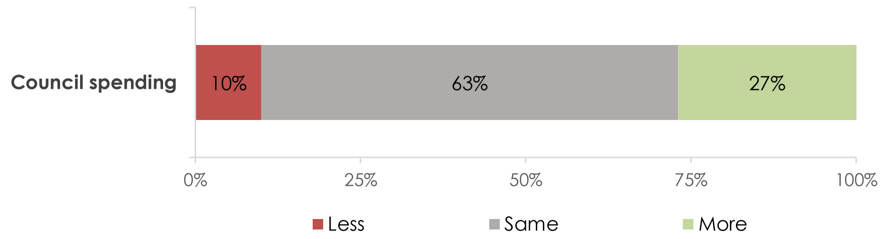
Council needs $5 million annually to maintain its buildings, but has only $3.895 million budgeted for 2025/26. There is also a $69.4 million backlog of buildings in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, community buildings may become unusable or unsafe, impacting service delivery and increasing final repair costs.

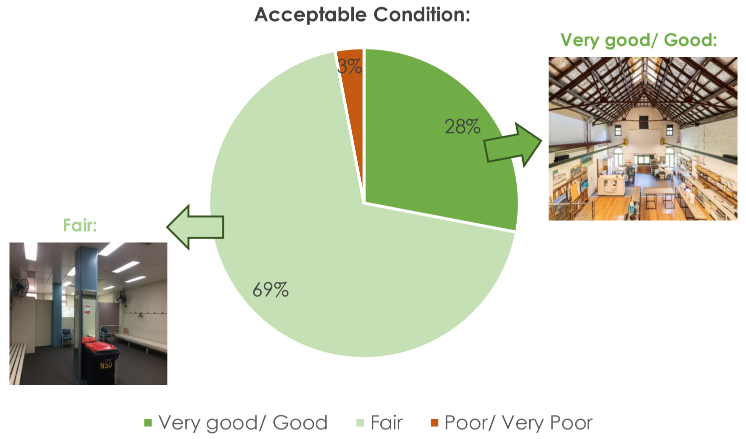
Buildings

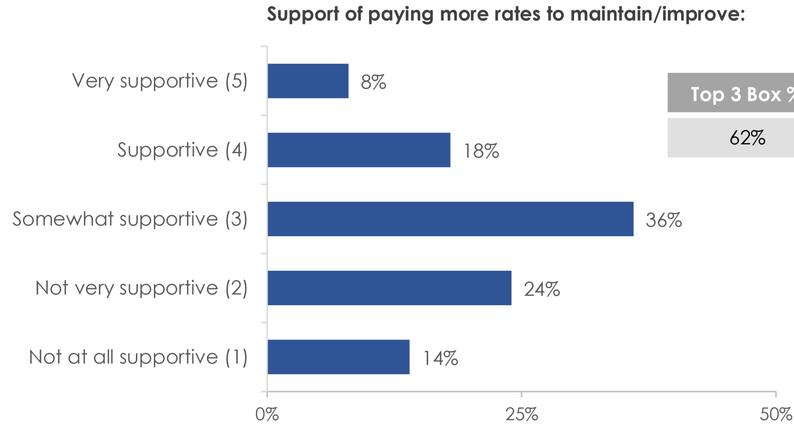
Informed sample

For public buildings;

- 69% believe 'fair' conditions are acceptable
- 90% would like to see the same or more investment (1 in 4 wanting more), and
- 62% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
62%	2.83

Base: N = 302

Q6a. What condition do you consider acceptable for our buildings?
Q6b. Should Council spend more, the same or less on building maintenance and renewal?
Q6c. Using the scale below, how supportive are you of paying more in rates to maintain or improve public buildings in the local area?

Scale: 1 = not at all supportive, 5 = very supportive

80

Buildings

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q6a)												
Very good/ Good	28%	31%	26%	23%	21%	28%	42%	26%	32%	28%	28%	27%
Fair	69%	64%	73%	73%	78%	66%	57%	71%	65%	67%	68%	71%
Poor/ Very poor	3%	5%	2%	4%	1%	6%	1%	3%	3%	4%	4%	1%
Council spend (Q6b)												
More	27%	25%	28%	27%	21%	25%	37%	22%	39%	33%	23%	24%
Same	63%	65%	63%	58%	73%	64%	59%	68%	53%	53%	70%	68%
Less	10%	10%	9%	15%	6%	12%	4%	10%	8%	15%	7%	7%
Support (Q6c)												
Top 3 Box %	62%	63%	62%	62%	65%	54%	68%	59%	72%	63%	62%	62%
Mean rating	2.83	2.83	2.83	2.81	2.84	2.62	3.06	2.72	3.10	2.84	2.75	2.87
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q6a. *What condition do you consider acceptable for our buildings?*
Q6b. *Should Council spend more, the same or less on building maintenance and renewal?*
Q6c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve public buildings in the local area?*

Section 2b(g).

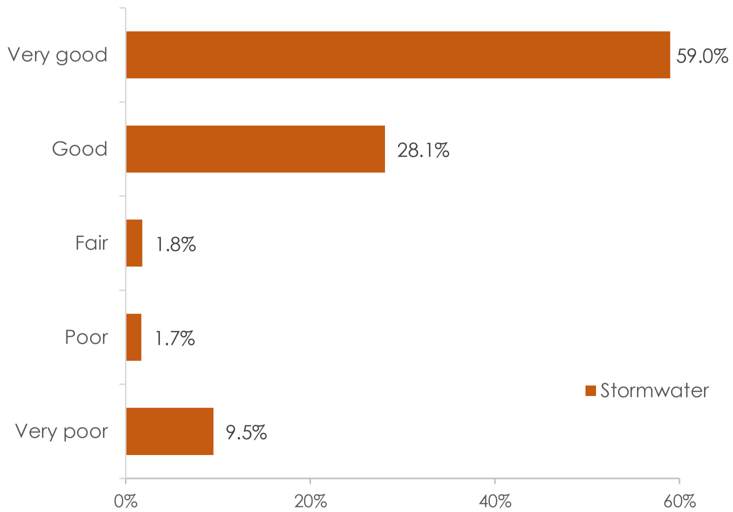
Stormwater

Informed sample

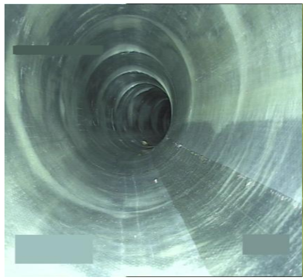
Context: *Council manages 27 Gross Pollutant Traps, 107km of stormwater pipes, and 6,659 stormwater pits.*

Replacement value: $270.5 million. This assumes Council's stormwater infrastructure is replaced every 112 years on average in a like for like condition.

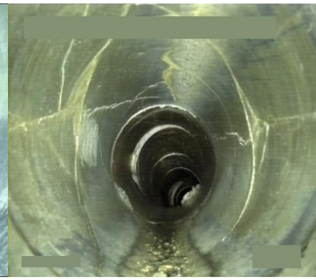
Current Condition Levels:



Very good/ Good:



Fair:



Poor/ Very poor:

The Council needs $2.4 million annually to maintain its stormwater infrastructure, but has only $800,000 budgeted for 2025/26.

There is also a $30.1 million backlog of stormwater systems in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, aging stormwater systems may increase local flooding, environmental damage, and emergency repair costs during major weather events.

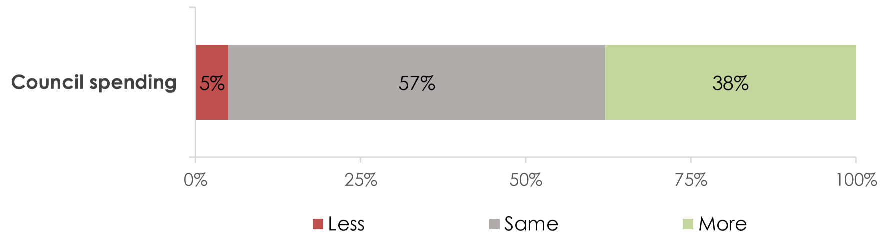
82

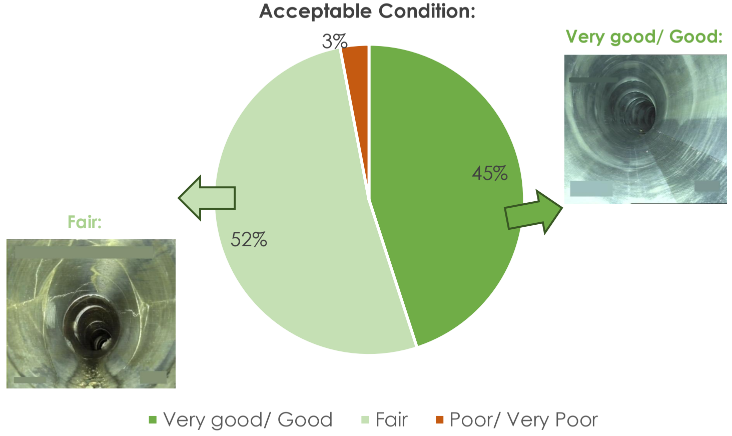
Stormwater

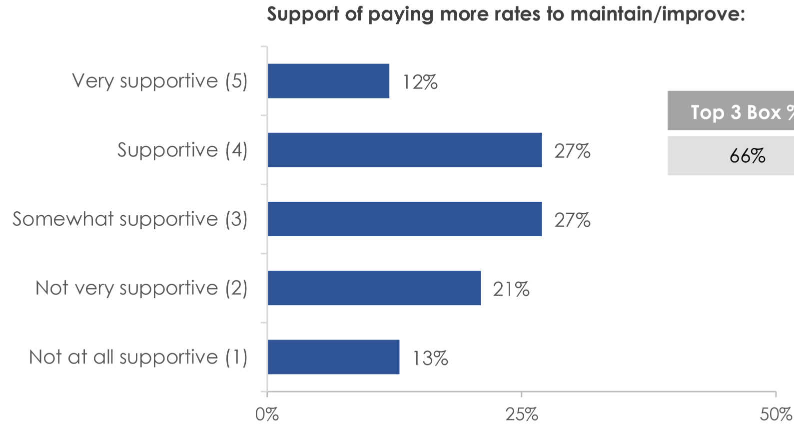
Informed sample

For stormwater assets;

- 52% believe 'fair' conditions are acceptable and 45% prefer 'very good/ good' conditions
- 95% would like to see the same or more investment (38% wanting more), and
- 66% support paying more in rates for maintenance and improvements.







Top 3 Box %	Mean rating
66%	3.03

Base: N = 302

Q7a. What condition do you consider acceptable for stormwater assets?
Q7b. Should Council spend more, the same or less on stormwater infrastructure maintenance and renewal?
Q7c. Using the scale below, how supportive are you of paying more in rates to maintain or improve stormwater infrastructure in the local area?

Scale: 1 = not at all supportive, 5 = very supportive

Stormwater

Informed sample

	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q7a)												
Very good/ Good	45%	45%	46%	50%	32%	39%	61%	42%	53%	48%	37%	49%
Fair	52%	53%	50%	46%	65%	56%	37%	55%	42%	47%	60%	49%
Poor/ Very poor	3%	2%	4%	4%	3%	4%	3%	3%	5%	5%	2%	2%
Council spend (Q7b)												
More	38%	34%	41%	30%	28%	39%	57%	37%	40%	35%	36%	41%
Same	57%	58%	56%	66%	65%	50%	43%	56%	58%	59%	60%	52%
Less	5%	8%	3%	4%	7%	11%	0%	7%	2%	5%	4%	7%
Support (Q7c)												
Top 3 Box %	66%	66%	66%	62%	65%	62%	76%	65%	68%	64%	63%	70%
Mean rating	3.03	3.09	2.98	3.04	2.94	2.86	3.28	2.98	3.16	2.92	2.98	3.15
Base	302	125	175	27	79	121	74	245	57	67	107	128

Scale: 1 = not at all supportive, 5 = very supportive
A significantly higher/lower level of support/percentage (by group)

Q7a. What condition do you consider acceptable for stormwater assets?
Q7b. Should Council spend more, the same or less on stormwater infrastructure maintenance and renewal?
Q7c. Using the scale below, how supportive are you of paying more in rates to maintain or improve stormwater infrastructure in the local area?

Section 2c.
Council Performance and Consultation

This section explores residents' feedback about the consultation as well as Council's overall performance.

Informed sample

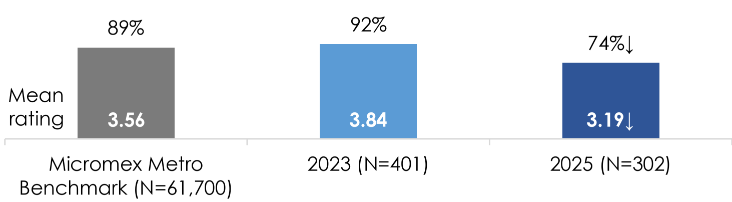
micromex research

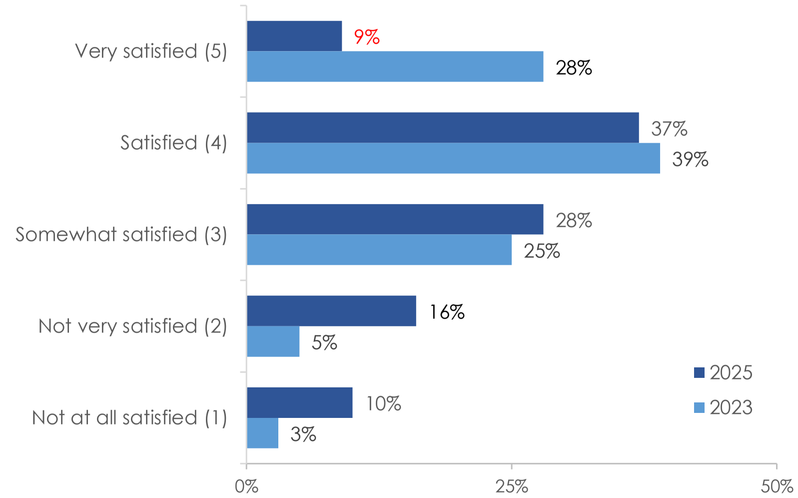
Overall Satisfaction with the Performance of Council

Informed sample

74% of residents are at least somewhat satisfied with the performance of Council, this increases to 94% amongst non-ratepayers.

The results are significantly lower than in 2023 (92%) and are lower than the Micromex Metro Benchmark (89%).





	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	74%	67%	79%	80%	77%	66%	72%	67%	94%	82%	72%	68%
Mean rating	3.19	3.01	3.31	3.42	3.20	2.90	3.19	3.03	3.60	3.39	3.09	3.08
Base	302	125	175	27	79	121	74	245	57	67	107	128

Base: N = 302 ↑↓ = A significantly higher/lower level of satisfaction (compared to Benchmark and 2023)

Q11. *How satisfied are you with the performance of Council, and their services, not just on one or two issues but across all responsibility areas?*

Scale: 1 = not at all satisfied, 5 = very satisfied

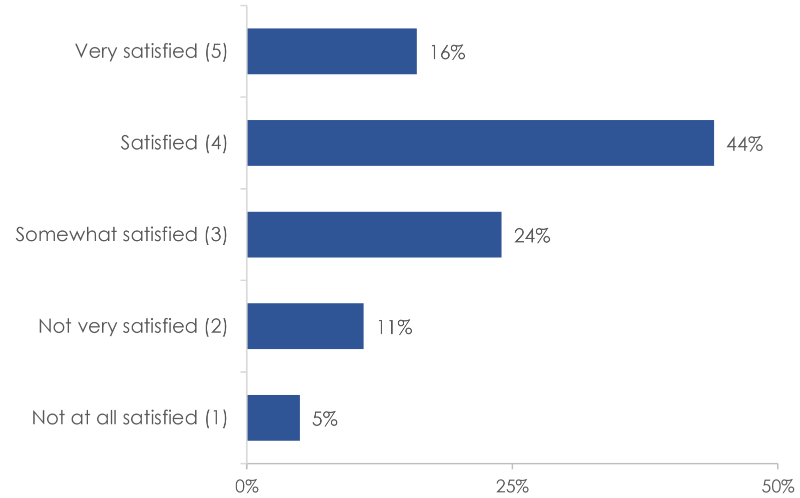
A significantly higher/lower level of satisfaction (by group) 86

Overall Satisfaction with this Community Consultation

Informed sample

84% of residents were at least somewhat satisfied with the community consultation, overall.

Females and non-ratepayers were more satisfied.



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	84%	78%	87%	84%	85%	78%	87%	82%	88%	85%	85%	81%
Mean rating	3.53	3.35	3.66	3.68	3.45	3.41	3.58	3.44	3.79	3.59	3.55	3.48
Base	302	125	175	27	79	121	74	245	57	67	107	128

Base: N = 302

Q10d. Overall, how satisfied are you with this community consultation?

Scale: 1 = not at all satisfied, 5 = very satisfied

A significantly higher/lower level of satisfaction (by group) 87

Overall Satisfaction with this Community Consultation

Informed sample

Feedback regarding the consultation was generally positive, with residents expressing satisfaction with the process and the level of detail/information provided.

Some residents cited concerns regarding Council transparency, and financial management, and concerns that resident feedback won't be adequately considered.

Example verbatims:

"Comprehensive, backed with data and visuals. Easy to follow to determine my point of view. Thank you" (Rated 4)

"I'm pleased they are consulting ratepayers and welcoming our point of view" (Rated 4)

"It's good to see facts and figures, but the swimming pool project seems to have been glossed over" (Rated 4)

"Council are very poor at feeding back responses and reacting to community needs" (Rated 3)

"It is self-serving for council's interests in lobbying for higher rates (if that is the only financial rescue). for example, it does not consider asset sales, which is a normal option for dealing with financial distress" (Rated 2)

Reason for satisfaction rating	N=302
Satisfied/Very satisfied (4-5)	60%
Informative/thorough/detailed	26%
No issues/everything was fine	17%
Council management, e.g. listening to the community/ financial management	7%
Should have been able to provide more answers/comments	4%
Need more information/details	3%
Other comments	3%
Don't know/no response	5%
Somewhat satisfied (3)	24%
Council management, e.g. listening to the community/ financial management	8%
Need more information/details	6%
No issues/everything was fine	4%
Should have been able to provide more answers/comments	3%
Informative/thorough/detailed	2%
Other comments	1%
Don't know/no response	3%
Not at all/Not very satisfied (1-2)	16%
Council management, e.g. listening to the community/ financial management	8%
Did not like the structure of questions/survey limitations	7%
Should have been able to provide more answers/comments	3%
Need more information/details	2%
Not enough community consultation	2%
Other comments	2%
Don't know/no response	<1%

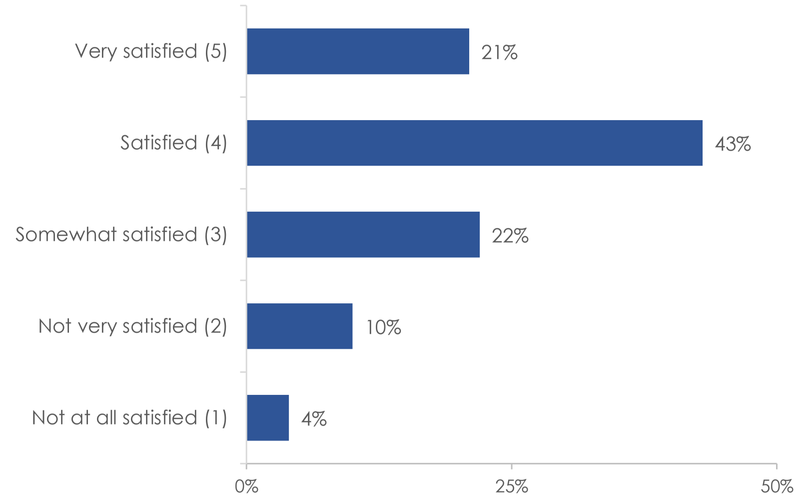
Q10d. Overall, how satisfied are you with this community consultation?
Q10e. Why do you say that?

Satisfaction with the Level of Information Provided

Informed sample

86% of residents were at least somewhat satisfied with the level of information provided in this consultation, with 1 in 5 stating they were 'very satisfied'.

Females and non-ratepayers were more satisfied.



	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	86%	81%	89%	88%	86%	83%	85%	83%	93%	82%	88%	87%
Mean rating	3.66	3.48	3.78	3.80	3.51	3.63	3.68	3.56	3.91	3.62	3.65	3.70
Base	302	125	175	27	79	121	74	245	57	67	107	128

Base: N = 302

Q10c. How satisfied were you with the level of information provided to you in this consultation?

Scale: 1 = not at all satisfied, 5 = very satisfied

A significantly higher/lower level of satisfaction (by group) 89

Appendix 1
Additional Analyses

Alternative Sources of Revenue

Baseline sample

At least somewhat supportive (T3B%)	Overall	Gender		Age				Ratepayer status		Time lived in area		
		Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Corporate/private event hire of the Olympic Pool	87%	90%	84%	87%	86%	93%	81%	89%	81%	81%	91%	89%
New/increased fees for commercial/large group park use	77%	83%	72%	72%	78%	83%	78%	83%	63%	73%	76%	82%
Naming rights for local facilities	74%	76%	72%	72%	75%	81%	67%	76%	67%	69%	80%	72%
Ticketing entry to parks on New Year's Eve	65%	66%	64%	61%	69%	71%	60%	69%	55%	62%	68%	65%
More commercial advertising in public places	62%	65%	60%	59%	72%	70%	46%	63%	60%	61%	70%	58%
Increased parking enforcement	47%	53%	41%	45%	43%	50%	51%	49%	39%	49%	43%	47%
Base (maximum)	605	281	324	194	174	120	118	438	167	206	189	210

Q12c . To offset or reduce the pressure on Council rates as a revenue source, how supportive are you of the following?

A significantly higher/lower level of support (by group) 91

Appendix 2
Questionnaire

North Sydney Council
Recruit Survey
2025

Good evening, my name is .... and I am calling on behalf of North Sydney Council, from a company called Micromex. We are conducting research about local services and assets provided by Council. Would now be a good time to share your opinions?

QA. Which of the following describes your relationship to the North Sydney Local Government Area? (MR)

Position	Answers	Notes
1	I live in the area	Mandatory
2	I operate or rent a business in the area	
3	I own business property	
4	I own residential property but do not live in the area	Online only
5	I am a student in the area	
6	I visit the area	Online only
7	I work in the area	
8	Other (please specify)	Online only

Q1. What suburb do you live in? (SR)

Position	Answers	Notes
1	Cammeray	
2	Cremorne	
3	Cremorne Point	
4	Crows Nest	
5	Kirribilli	
6	Kurraba Point	
7	Lavender Bay	
8	McMahons Point	
9	Milsons Point	
10	Neutral Bay	
11	North Sydney	
12	St Leonards	
13	Waverton	
14	Wollstonecraft	
15	Other	Online Only

Q2. Overall, how would you rate the quality of life you have living in the area? ONLY FOR RESIDENTS

Value	Answers	Notes
6	Excellent	
5	Very good	
4	Good	
3	Fair	
2	Poor	
1	Very poor	

North Sydney Council is currently working to strengthen service and infrastructure delivery to support quality of life now and into the future.

Based on Council's current financial position, together with ageing infrastructure, it has been determined that current service levels are unsustainable. A review of rating levels has also indicated the average rates in North Sydney Local Government area are low compared to many local councils.

Together with the community, Council must make some difficult decisions and compromises to shape the future. Council is asking for your help to guide this process by sharing your opinion on services, infrastructure, and rating levels.

Q3. Thinking generally about service provision. On a scale of 1 to 5, where 1 means you would prefer for Council to focus more on lower-cost services and infrastructure, even if this means lower quality, or fewer options, and 5 means you prefer to see Council focus on providing high-quality services and infrastructure, even if it comes at a higher cost. How would you rate your position on this area? FLIP

Value	Answers	Notes
1	**Lower-cost services and infrastructure, even if this means less quality or fewer options**	
2		
3		
4		
5	**High-quality services and infrastructure, even if it comes at a higher cost**	

<u>Category Specific Questions</u>

We would now like you to think about specific services and infrastructure in the North Sydney local area. For each of these we will ask you if you think Council should:

- **Reduce services/ reduce maintenance of infrastructure (i.e. shorter opening hours, reduced quality)**
- **Maintain services or infrastructure**
- **Improve services or infrastructure, which may include more services, better services, longer opening hours, new or upgraded infrastructure**

Please note that maintaining or improving services or infrastructure will require an increase in average rates.

FLIP Sections (Q5- Q11)

<u>Environmental Sustainability</u>

Q5. Thinking about our local environmental sustainability, do you think Council should reduce, maintain, or improve…Randomise

Position	Answers	Reduce – Maintain – Improve
1	Bushland rehabilitation and maintenance	
2	Protection of native fauna/flora, bush walking tracks, green corridors	
3	Tree canopy provision and maintenance	
4	Reducing greenhouse gas emissions	
5	Waterway protection programs/infrastructure	
6	Stormwater and drainage systems	
7	Street sweeping	
8	Environmental education/workshops	

<u>Social Inclusion</u>

Q6. Thinking about our Social inclusion, do you think Council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Community events and activities	
2	Grant programs and community centre services	
3	Shared public and community spaces	
4	Bookable spaces for private/family functions	
5	Library services and activities	
6	Library physical spaces	
7	Library opening hours	
8	Youth services and activities	
9	Programs for older residents	
10	Programs for disadvantaged residents	
11	Disability support and access programs	
12	Affordable/diverse housing initiatives	
13	Volunteer connection programs (e.g. bushcare)	

<u>Open Space and Recreation</u>

Q7a. Thinking about our Open Space and Recreation, do you think Council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Parks and reserves	
2	Verge mowing (in front of your property)	
3	Sports fields	
4	Recreation infrastructure (e.g. courts, outdoor gyms)	
5	Public toilet maintenance	
6	Park infrastructure (paths, lighting, seating)	
7	Street beautification programs (i.e. streets alive and community gardens)	
8	Wharves and jetties	

Q7b. Research has shown that based upon the population of North Sydney, there is a shortage of open space and recreation facilities. Which, if any, of the following actions do you think Council should implement? Prompt

Position	Answers	Yes
1	Maximise use of existing spaces (e.g. better drainage, multi-use fields)	
2	Create more open space and recreational facilities	
3	Develop and consult on masterplans for parks/foreshore	
4	Upgrade key sporting facilities (e.g. North Sydney Oval and indoor sports centre)	
5	None of these	Do not prompt

<u>Integrated Transport</u>

Q8. Thinking about our Integrated transport, do you think Council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Footpaths	
2	Cycleways	
3	Bus shelters and street furniture (e.g. benches)	
4	Council input into transport planning	
5	Pedestrian crossings, roundabouts, etc.	
6	Road and kerb conditions	
7	Car parking and enforcement	

Economic Development

Q9a. Thinking about our Economic Development, do you think Council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Quality of CBD/town centre public spaces	
2	Public cleaning and graffiti removal	
3	Events and festivals to activate centres	
4	Town centre promotion	
5	Business support initiatives	

Q9b. Recent community consultation within North Sydney, has indicated a need to secure employment in North Sydney. Which, if any, of the following actions do you think council should implement? Prompt

Position	Answers	Notes
1	Revitalise the CBDs with social spaces and upgrades	
2	Expand pedestrian spaces in local centres	
3	Activities to support increased tourism	
4	Use public land near metro for social/economic benefit	
5	None of these	Do not prompt

Culture and creativity

Q10a. Thinking about our Culture and Creativity, do you think Council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Library cultural/creative programs	
2	Affordable local events (e.g. Festivals, music, art, workshops)	
3	Spaces for creative participation (e.g. galleries, pop-ups, artist spaces)	
4	Public art and creative street activations	
5	Preserve and celebrate local heritage	

Q10b. Recent community consultation within North Sydney has indicated a desire to implement new initiatives through the following measures. Which, if any, of the following actions do you think Council should implement? Prompt

Position	Answers	Notes
1	Work with First Nations communities to enhance heritage visibility	
2	Use digital signage and storytelling to promote heritage	
3	None of these	Do not prompt

Customer experience

Q11. Thinking about our Customer Experience, do you think council should reduce, maintain, or improve… Randomise

Position	Answers	Reduce – Maintain – Improve
1	Council customer service opening hours	
2	Online services	
3	Provision of information	
4	Engagement through Precinct Committees	
5	Other community engagement	

Financial strategy - Rates

North Sydney Council's average residential rates for 2025/26 will be $1,079. This is compared with neighbouring councils in the North Shore, Mosman $1,762, Lane Cove $1,439, Willoughby $1,323, and the Northern Beaches $1,901.

Q12a. In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area? Prompt

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Q12b. Why do you say that?

Position	Answers	Notes
1	Text	5 Lines

Q12c . To offset or reduce the pressure on Council rates as a revenue source, how supportive are you of the following?

Please rate on the scale of 1-5, where 1 is not at all supportive and 5 is very supportive.

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Position	Answers	Notes
1	Ticketing entry to parks on New Year's Eve	
2	New/increased fees for commercial/large group park use	
3	Naming rights for local facilities, such as North Sydney oval and the Olympic pool	
4	Corporate/private event hire of the Olympic Pool	
5	Increased parking enforcement	
6	More commercial advertising in public places	

<u>**Demographic & Profiling Questions**</u>

D1. Please stop me when I read out your age group: *Prompt* (SR)

Position	Answers	Notes
1	18-34	
2	35-49	
3	50-64	
4	65+	

D2a. Which of the following best describes the dwelling where you are currently living? *Prompt* (SR)

Position	Answers	Notes
1	I/We own/are currently buying this property	
2	I/We currently rent this property	

Q2b. Do you, or your household, pay Council rates to North Sydney Council for any of the following?

Position	Answers	Notes
1	Residential	
2	Business	
3	None of these	(Rent)

D3. How long have you lived in the North Sydney local area? *Prompt* (SR)

Position	Answers	Notes
1	Less than 2 years	
2	2 – 5 years	
3	6 – 10 years	
4	11 – 20 years	
5	More than 20 years	

D4a. What is your identified gender? (SR)

Position	Answers	Notes
1	Female	
2	Male	
3	Non binary/gender fluid	
4	Different identity	

D4b. Gender (determine by voice): (SR) -Phone Only

Position	Answers	Notes
1	Male	
2	Female	

D5. Do you identify as Aboriginal or Torres Strait Islander? (SR)

Scale	Answers	Notes
1	Yes	
2	No	

D6. Do you or anyone in your household identify as living with disability? (SR)

Scale	Answers	Notes
1	Yes	
2	No	

D7. What is your highest level of education?

Position	Answers	Notes
1	Postgraduate degree	
2	Graduate Diploma and Graduate Certificate	
3	Bachelor Degree	
4	Advanced Diploma and Diploma	
5	TAFE certificate	
6	Secondary school	

Recruitment details

Asset Condition Follow Up

R1. As part of this research, we would like to send you a follow up online survey via SMS. It will allow you to voice your preference for the quality and level of Council assets. These final questions cannot be easily conducted via a phone call; it should only take 5-10 minutes to complete. Would you mind if we send this via SMS? (If no: Would you prefer we send it via email?)

Position	Answers	Notes
1	SMS	
2	Email	
3	Not willing	

R2. Can I confirm your contact details?

Position	Answers	Notes
1	Name	
2	Phone	If R1.A1
3	Email	If R1.A2

Thank you for your time and assistance. This market research is carried out in compliance with the Privacy Act, and the information you provided will be used only for research purposes. The research has been conducted by Micromex Research on behalf of North Sydney Council.

SMS

Thank you for your time and assistance, please complete the online follow up survey as soon as you can. This market research is carried out in compliance with the Privacy Act, and the information you provided will be used only for research purposes. Just to remind you, this research has been conducted by Micromex Research on behalf of North Sydney Council.

North Sydney Council
Recontact Survey
2025

Introduction

About community infrastructure assets:

Council undertakes regular reviews of the condition of its community assets to determine the amount of money it should spend on infrastructure, such as roads, footpaths, buildings, stormwater, other infrastructure and parks and reserves. Council is trying to determine where the community's priorities are to help allocate resources to asset maintenance and renewal to best meet the community's expectations.

What does asset maintenance and renewal mean?

Maintenance is work performed on an asset that keeps it in a useable condition, e.g. painting buildings, filling potholes, fixing playgrounds and swings.

Renewal is work performed on an asset to bring it back to its original condition, e.g. the replacement of a building, reconstructing a segment of road, replacing a bridge or playground. Using industry benchmarks, Council have reviewed its asset groups to work out if they are in very good, good, fair, poor or very poor condition. The following pages provide a snapshot for each asset group. The issue facing Council is that while a lot of assets are in very good/good or fair condition, a large proportion are at risk of falling into poor/very poor condition.

Where are we now?

A snapshot of community asset conditions and current investment levels is provided in this survey. For each asset group, included is an indication of Council's current expenditure on maintenance and renewals, together with a visual representation of each of the condition levels of good, fair and poor.

ROTATE ASSET CLASSES

Roads and Transport infrastructure

Council manages 260km of kerb and gutter, 153km of road pavements, and 1,173 traffic facilities including median strips, raised pedestrian crossings and roundabouts.

Replacement value: $450 million. This assumes Council's transport related infrastructure is replaced every 66 years in a like for like condition.

Current Condition Levels:

Condition	Kerb & Gutter	Road Pavement	Traffic Facilities
Very Good	24.3%	33.2%	48.4%
Good	43.3%	37.7%	42.2%
Fair	28.7%	22.9%	7.8%
Poor	3.2%	5.8%	1.5%
Very poor	0.5%	0.4%	0.1%

Very good/Good	Fair	Poor/Very poor
		

Council needs $6.52 million annually to maintain its road and transport infrastructure, but currently has only $5.99 million budgeted for 2025/26.

Additionally, there is a $24 million backlog of infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, roads and traffic facilities will continue to deteriorate, creating safety risks and travel delays.

Q1a. What condition do you consider acceptable for our kerb and gutter, road pavement and traffic facilities?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q1b. Should Council spend more, the same or less on kerb and gutter, road pavement and traffic facilities maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q1c. Using the scale below, how supportive are you of paying more in rates to maintain or improve kerb and gutter, road pavement and traffic facilities in the local area?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Bus shelters and Street Furniture

Council manages 66 bus shelters and 1,084 items of street furniture.

Current Condition Levels:

Condition	Bus Shelters	Street Furniture
Very Good	22.3%	50.7%
Good	12.5%	34%
Fair	30.1%	13.7%
Poor	28.8%	1.4%
Very poor	6.3%	0.2%

Very good/Good	Fair	Poor/Very poor
		

Council needs $330,000 annually to maintain its bus shelters and street furniture, but has only $200,000 budgeted for 2025/26.

There is also a $2.1 million backlog of deteriorating bus shelters and street furniture in poor condition, with only $400,000 available to address it, meaning that without increased investment, public transport users will face reduced comfort, accessibility, and safety, especially during poor weather or at night.

Q2a. What condition do you consider acceptable for our bus shelters and street furniture?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

98

Q2b. Should Council spend more, the same or less on bus shelters and street furniture maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q2c. Using the scale below, how supportive are you of paying more in rates to maintain or improve bus shelters and street furniture in the local area?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Footpaths

There are approximately 265.9km of footpath assets located within road reserves and parks (including walking tracks).

Replacement value: $155 million. This assumes Council's footpaths are replaced every 40 years on average in a like for like condition (does not consider upgraded surfaces such as granite pavers in CBD locations.)

Current Condition Levels:

Condition	Footpaths
Very Good	36.2%
Good	35.3%
Fair	22.6%
Poor	5.6%
Very poor	0.3%

Very good/Good

Fair

Poor/Very poor

Council needs $3.9 million annually to maintain its footpaths, but has only $400,000 budgeted for 2025/26.

There is also a $9.2 million backlog of footpaths in poor or very poor condition, with no dedicated budget to address it, meaning that without increased investment, aging footpaths will create accessibility and safety risks, particularly for people with mobility issues, older residents, and families.

Q3a. What condition do you consider acceptable for our footpaths?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q3b. Should Council spend more, the same or less on footpath maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q3c. Using the scale below, how supportive are you of paying more in rates to maintain or improve footpaths?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Parks, Reserves and Sportsfields

There are approximately 2,508 items of furniture, 44 playgrounds and 88 sporting related assets within Council parks and reserves.

Replacement value: $40.2 million. This assumes these assets are replaced every 25 years on average in a like for like condition (does not consider upgraded surfaces or equipment)

Current Condition Levels:

Condition	Parks, Reserves and Sportsfields
Very Good	47.3%
Good	25.7%
Fair	24.8%
Poor	2.0%
Very poor	0.2%

Very good/Good	Fair	Poor/Very poor
		

Council needs $1.6 million annually to maintain its parks, recreational assets, but has only $610,000 budgeted for 2025/26.

There is also a $900,000 backlog of parks infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, play equipment, sports facilities, and open spaces will degrade. This will have impacts on the accessibility and useability of our open spaces.

Q4a. What condition do you consider acceptable for parks and recreational assets?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q4b. Should Council spend more, the same or less on parks and recreational assets in terms of maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q4c. Using the scale below, how supportive are you of paying more in rates to maintain or improve parks, reserves, and sports fields in the local area?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Supporting Infrastructure

Council manages approximately 44km of fences, 2,618 bollards, 1,874 lighting assets, 44 marine structures, 25km of retaining walls and 4.9km of seawalls.

Replacement value: $303.9 million. This assumes these assets are replaced every 74 years on average in a like for like condition (does not consider upgraded materials or equipment).

Current Condition Levels:

Condition	Supporting Infrastructure
Very Good	9.6%
Good	50.6%
Fair	36.2%
Poor	2.0%
Very poor	1.7%

Very good/Good	Fair	Poor/Very poor
		

The Council needs $4.1 million annually to maintain its supporting infrastructure, but has only $1.33 million budgeted for 2025/26.

There is also an $11 million backlog of supporting infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, essential supporting infrastructure may fail, leading to reduced safety, usability, and increased long-term repair costs.

Q5a. What condition do you consider acceptable for supporting infrastructure?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q5b. Should Council spend more, the same or less on supporting infrastructure maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q5c. Using the scale below, how supportive are you of paying more in rates to maintain or improve the supporting infrastructure in the local area?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Buildings

Council owns 140 buildings. These include Civic and Operational Buildings (e.g. Council Chambers, Depots, Library etc), community centres and halls, childcare centres, indoor sports centre, clubhouses, public amenities, North Sydney Oval buildings, Coal Loader buildings, community housing and museums. In addition, Council owns 11 investment properties.
Replacement value: $347 million. This assumes these assets are replaced every 68.7 years on average in a like for like condition (does not consider upgrades or improved finishes).

Current Condition levels:

Condition	Buildings
Very Good	13.4%
Good	24.3%
Fair	42.3%
Poor	16.2%
Very poor	3.8%

Very good/Good	Fair	Poor/Very poor
		

Council needs $5 million annually to maintain its buildings, but has only $3.895 million budgeted for 2025/26. There is also a $69.4 million backlog of buildings in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, community buildings may become unusable or unsafe, impacting service delivery and increasing final repair costs.

Q6a. What condition do you consider acceptable for our buildings?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q6b. Should Council spend more, the same or less on building maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q6c. Using the scale below, how supportive are you of paying more in rates to maintain or improve public buildings in the local area?

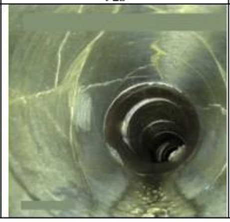
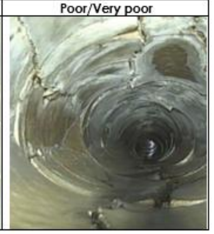
Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Stormwater

Council manages 27 Gross Pollutant Traps, 107km of stormwater pipes, and 6,659 stormwater pits. Replacement value: $270.5 million. This assumes Council's stormwater infrastructure is replaced every 112 years on average in a like for like condition.

Current Condition Levels:

Condition	Stormwater
Very Good	59.0%
Good	28.1%
Fair	1.8%
Poor	1.7%
Very poor	9.5%

Very good/Good	Fair	Poor/Very poor
		

The Council needs $2.4 million annually to maintain its stormwater infrastructure, but has only $800,000 budgeted for 2025/26.

There is also a $30.1 million backlog of stormwater systems in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, aging stormwater systems may increase local flooding, environmental damage, and emergency repair costs during major weather events.

Q7a. What condition do you consider acceptable for stormwater assets?

Value	Answers	Notes
3	Very good/Good	
2	Fair	
1	Poor/Very poor	

Q7b. Should Council spend less, the same, or more on stormwater infrastructure maintenance and renewal?

Position	Answers	Notes
1	More	
2	Same	
3	Less	

Q7c. Using the scale below, how supportive are you of paying more in rates to maintain or improve stormwater infrastructure in the local area?

Value	Answers	Notes
5	Very supportive	
4	Supportive	
3	Somewhat supportive	
2	Not very supportive	
1	Not at all supportive	

Funding considerations - Infrastructure renewals

Development and subdivision within North Sydney increased significantly with the opening of the Sydney Harbour Bridge in 1932 and continued after World War 2. It was during this development period that much of the infrastructure in North Sydney was originally built.

Council manages $1.6 billion in infrastructure assets, which have a lifespan varying from 10 years to 250 years.

Q8a. To what extent do you agree with the following statement?

Each generation should contribute to the renewal of community infrastructure they have used and benefited from.

Value	Answers	Notes
5	Strongly agree	
4	Agree	
3	Neither agree nor disagree	
2	Disagree	
1	Strongly disagree	

Q8b. Why do you say that?

Position	Answers	Notes
1		5 Lines

Loan borrowing

Borrowing for infrastructure allows councils to deliver projects sooner than otherwise would be possible, but comes at the cost of interest repayments, which may impact future budgets and rates.

By 30 June 2026, Council will have $55.8 million in debt, requiring $7.3 million per annum in loan repayments and interest, which must be funded from annual revenue.

For example, a $20 million loan taken out over 20 years (maximum) to fund a new community facility would require $33.5 million (principal repayment plus interest) in rating income to pay back the loan over the 20-year period.

Q9a. Please state your agreement with the following principles, where 1 is Strongly disagree and 5 is Strongly agree:

Value	Answers	Notes
5	Strongly agree	
4		
3		
2		
1	Strongly disagree	

Position	Answers	Notes
1	Reoccurring costs (e.g. operational costs, maintenance) and infrastructure renewals should be funded from revenue each year, with loans only used in exceptional circumstances	
2	Acknowledging costs associated with borrowings, loans should be considered to accelerate the delivery of new/upgraded infrastructure projects to spread the cost over a longer period	
3	Loans should only be taken out where sufficient funds are available within the budget for principal and interest repayments	
4	Loan funding should be considered for infrastructure projects which will generate income to cover the borrowing costs	
5	I do not support increased debt	

Council's Consultation

Thinking of this consultation.

Q10b. How were you informed of this consultation? Please select all that apply. ***(ONLINE OPT IN ONLY)(MR)***

Position	Answers	Notes
1	Your Say website	
2	Council website	
3	Social media	
4	Posters/factsheets	
5	Community Pop-up stalls	
6	Council e-newsletters	
7	Precinct Committee	
	Customer Service team	
	Council staff	
	Email signature from Council correspondence	
	Media article	
	Word of mouth	
	Other (please specify)	

Q10c. How satisfied were you with the <u>level of information provided</u> to you in this consultation?

Value	Answers	Notes
5	Very satisfied	
4	Satisfied	
3	Somewhat satisfied	
2	Not very satisfied	
1	Not at all satisfied	

Q10d. Overall, how satisfied are you with this community consultation?

Value	Answers	Notes
5	Very satisfied	
4	Satisfied	
3	Somewhat satisfied	
2	Not very satisfied	
1	Not at all satisfied	

Q10e. Why do you say that?

Position	Answers	Notes
1		5 Lines

Q11. And finally, how satisfied are you with the performance of Council, and their services, not just on one or two issues but across all responsibility areas?

Value	Answers	Notes
5	Very satisfied	
4	Satisfied	
3	Somewhat satisfied	
2	Not very satisfied	
1	Not at all satisfied	

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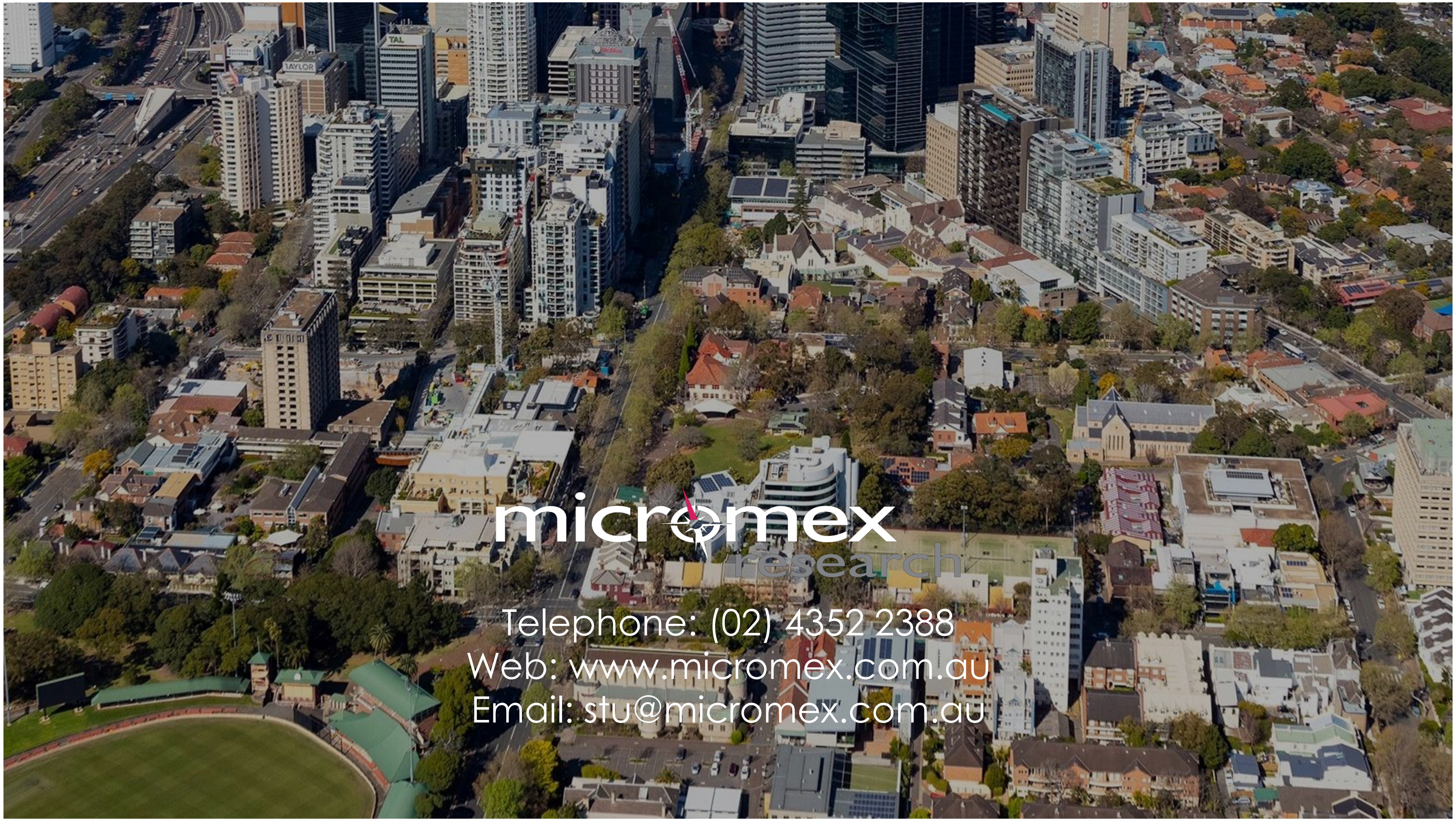
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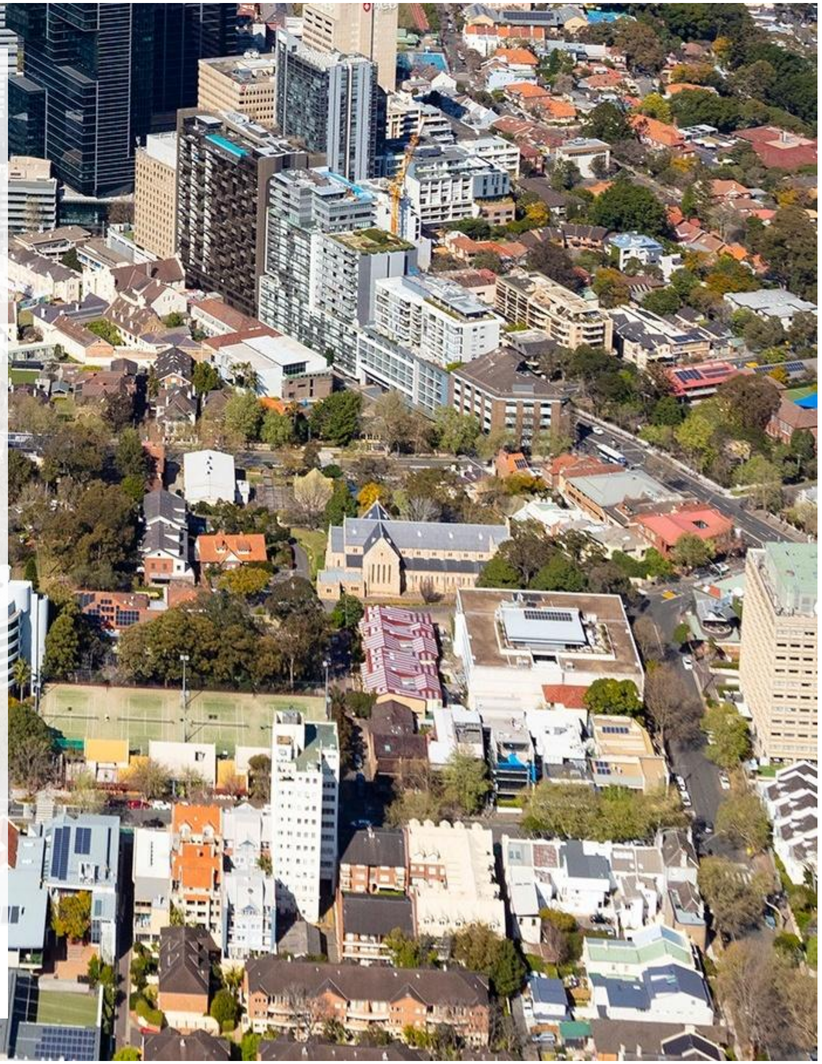
Service Level/Asset Management – Community Survey | Opt-in

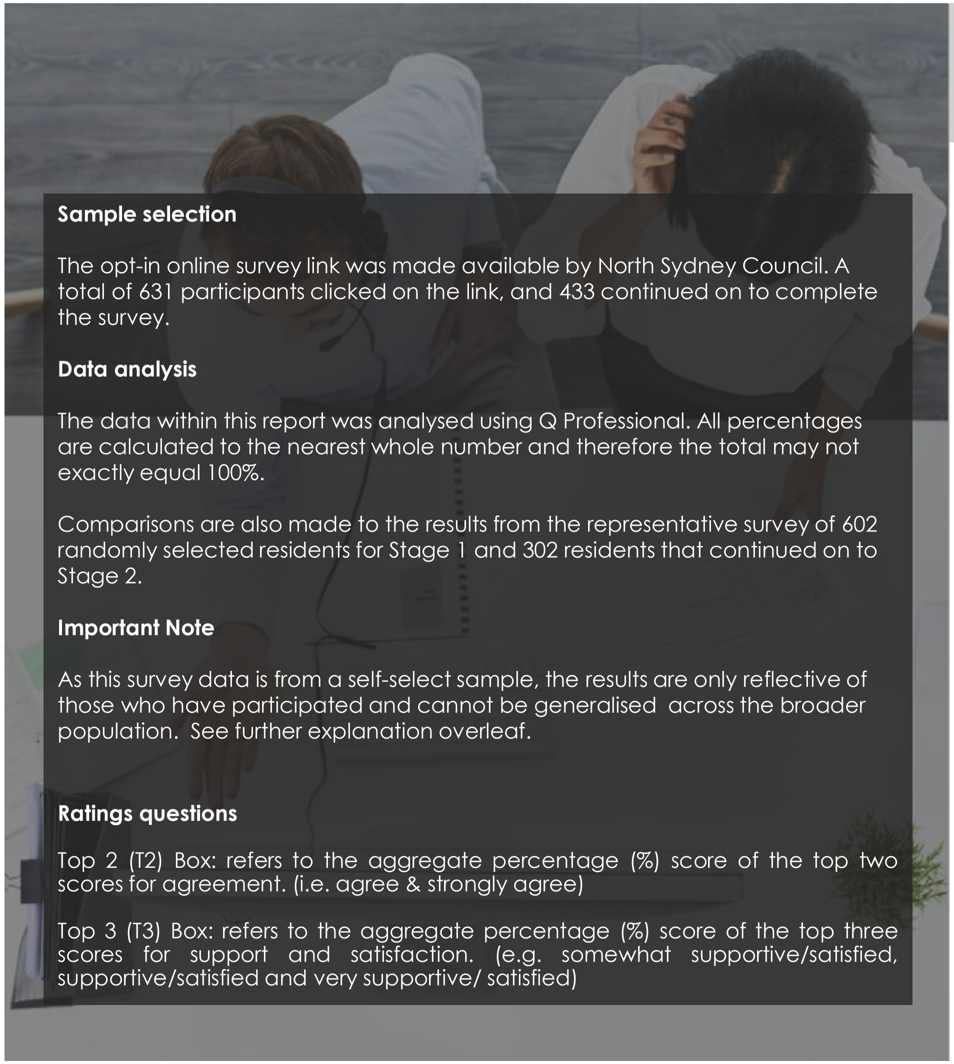
Community Baseline Measure (Stage 1)

Informed Community Response (Stage 2)

Prepared by: Micromex Research
Date: September 18, 2025

Report Outline





Sample selection

The opt-in online survey link was made available by North Sydney Council. A total of 631 participants clicked on the link, and 433 continued on to complete the survey.

Data analysis

The data within this report was analysed using Q Professional. All percentages are calculated to the nearest whole number and therefore the total may not exactly equal 100%.

Comparisons are also made to the results from the representative survey of 602 randomly selected residents for Stage 1 and 302 residents that continued on to Stage 2.

Important Note

As this survey data is from a self-select sample, the results are only reflective of those who have participated and cannot be generalised across the broader population. See further explanation overleaf.

Ratings questions

Top 2 (T2) Box: refers to the aggregate percentage (%) score of the top two scores for agreement. (i.e. agree & strongly agree)

Top 3 (T3) Box: refers to the aggregate percentage (%) score of the top three scores for support and satisfaction. (e.g. somewhat supportive/satisfied, supportive/satisfied and very supportive/ satisfied)

Engagement Objectives

In July-August 2025, North Sydney Council conducted a two-stage, representative multi-modal survey of residents living in the North Sydney Council Local Government Area.

The results of this research have been reported in detail separately.

For engagement purposes, North Sydney Council also provided the community an opportunity to self complete the survey. An online link was made available on Council's website and across social media channels.

Why?

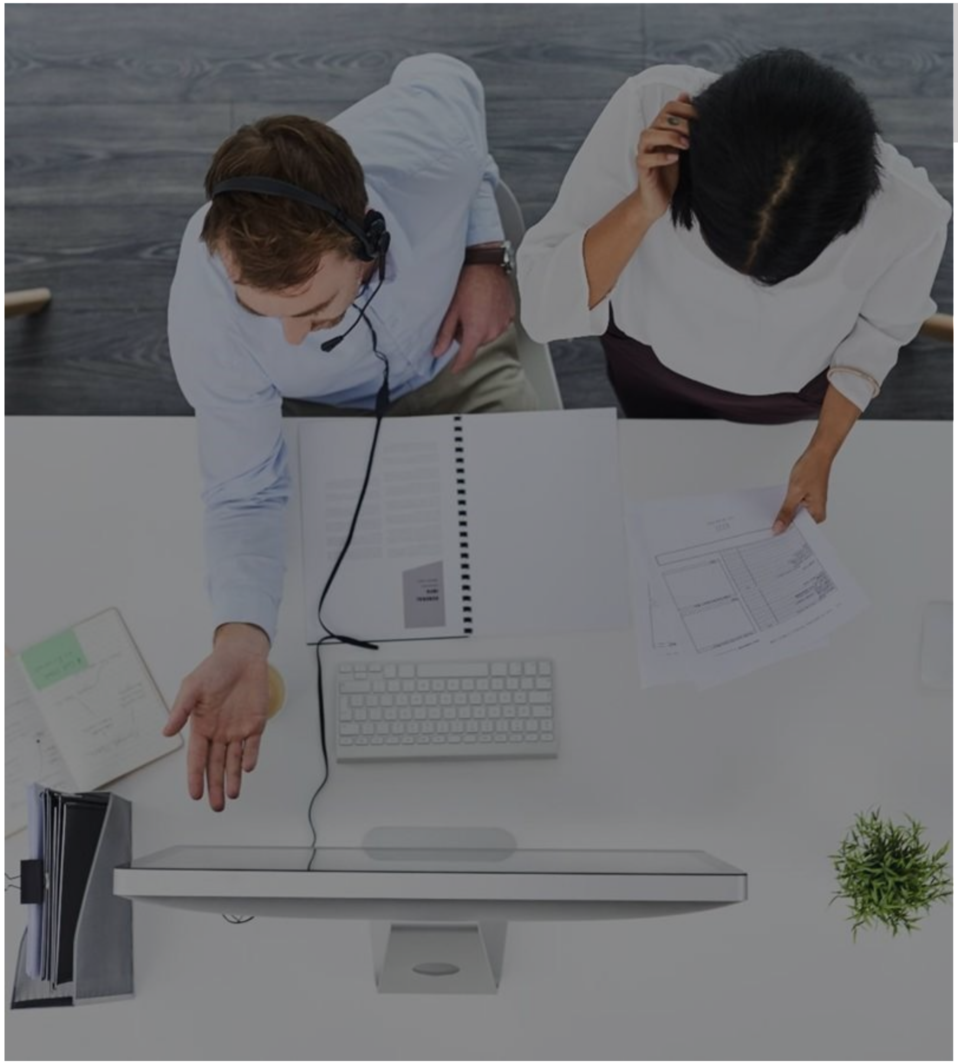
- This allowed the community to provide feedback on Council's investment into assets and maintenance, support for increased rates to cover maintenance and improvement costs and desired level of investment moving forward.

How?

- N=433 Opt-in survey completes

When?

- The link was open from 1st August to 2nd September 2025



Important Analysis Notes

This opt-in survey data is from a self-select sample rather than a random sample – as such:

- The results are only reflective of those who have participated and cannot be generalised across the broader population. When seeking survey results which reflect the broader community, the representative (that is randomly selected) survey should be preferred.
- As such, the opt-in results have not been weighted by age and gender to reflect the broader North Sydney community
- As the opt-in sample was not generated randomly, we cannot apply tests of statistical significance. However:
    - When comparing the opt-in and the Representative phone data, we have used ▲/▼ to highlight differences equal to/greater than 10%/0.30 (mean score) – these thresholds were selected arbitrarily
    - When comparing sub-samples within the opt-in data (such as comparing male versus female responses to a question), our software has applied indicative colour coding higher/lower to highlight larger differences, but these highlights should not be treated as statistically significant differences.

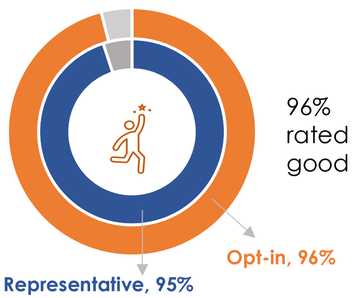
Summary Findings

micromex research

Community Baseline Measure

Summary Findings – Stage 1 | Opt-in

Baseline sample



96% of Opt-in respondents rated their quality of life as good to excellent

Rates and Spending:

64% of respondents are at least somewhat supportive of paying more in rates to maintain or improve services.

Those in support often mentioned the community benefit and improving for the future and those not supportive referenced cost of living pressures, scepticism due to past spending and desire to get funds elsewhere.

When asked about alternative revenue sources, there was stronger support for commercial/large group park fees (90%), corporate/private event pool hire (87%), and fticketing entry to parks on NYE (84%).

Service/Infrastructure Priorities:

When respondents were asked about their preference for Council to focus on lower-cost services and infrastructure resulting in lower quality or fewer options, or high-quality services and infrastructure at a higher cost, 31% took a balanced view, 47% preferred higher-quality services at higher cost, and 22% leaned toward lower-cost, lower-quality options.

Respondents were asked if they believe Council should reduce, maintain or improve service levels across 51 service areas. In summary, the majority of respondents prefer for Council to maintain – if not improve – service levels, with some areas seen as higher priorities for improvement.

Improve (top 3):

- Affordable/diverse housing (28%), stormwater and drainage systems (26%), and reducing greenhouse gas emissions (24%)

Reduce (top 3):

- Town centre promotion (56%), Environmental education/ workshops (50%), and public art and creative street activations (49%)

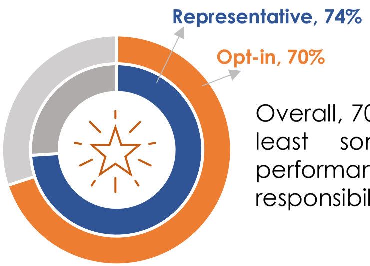
Maintain (top 3):

- Public toilet maintenance (78%), wharves and jetties (77%), and public cleaning and graffiti removal (74%), parks and reserves (74%).

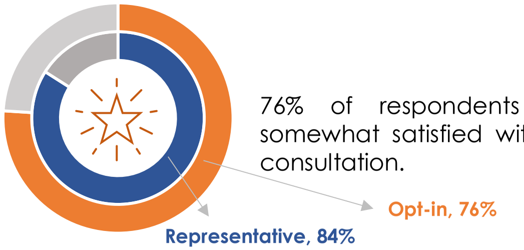
Informed Community Response

Summary Findings – Stage 2 | Opt-in

Informed sample



Overall, 70% of Opt-in respondents are at least somewhat satisfied with the performance of Council across all responsibility areas.



76% of respondents were at least somewhat satisfied with the community consultation.

Future Funding:

74% of Opt-in respondents agree or strongly agree with the statement 'each generation should contribute to the renewal of community infrastructure they have used and benefited from'.

69% agree or strongly that reoccurring costs and infrastructure renewals should be funded from revenue and 68% agree or strongly agree that loans should only be taken out when sufficient funds are available.

Asset Investment:

Support for paying more in rates to cover maintenance and renewal costs was strongest for stormwater (73%), roads and transport (69%), and footpaths (69%); It was lowest for bus shelters and street furniture (60%).

- Stormwater: 92% want same/more investment and 73% support paying more.
- Roads and Transport: 89% want same/more investment and 69% support paying more.
- Footpaths: 89% want same/more investment and 69% support paying more.
- Supporting Infrastructure: 87% want same/more investment and 67% support paying more.
- Buildings: 88% want same/more investment and 67% support paying more.
- Parks, Reserves and Sportsfields: 88% want same/more investment and 66% support paying more.
- Bus Shelters and Street Furniture: 83% want same/more investment and 60% support paying more.

Conclusions

Conclusions | Opt-in

Informed sample

Whilst there are some differences in results between the Opt-in sample and the Representative research, the core takeout remains the same – that is, there is little appetite for 'less' – the majority of residents want services/infrastructure to at least be maintained, if not improved – even knowing that maintaining/increasing services will require an increase in rates:

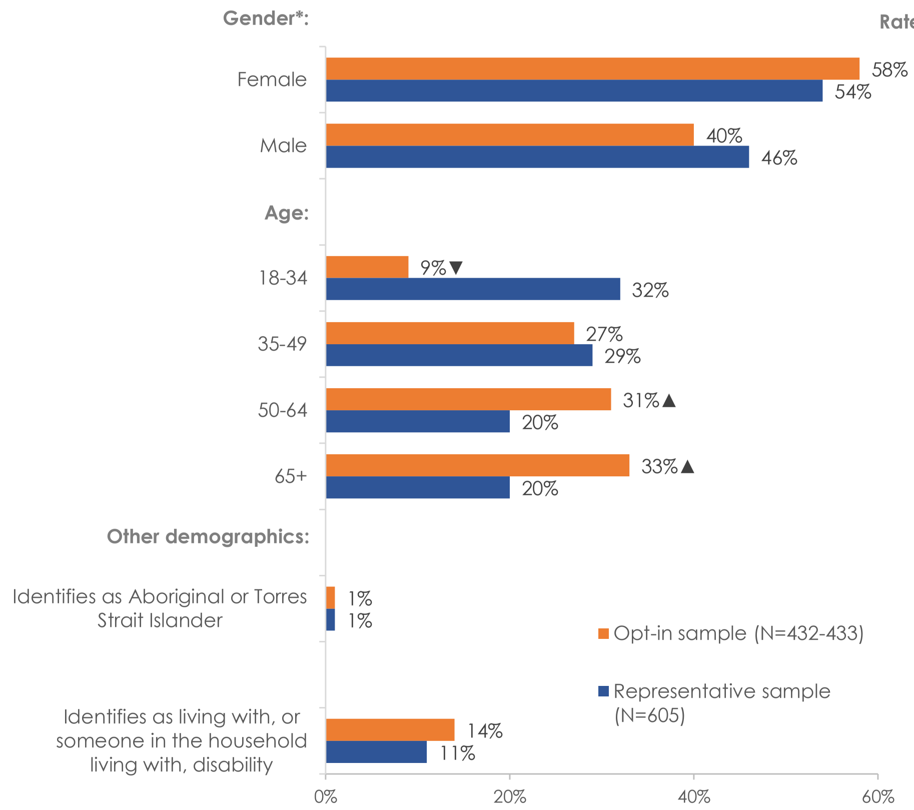
- 47% of Opt-in respondents favoured higher quality services/infrastructure even if it comes at a higher cost. In contrast, 22% favoured lower cost/lower quality services/facilities (see Slide 15)
- Almost two thirds of Opt-in respondents (64%) were at least somewhat supportive of paying more in rates to maintain or improve local services/infrastructure (see Slide 16)
- Compared to the Representative sample, the Opt-in respondents were more likely to suggest that Council could reduce a range of services/facilities. However, for 49 of the 51 listed services/facilities, a majority of respondents wanted them at least maintained if not improved (see Section 1b starting on Slide 19)
- In terms of intergenerational equity, overall, 74% of Opt-in respondents agree or strongly agree with the statement '*each generation should contribute to the renewal of community infrastructure they have used and benefited from*', compared to 72% for the Representative sample (see Slide 45)
- As was the case with the Representative sample, the Opt-in sample would prefer a cautious approach to using loans/debt (see Slides 47-48)
- Across seven asset classes, the majority of Opt-in respondents (around two thirds in most cases) were at least somewhat supportive of paying more rates to maintain or improve the assets (see Slides 49 to 70)

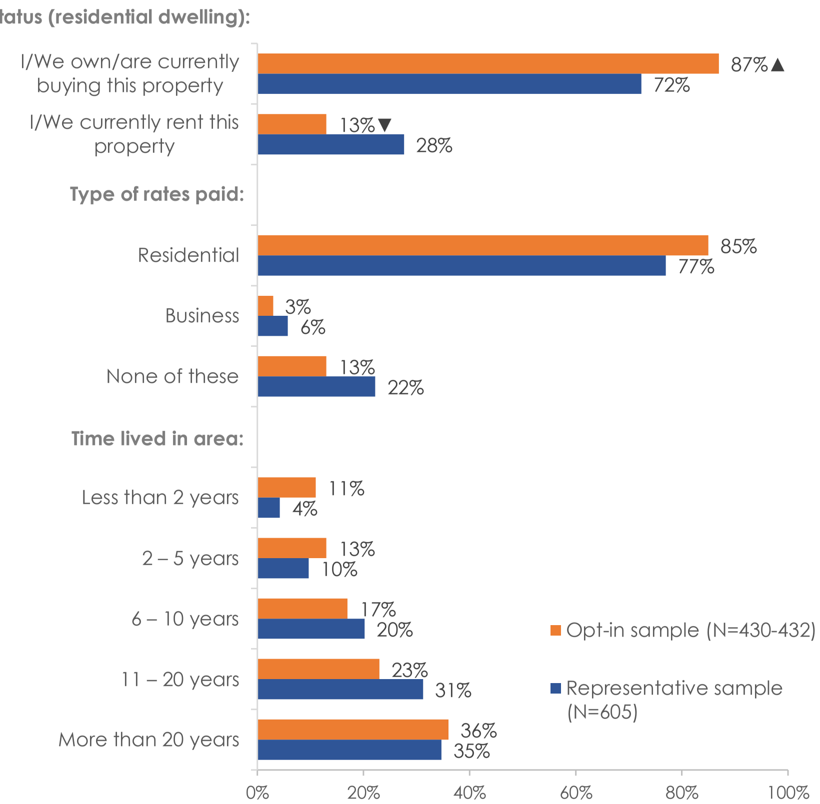
Baseline sample

Section One:
Community Baseline Measure

Sample Profile | Opt-in

Baseline sample



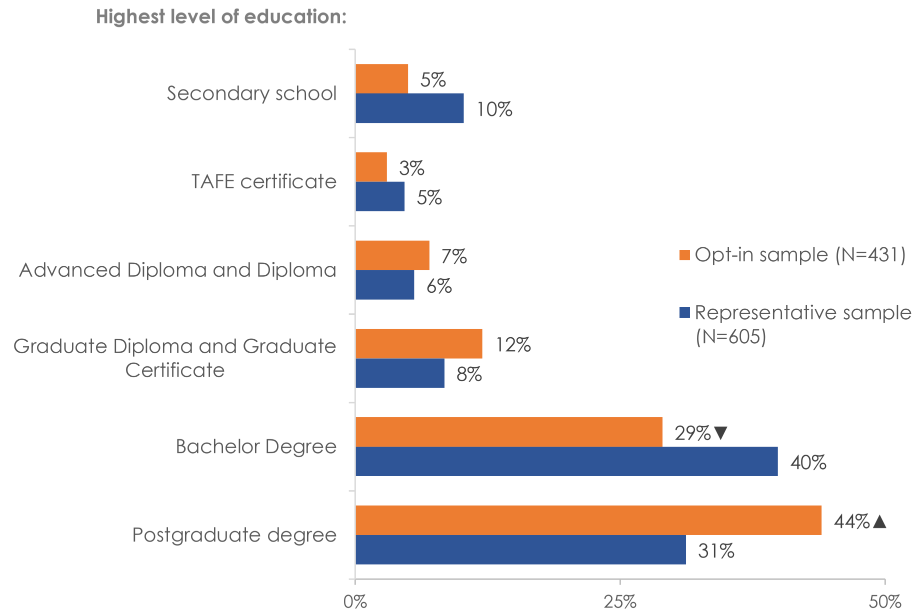


*2% of Opt-in sample identified as 'different gender/non-binary/gender fluid'

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples. 10

Sample Profile

Baseline sample



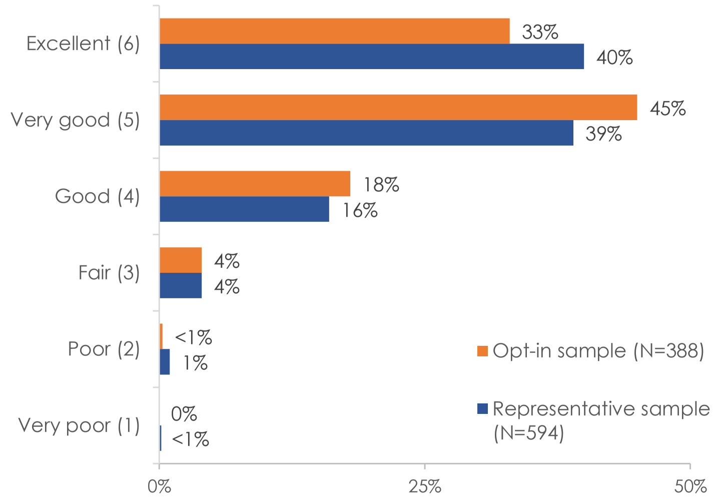
Residential suburb	Opt-in sample (N=433)	Representative sample (N=605)
North Sydney	13%	15%
Cremorne	12%	16%
Wollstonecraft	11%	11%
Neutral Bay	11%	11%
Cammeray	9%	11%
Crows Nest	8%	9%
Waverton	6%	5%
McMahons Point	5%	5%
Kirribilli	5%	4%
Milsons Point	4%	2%
Cremorne Point	3%	2%
St Leonards	2%	4%
Kurraba Point	2%	1%
Lavender Bay	1%	3%
Other	8%	N/A

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples. 11

Quality of Life

Baseline sample

Overall, 96% of Opt-in respondents rated their quality of life living in the North Sydney LGA as good to excellent – Older residents and those living in the LGA for longer rated their quality of life as being higher.



	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	96%	95%	95%	97%	97%	96%	97%	92%	96%	98%	95%
Mean rating	5.06	5.13	5.05	5.09	4.95	5.13	5.09	4.87	4.96	5.06	5.18
Base	388	594	155	229	129	258	347	39	147	93	147

*Representative

Q2. *[Only asked of residents of the LGA on QA] Overall, how would you rate the quality of life you have living in the area?*

Scale: 1 = very poor, 6 = excellent
Indicatively higher/lower rating (by group)

Section 1a.

Services and Infrastructure in the LGA

Baseline sample

This section explores support for increased rates to maintain or improve services in the local area, support for alternative revenue sources and preference for cost vs quality.

micromex research

Section One Introduction

Baseline sample

Note: The following information was provided to respondents at the beginning of the survey in Stage 1 of the research.

North Sydney Council is currently working to strengthen service and infrastructure delivery to support quality of life now, and into the future.

Based on Council's current financial position, together with ageing infrastructure, it has been determined that current service levels are unsustainable. A review of rating levels has also indicated the average rates in North Sydney Local Government area are low compared to many local councils.

Together with the community, Council must make some difficult decisions and compromises to shape the future. Council is asking for your help to guide this process by sharing your opinion on services, infrastructure, and rating levels.

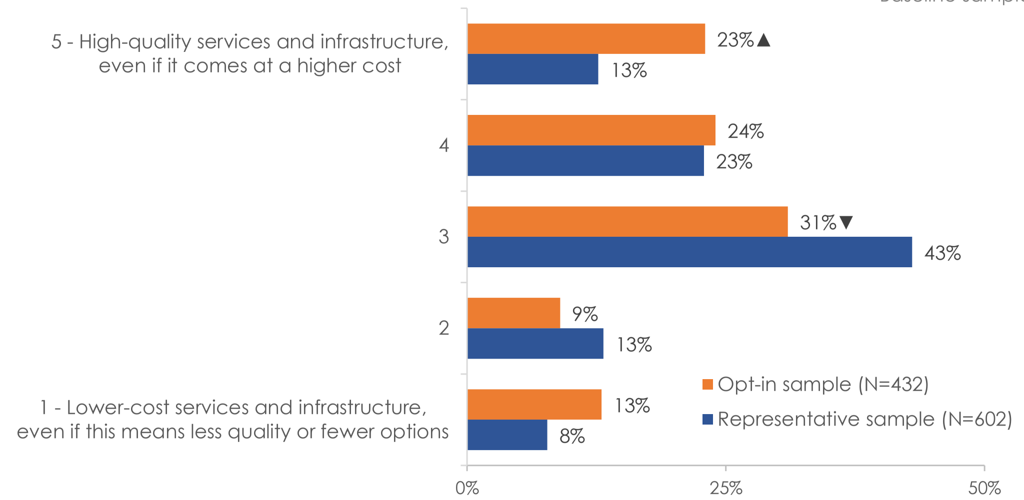
Cost vs. Quality

Baseline sample

The Opt-in sample were more likely to favour the extremes:

- 23% selected Code 5 for higher quality services at higher cost (compared to 13% for the Representative survey)
- While 13% preferred Code 1 lower-cost, lower-quality options (compared to 8% for the Representative sample).

Support for high-quality services is stronger among non-ratepayers.



	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Rated 4 to 5 (high-quality, higher cost)	47%▲	36%	45%	49%	50%	46%	44%	68%	49%	45%	47%
Rated 1 to 2 (lower-cost, lower-quality or fewer options)	22%	21%	24%	19%	19%	23%	24%	9%	22%	24%	20%
Base	432	602	172	253	154	277	373	57	179	98	154

*Representative

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Q3. *Thinking generally about service provision. On a scale of 1 to 5, where 1 means you would prefer for Council to focus more on lower-cost services and infrastructure, even if this means lower quality, or fewer options, and 5 means you prefer to see Council focus on providing high-quality services and infrastructure, even if it comes at a higher cost. How would you rate your position on this area?*

Indicatively higher/lower percentage (by group)

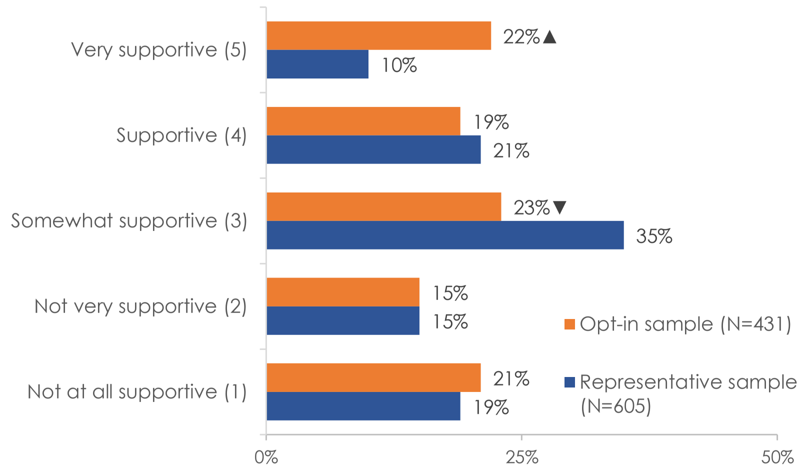
Support for Paying More in Rates to Improve Services/Infrastructure

Baseline sample

Context: *North Sydney Council's average residential rates for 2025/26 will be $1,079. This is compared with neighbouring councils in the North Shore, Mosman $1,762, Lane Cove $1,439, Willoughby $1,323, and the Northern Beaches $1,901.*

Noticeably stronger commitment to the top box 'very supportive' for the Opt-in sample (22%) compared to the representative sample (10%), although the top 3 box (i.e.: at least somewhat supportive) score of 64% remains on par with the 66% recorded on the Representative survey. Those in support often mentioned the community benefit and improving for the future and those not supportive referenced cost of living pressures, scepticism due to past spending and desire to get funds elsewhere (see overleaf).

	Overall	Cost vs. Quality rating (Q3)		
		Rated 4-5 (higher quality)	Rated 3	Rated 1-2 (lower cost)
Top 3 Box %	64%	94%	57%	12%
Mean rating	3.07	4.09	2.63	1.50
Base	431	203	133	94



Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	18-34	65+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	64%	66%	60%	68%	64%	64%	62%	82%	67%	60%	64%
Mean rating	3.07	2.87	3.03	3.11	3.19	3.00	2.97	3.80	3.21	2.90	3.01
Base	431	605	173	251	154	277	374	56	179	97	155

*Representative

Q12a. In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area?

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support (by group)

Support for Paying More in Rates to Improve Services/Infrastructure

Baseline sample

Example verbatims

Supportive/ Very supportive

"Sustainability is critical as is considered development. We must invest in the now for tomorrow. Increase to rates is supportive to at least align with our peers"

"As a renter I do not pay rates, I suppose they are reflected in the rent I pay. I do think the council does a good job and I would be happy to pay more to maintain or improve the service"

"As long as within or below neighbouring councils"

"If services are improved, then I am supportive"

"Happy to pay more to encourage spending for the community's benefit"

"Council requires finances. However, a reasonable rate increase s fine, NOT an 87% increase!"

"North Sydney has always provided good services compared to some of the other councils. I would hate to see those services reduced and I am prepared to pay higher rates to maintain those services"

Somewhat supportive

"Should rise in accordance with inflation"

"I recognise rates must increase, but I'm wary of encouraging wasteful spending"

"A reasonable increase would be supported, not the ridiculous 87% previously requested"

"Paying more rates for essential services is okay. I'm opposed to paying more rates for non-essential social programs"

"I would support a rate increase only if coupled with improved financial management, productivity and efficiency, based on an actionable and measurable plan that cuts waste and duplication of functions"

"I feel angry about the council's large debt"

"Could be higher"

Not at all/Not very supportive

"Households and businesses are under serious financial strain already, including mine"

"There is extraordinary waste of expenditure"

"Council needs to look to improve productivity within existing budgets"

"Its a cost of living crisis. Make savings instead of slugging us for unnecessary things like pride festivals and Councillor pay rises"

"Make private schools pay rates instead"

"You can't compare average rates. Need to break down housing type (unit, duplex, house), social housing, rental v owner occupier etc. to make a genuine comparison…"

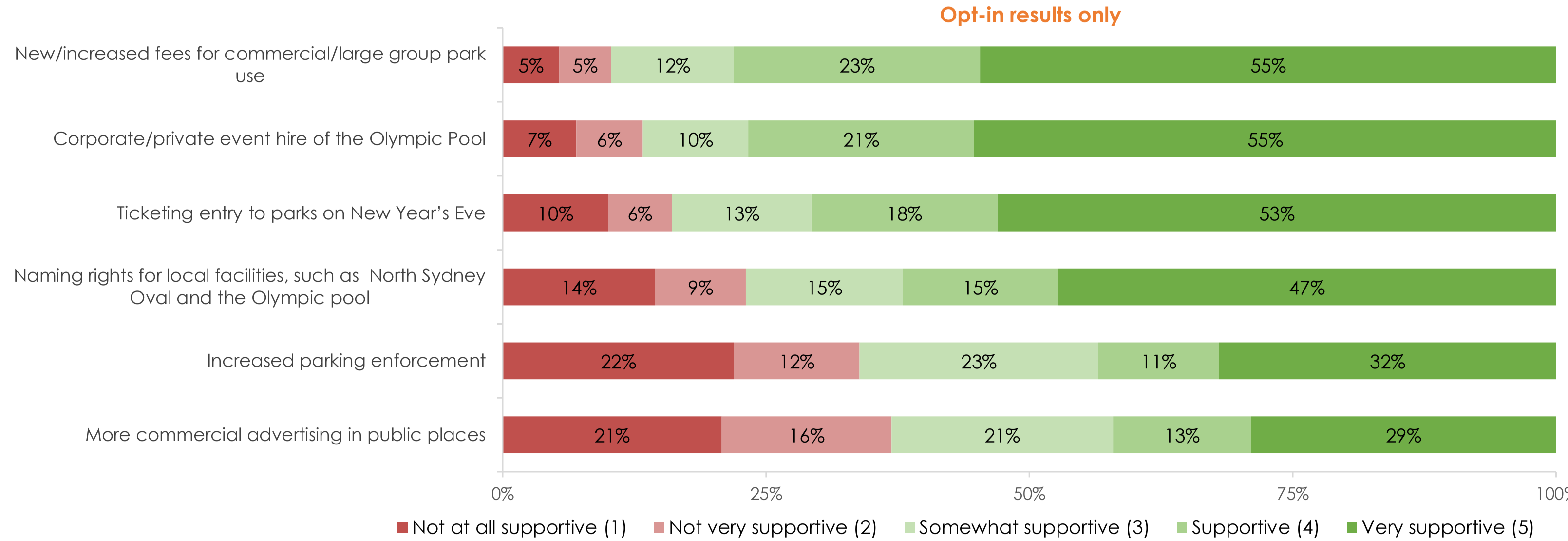
"I don't feel that the service received from north Sydney council warrants increased rates"

Q12a. In considering the services and infrastructure provided by North Sydney Council, and your aspirations for the local area, how supportive are you of paying more in rates to maintain or improve services and infrastructure in the local area?
Q12b. Why do you say that?

Alternative Sources of Revenue

Baseline sample

Compared to the Representative sample, Opt-in respondents are more supportive of 'new/increased fees for commercial/large group park use' (90% cf. 77%), 'ticketing entry to parks on New Year's Eve' (84% cf. 65%) and 'increased parking enforcement' (66% cf. 47%).



T3B %

Opt-in sample	Rep* sample
90%▲	77%
87%	87%
84%▲	65%
77%	74%
66%▲	47%
63%	62%

*Representative

Base: N = 428-430

Q12c . *To offset or reduce the pressure on Council rates as a revenue source, how supportive are you of the following?*

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
T3B = at least somewhat supportive
Please see Appendix 1 for results by demographics

Section 1b.

Community Priorities for Service Levels

Baseline sample

This section is split across 7 sub-sections to explore resident infrastructure investment priorities across 51 services/facilities.

Section 1b Introduction

Baseline sample

The following information was provided to respondents prior to them rating the 51 services/facilities – note that respondents were told there would be an increase in average rates for maintaining or improving services/infrastructure:

We would now like you to think about specific services and infrastructure in the North Sydney local area. For each of these we will ask you if you think Council should:

- *Reduce services/ reduce maintenance of infrastructure (i.e. shorter opening hours, reduced quality)*
- *Maintain services or infrastructure*
- *Improve services or infrastructure, which may include more services, better services, longer opening hours, new or upgraded infrastructure*

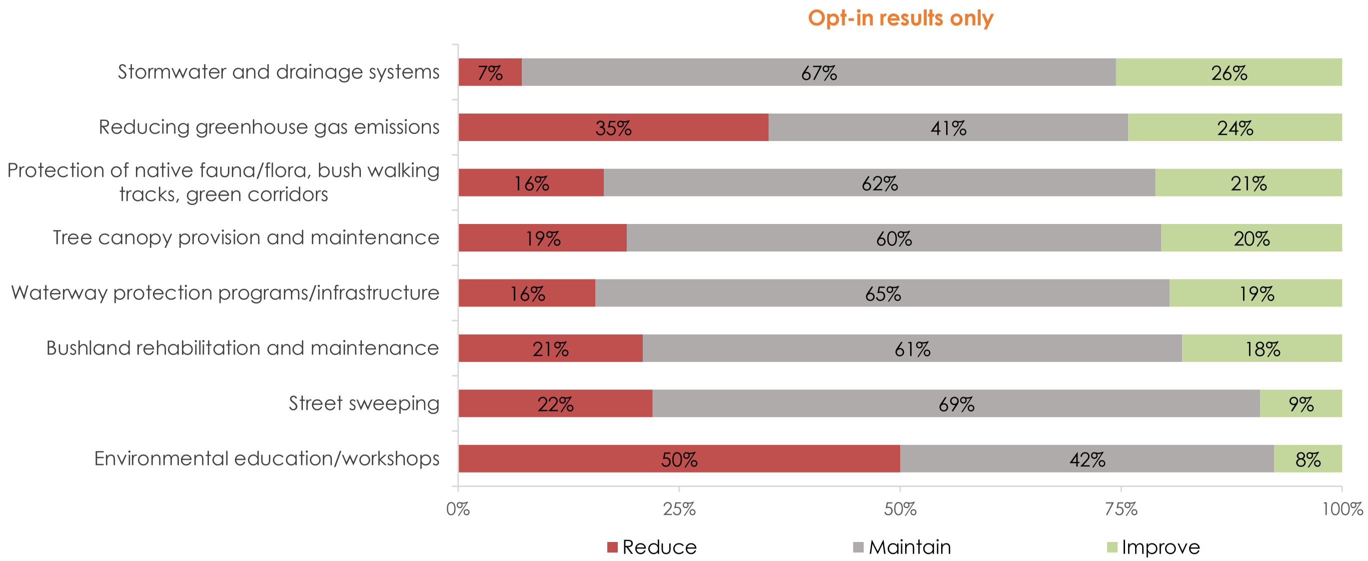
Please note that maintaining or improving services or infrastructure will require an increase in average rates.

S1b(a). Environmental Sustainability

Baseline sample

Similar to the Representative sample, across all eight Environmental attributes, the majority of Opt-in respondents wanted the services at least maintained, if not improved. However, a third want to see a reduction in 'reducing greenhouse gas emissions' and half believe Council can reduce focus on 'environmental education/workshops'.

Females are more likely to want to see Council 'improve' services across all Environmental attributes and those aged under 50 are more likely to state they want Council to 'improve' their efforts in 'reducing greenhouse gas emissions'.



Improve %

Opt-in sample	Rep* sample
26%	29%
24%	33%
21%	24%
20%	20%
19%	24%
18%	20%
9%	15%
8%▼	18%

*Representative

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Base: N = 430-432

Q5. *Thinking about our local environmental sustainability, do you think Council should reduce, maintain, or improve…*

S1b(a). Environmental Sustainability

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Stormwater and drainage systems	26%	20%	29%	26%	25%	26%	25%	25%	17%	31%
Reducing greenhouse gas emissions	24%	22%	25%	27%	23%	22%	40%	26%	16%	27%
Protection of native fauna/flora, bush walking tracks, green corridors	21%	17%	23%	21%	21%	19%	33%	21%	18%	23%
Tree canopy provision and maintenance	20%	15%	24%	19%	21%	19%	28%	20%	12%	26%
Waterway protection programs/infrastructure	19%	16%	21%	19%	19%	18%	26%	20%	13%	23%
Bushland rehabilitation and maintenance	18%	17%	19%	21%	16%	16%	32%	20%	14%	19%
Street sweeping	9%	9%	10%	9%	9%	9%	9%	9%	6%	12%
Environmental education/workshops	8%	6%	9%	8%	7%	7%	14%	7%	5%	10%
Base (maximum)	432	172	251	154	276	372	57	179	98	153

Q5. *Thinking about our local environmental sustainability, do you think Council should reduce, maintain, or improve…*

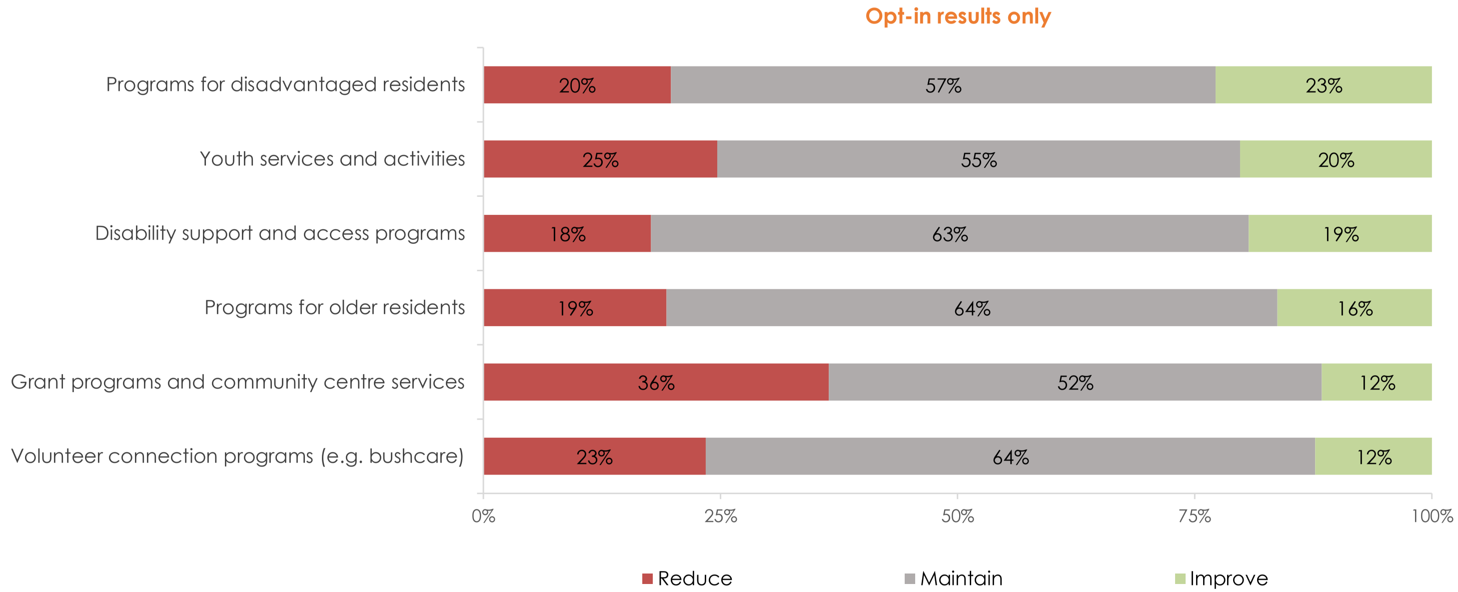
Indicatively higher/lower percentage (by group) 22

S1b(b1). Social Inclusion – Community Programs

Baseline sample

Across the six program-focussed Social Inclusion services, the majority of respondents wanted the services at least maintained, if not improved. Although compared to the Representative sample, desire for improvement is lower for all. 36% of Opt-in respondents believe Council should reduce 'grant programs and community centre services'.

Non-ratepayers have a higher preference for improvements across all community programs. It is worth noting that the Opt-in sample, which has an older profile than the Representative sample – is noticeably less likely to want an improvement in 'programs for older residents'.



Improve %

Opt-in sample	Rep* sample
23%	32%
20%	29%
19%▼	32%
16%▼	26%
12%	18%
12%▼	22%

*Representative

Base: N = 430-431

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

S1b(b1). Social Inclusion – Community Programs

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Programs for disadvantaged residents	23%	22%	23%	23%	23%	21%	37%	23%	20%	24%
Youth services and activities	20%	19%	21%	25%	18%	18%	35%	23%	18%	18%
Disability support and access programs	19%	17%	20%	21%	18%	17%	32%	21%	15%	20%
Programs for older residents	16%	15%	18%	13%	18%	15%	21%	15%	13%	20%
Grant programs and community centre services	12%	9%	14%	16%	9%	10%	19%	13%	11%	10%
Volunteer connection programs (e.g. bushcare)	12%	12%	13%	13%	12%	10%	25%	14%	9%	12%
Base (maximum)	431	172	251	154	276	372	57	179	98	153

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

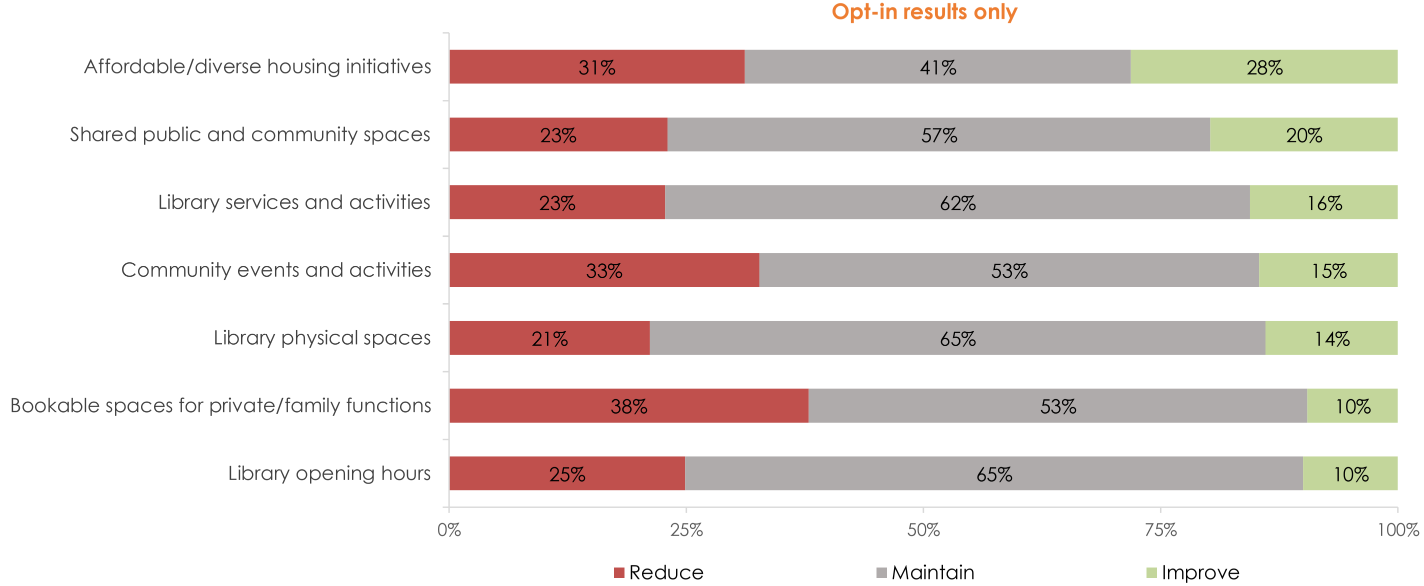
Indicatively higher/lower percentage (by group) 24

S1b(b2). Social Inclusion – Initiatives and Shared Spaces

Baseline sample

Compared to the Representative sample, support to improve efforts in 'affordable/diverse housing initiatives' was lower (28% compared to 39%), and 31% of Opt-in respondents believe they should be reduced.

Younger respondents and non-ratepayers were more likely to want to see efforts improve across all areas, particularly, library services/spaces/hours.



Improve %

Opt-in sample	Rep* sample
28%▼	39%
20%	24%
16%	16%
15%	21%
14%	13%
10%	18%
10%	13%

*Representative

Base: N = 430-431

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

25

S1b(b2). Social Inclusion – Initiatives and Shared Spaces

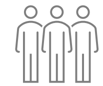
Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Affordable/diverse housing initiatives	28%	25%	30%	34%	25%	23%	60%	37%	19%	24%
Shared public and community spaces	20%	16%	22%	25%	17%	16%	40%	23%	17%	17%
Library services and activities	16%	12%	18%	21%	13%	14%	25%	20%	14%	11%
Community events and activities	15%	15%	15%	21%	11%	12%	33%	21%	13%	8%
Library physical spaces	14%	11%	16%	22%	9%	11%	30%	19%	11%	10%
Bookable spaces for private/family functions	10%	10%	9%	10%	9%	8%	19%	12%	9%	7%
Library opening hours	10%	8%	11%	16%	7%	8%	21%	15%	9%	5%
Base (maximum)	431	172	251	154	276	372	57	179	98	153

Q6. *Thinking about our social inclusion, do you think Council should reduce, maintain, or improve…*

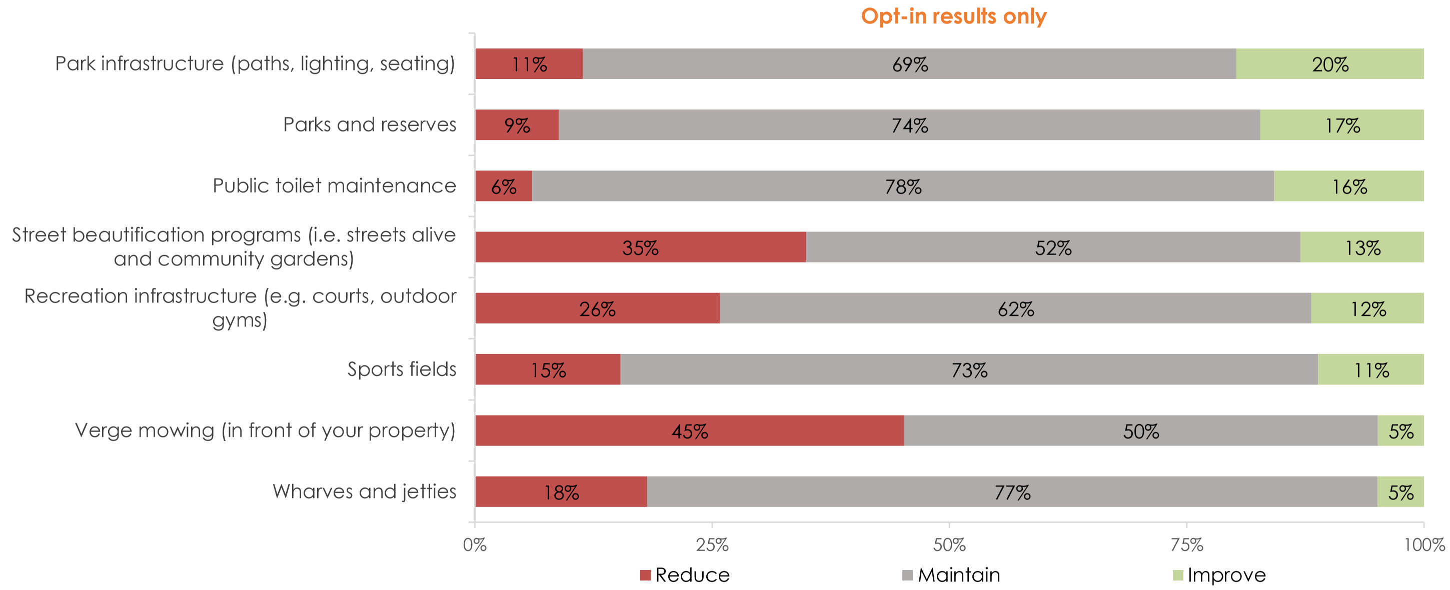
Indicatively higher/lower percentage (by group) 26

S1b(c). Open Space and Recreation



Across all eight Open Space and Recreation attributes, the majority of respondents wanted the services at least maintained, if not improved. Lower desire to improve services across all compared to the Representative sample, with 45% wanting a reduction in 'verge mowing' compared to just 6% wanting a reduction in 'public toilet maintenance'.

The Opt-in sample has an older profile than the Representative sample has, and as shown overleaf, older residents tended to provide lower 'improve' scores across most open space and recreation attributes.



Improve %

Opt-in sample	Rep* sample
20%	26%
17%	23%
16%▼	31%
13%	21%
12%▼	24%
11%	19%
5%	10%
5%	13%

*Representative

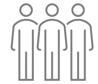
Base: N = 429-431

Q7a. Thinking about our open space and recreation, do you think Council should reduce, maintain, or improve…

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

27

S1b(c). Open Space and Recreation


Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Park infrastructure (paths, lighting, seating)	20%	18%	20%	25%	17%	19%	25%	22%	15%	20%
Parks and reserves	17%	21%	15%	19%	16%	16%	23%	17%	18%	18%
Public toilet maintenance	16%	18%	14%	19%	14%	15%	23%	18%	14%	14%
Street beautification programs (i.e. streets alive and community gardens)	13%	16%	11%	19%	9%	13%	14%	16%	9%	12%
Recreation infrastructure (e.g. courts, outdoor gyms)	12%	16%	9%	18%	9%	10%	25%	15%	7%	12%
Sports fields	11%	13%	10%	15%	9%	10%	21%	11%	9%	12%
Verge mowing (in front of your property)	5%	6%	4%	5%	5%	5%	4%	3%	6%	6%
Wharves and jetties	5%	7%	4%	6%	4%	5%	4%	4%	6%	5%
Base (maximum)	431	173	249	154	275	373	56	179	97	153

Q7a. Thinking about our open space and recreation, do you think Council should reduce, maintain, or improve…

Indicatively higher/lower percentage (by group) 28

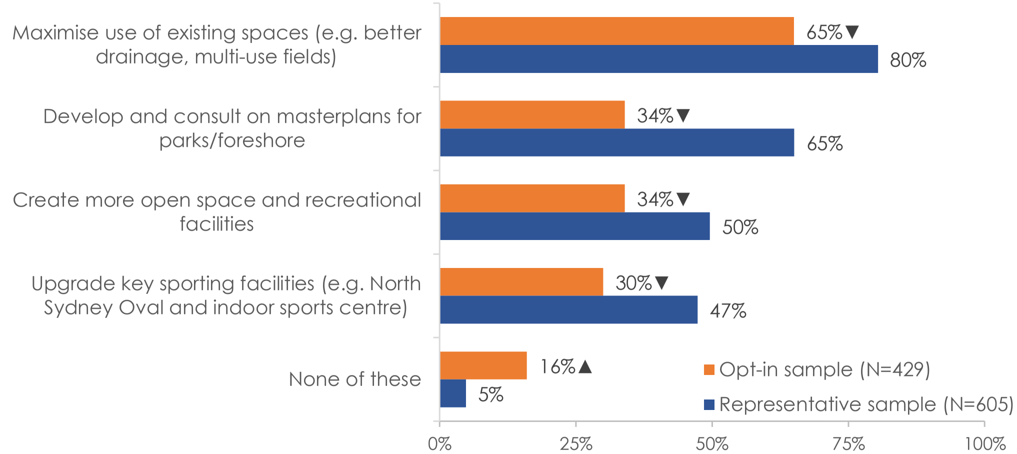
S1b(c). Open Space and Recreation

Baseline sample

For the Open Space/Recreation category, we also asked residents which potential new actions Council should implement (from a list of four).

Opt-in respondents prefer maximising use of existing spaces (65%) compared to 34% who want more open spaces/rec facilities. Note however that scores were lower for the Opt-in sample compared to the Representative sample across all four options.

Support is broadly consistent across demographics, though younger respondents (under 50) show more interest in creating more open space (40%) compared to older respondents (50+, 30%).



Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Maximise use of existing spaces	65%	61%	69%	66%	65%	64%	70%	69%	61%	63%
Develop and consult on masterplans for parks/ foreshore	34%	38%	32%	30%	36%	34%	33%	33%	32%	37%
Create more open space and recreational facilities	34%	33%	34%	40%	30%	33%	42%	34%	34%	34%
Upgrade key sporting facilities	30%	27%	32%	31%	29%	28%	40%	32%	29%	28%
None of these	16%	21%	13%	16%	17%	18%	7%	16%	21%	13%
Base	429	173	253	154	278	374	57	179	98	155

Q7b. Research has shown that based upon the population of North Sydney, there is a shortage of open space and recreation facilities. Which, if any, of the following actions do you think Council should implement?

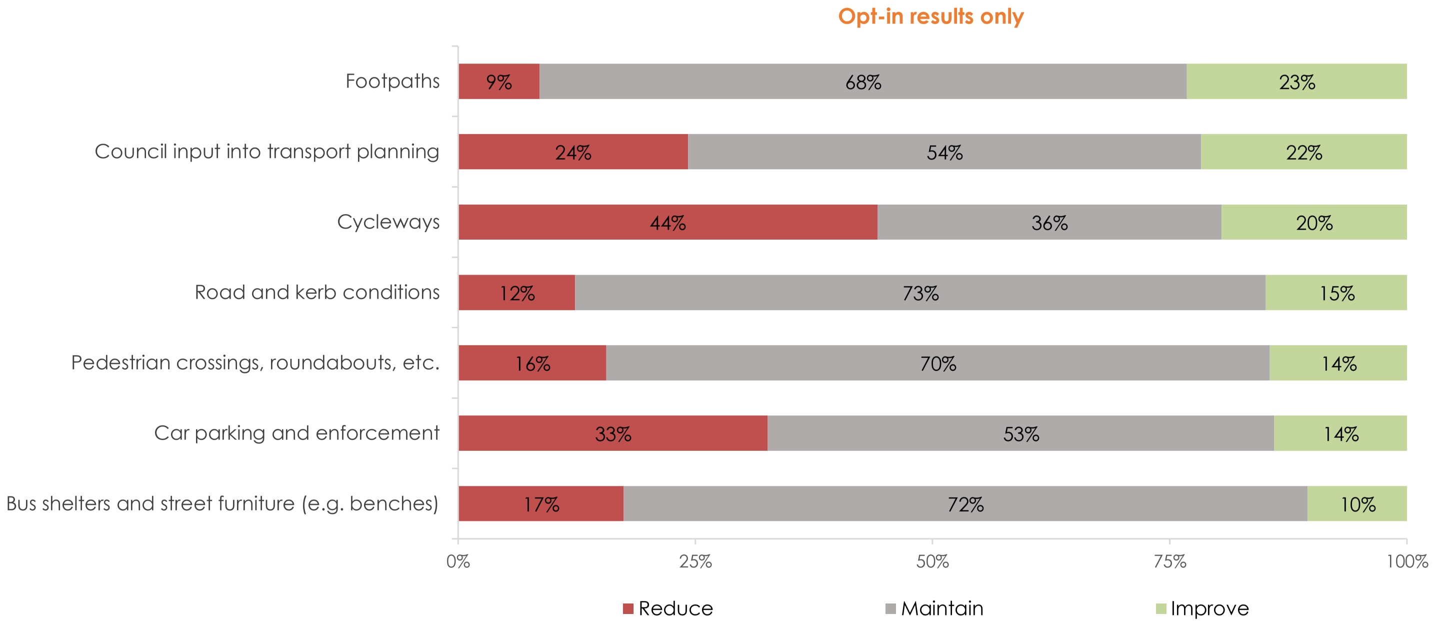
Indicatively higher/lower percentage (by group) 29

S1b(d). Integrated Transport

Baseline sample

Across all seven Integrated Transport attributes, the majority of respondents wanted the services at least maintained, if not improved – although a sizeable minority (44%) indicated they wanted a reduction in 'cycleways'.

The proportion of those wanting to see Council 'improve' efforts with footpaths remains consistent with the Representative sample.



Improve %

Opt-in sample	Rep* sample
23%	22%
22%▼	33%
20%	25%
15%	21%
14%	23%
14%	22%
10%▼	23%

*Representative

Base: N = 429-431

Q8. *Thinking about our integrated transport, do you think Council should reduce, maintain, or improve…*

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

30

S1b(d). Integrated Transport

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Footpaths	23%	25%	23%	18%	26%	22%	30%	24%	22%	23%
Council input into transport planning	22%	23%	20%	18%	24%	21%	25%	22%	20%	22%
Cycleways	20%	23%	16%	30%	14%	18%	26%	25%	18%	14%
Road and kerb conditions	15%	13%	17%	14%	15%	15%	14%	13%	13%	18%
Pedestrian crossings, roundabouts, etc.	14%	15%	14%	18%	12%	13%	23%	18%	12%	11%
Car parking and enforcement	14%	18%	11%	14%	14%	15%	11%	13%	12%	16%
Bus shelters and street furniture (e.g. benches)	10%	12%	10%	14%	8%	10%	16%	13%	7%	10%
Base (maximum)	431	173	249	154	275	372	57	179	98	152

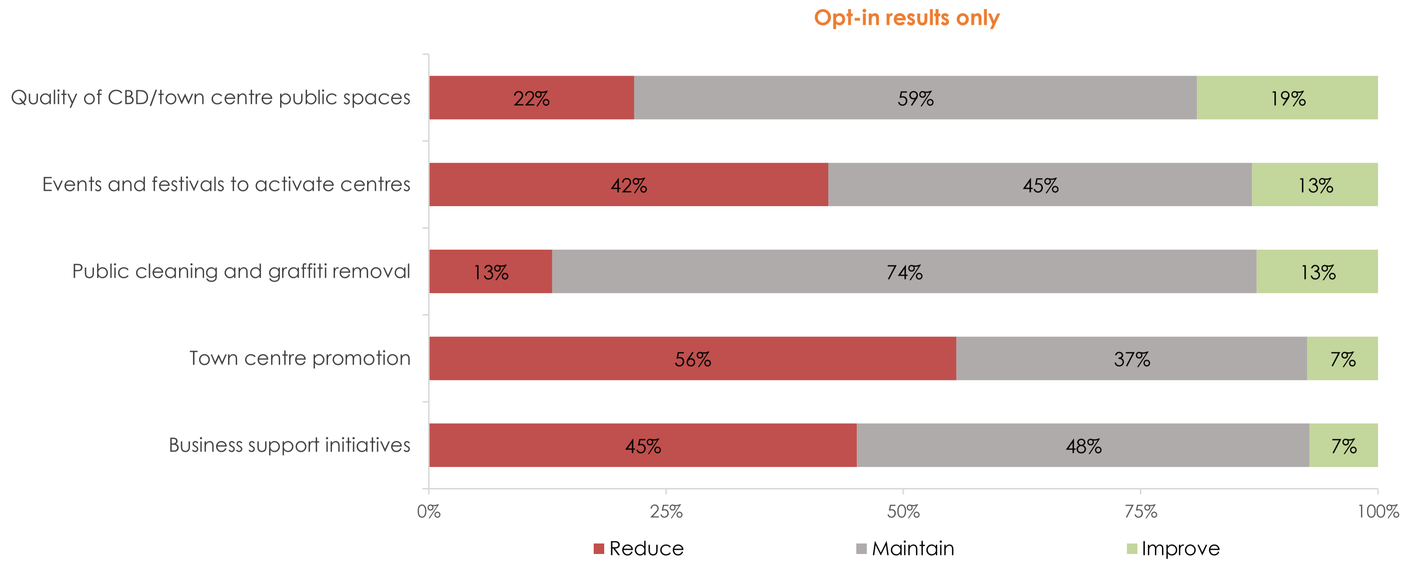
Q8. *Thinking about our integrated transport, do you think Council should reduce, maintain, or improve…*

Indicatively higher/lower percentage (by group) 31

S1b(e). Economic Development

Baseline sample

For the Opt-in respondents, the Economic Development category provides some options for finding savings – with 56% suggesting a reduction in 'town centre promotion', 45% suggesting 'business support initiatives' be reduced, and 42% favouring reduction of 'events and festivals…'



Improve %

Opt-in sample	Rep* sample
19%	23%
13%▼	25%
13%	20%
7%▼	19%
7%▼	27%

*Representative

Base: N = 430-431

Q9a. Thinking about our economic development, do you think Council should reduce, maintain, or improve…

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

S1b(e). Economic Development

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Quality of CBD/town centre public spaces	19%	20%	18%	20%	18%	18%	28%	21%	18%	18%
Events and festivals to activate centres	13%	15%	11%	18%	11%	11%	30%	17%	9%	11%
Public cleaning and graffiti removal	13%	15%	12%	12%	13%	13%	9%	12%	12%	14%
Town centre promotion	7%	8%	7%	10%	6%	6%	18%	9%	6%	7%
Business support initiatives	7%	8%	6%	8%	7%	7%	11%	7%	5%	8%
Base (maximum)	431	173	250	154	276	373	57	179	98	153

Q9a. *Thinking about our economic development, do you think Council should reduce, maintain, or improve…*

Indicatively higher/lower percentage (by group) 33

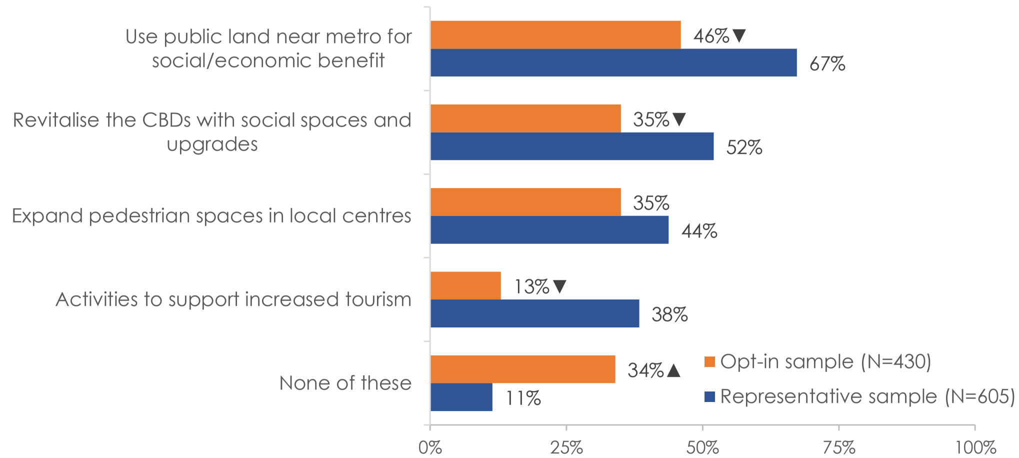
S1b(e). Economic Development

Baseline sample

For the Economic Development category, we also asked residents which potential new actions Council should implement (from a list of four).

46% of respondents support using public land near the metro for social/economic benefit (higher for non-ratepayers 61%).

Opt-in respondents are less supportive of all four options than were the Representative respondents – particularly so for activities to support increased tourism (13% cf. 38%), however, non-ratepayers are more supportive (25%) than ratepayers (11%).



Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Use public land near metro for social/economic benefit	46%	47%	45%	51%	43%	44%	61%	51%	41%	44%
Revitalise the CBDs with social spaces and upgrades	35%	34%	36%	37%	33%	33%	44%	40%	31%	32%
Expand pedestrian spaces in local centres	35%	39%	33%	34%	35%	34%	40%	37%	28%	37%
Activities to support increased tourism	13%	14%	12%	15%	12%	11%	25%	15%	16%	8%
None of these	34%	32%	35%	34%	35%	37%	14%	31%	41%	34%
Base	430	173	253	154	278	374	57	179	98	155

Q9b. *Recent community consultation within North Sydney, has indicated a need to secure employment in North Sydney. Which, if any, of the following actions do you think council should implement?*

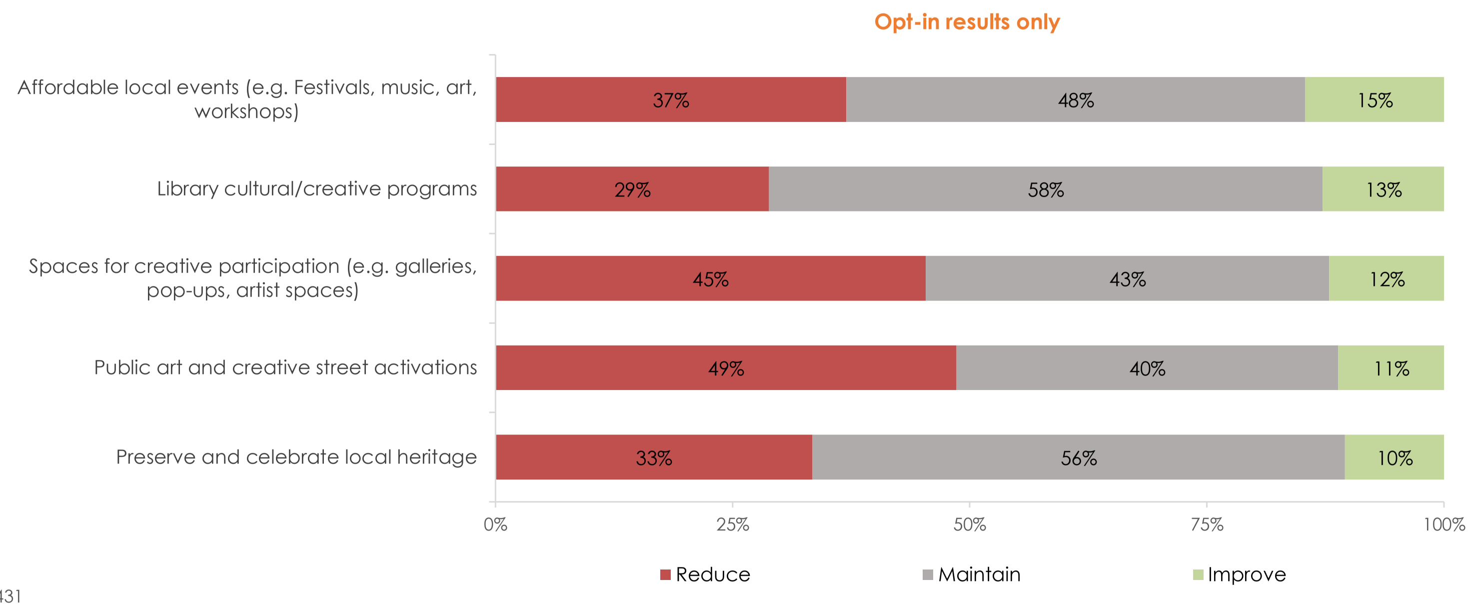
Indicatively higher/lower percentage (by group) 34

S1b(f). Culture and Creativity

Baseline sample

For Opt-in respondents, two of the Culture and Creativity attributes show opportunity for reduced investment, with almost half preferring a reduction in ‘public art and creative street activations’ (49%) and ‘spaces for creative participation’ (45%).

Respondents aged under 50 showed greater desire for improvement across all Culture and Creativity attributes, particularly ‘affordable local events’ and ‘library cultural/creative programs’.



Improve %

Opt-in sample	Rep* sample
15%▼	30%
13%	19%
12%▼	24%
11%▼	24%
10%▼	21%

*Representative

Base: N = 430-431

Q10a. Thinking about our culture and creativity, do you think Council should reduce, maintain, or improve…

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

35

S1b(f). Culture and Creativity

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Affordable local events	15%	16%	13%	21%	11%	11%	39%	21%	13%	8%
Library cultural/creative programs	13%	13%	12%	19%	9%	10%	28%	18%	9%	8%
Spaces for creative participation	12%	15%	9%	16%	10%	9%	35%	15%	12%	8%
Public art and creative street activations	11%	14%	9%	14%	9%	9%	28%	14%	8%	10%
Preserve and celebrate local heritage	10%	8%	12%	12%	10%	9%	23%	13%	7%	9%
Base (maximum)	431	173	250	154	276	373	57	179	98	153

Q10a. *Thinking about our culture and creativity, do you think Council should reduce, maintain, or improve…*

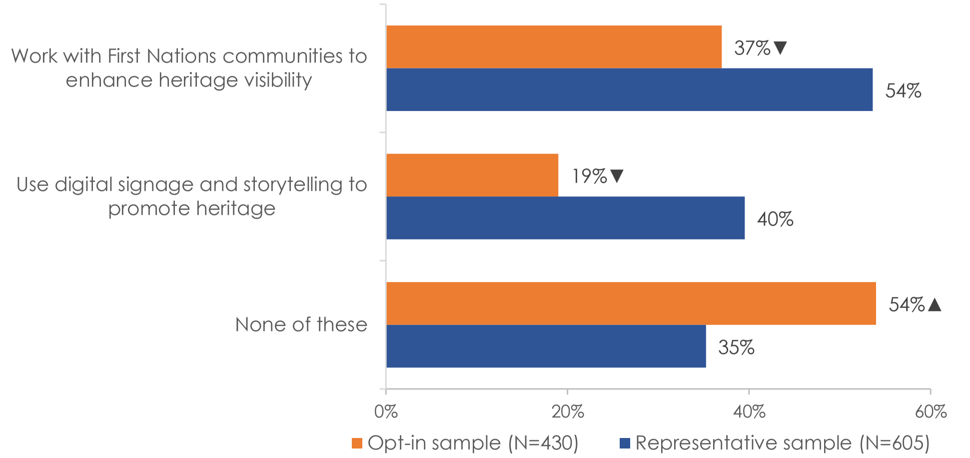
Indicatively higher/lower percentage (by group) 36

S1b(f). Culture and Creativity

For the Culture and Creativity category, we also asked residents which potential new actions Council should implement (from a list of two).

54% of Opt-in respondents felt Council should <u>not</u> implement one or both of the two initiatives, well above the 35% recorded on the Representative survey.

'Work with First Nations communities to enhance heritage visibility' was selected by 37% of respondents – and support was higher among females, those aged under 50 and non-ratepayers.



Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Work with First Nations communities to enhance heritage visibility	37%	29%	43%	44%	34%	35%	56%	41%	31%	38%
Use digital signage and storytelling to promote heritage	19%	21%	19%	23%	18%	18%	30%	22%	14%	19%
None of these	54%	62%	49%	49%	57%	58%	32%	53%	61%	52%
Base	430	173	253	154	278	374	57	179	98	155

Q10b. Recent community consultation within North Sydney, has indicated a desire to implement new initiatives through the following measures. Which, if any, of the following actions do you think council should implement?

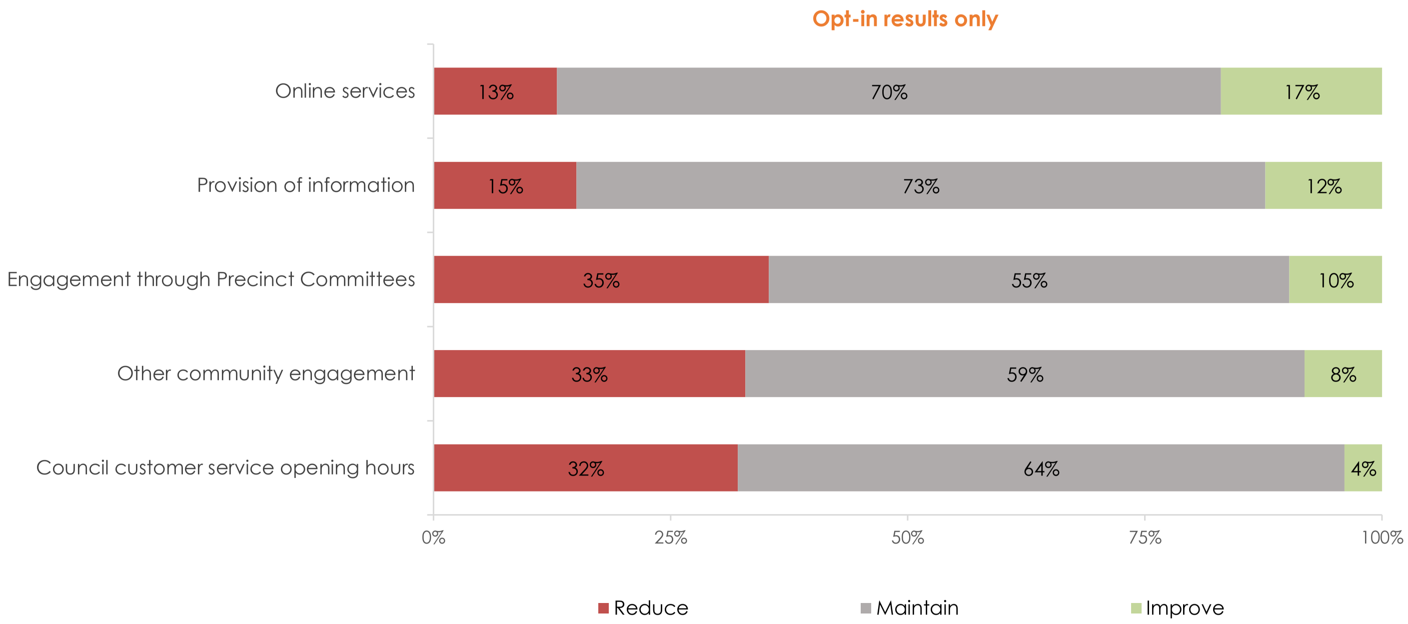
Indicatively higher/lower percentage (by group) 37

S1b(g). Customer Experience

Baseline sample

Across all five Customer Experience attributes, the majority of respondents wanted the services at least maintained, if not improved.

Younger residents and non-ratepayers are most likely to desire improvements, especially in online services and other community engagement.



Improve %

	Opt-in sample	Rep* sample
Online services	17%▼	31%
Provision of information	12%▼	24%
Engagement through Precinct Committees	10%	19%
Other community engagement	8%	17%
Council customer service opening hours	4%▼	14%

*Representative

Base: N = 429-431

Q11. Thinking about our customer experience, do you think Council should reduce, maintain, or improve…

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

S1b(g). Customer Experience

Baseline sample

'Improve' %	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Online services	17%	20%	15%	22%	14%	16%	23%	20%	15%	15%
Provision of information	12%	16%	10%	14%	11%	11%	20%	13%	10%	12%
Engagement through Precinct Committees	10%	10%	10%	8%	11%	9%	11%	7%	10%	13%
Other community engagement	8%	6%	9%	12%	6%	6%	20%	11%	6%	6%
Council customer service opening hours	4%	4%	4%	6%	3%	3%	5%	4%	6%	3%
Base (maximum)	431	172	250	154	275	373	55	178	97	154

Q11. *Thinking about our customer experience, do you think Council should reduce, maintain, or improve…*

Indicatively higher/lower percentage (by group) 39

Informed sample

Section Two: Informed Community Response

micromex research

Section Two Introduction

Informed sample

Note: The following information was provided to respondents prior to commencing Stage 2 of the research.

About community infrastructure assets:

Council undertakes regular reviews of the condition of its community assets to determine the amount of money it should spend on infrastructure, such as roads, footpaths, buildings, stormwater, other infrastructure and parks and reserves. Council is trying to determine where the community's priorities are to help allocate resources to asset maintenance and renewal to best meet the community's expectations.

What does asset maintenance and renewal mean?

Maintenance is work performed on an asset that keeps it in a useable condition, e.g. painting buildings, filling potholes, fixing playgrounds and swings.

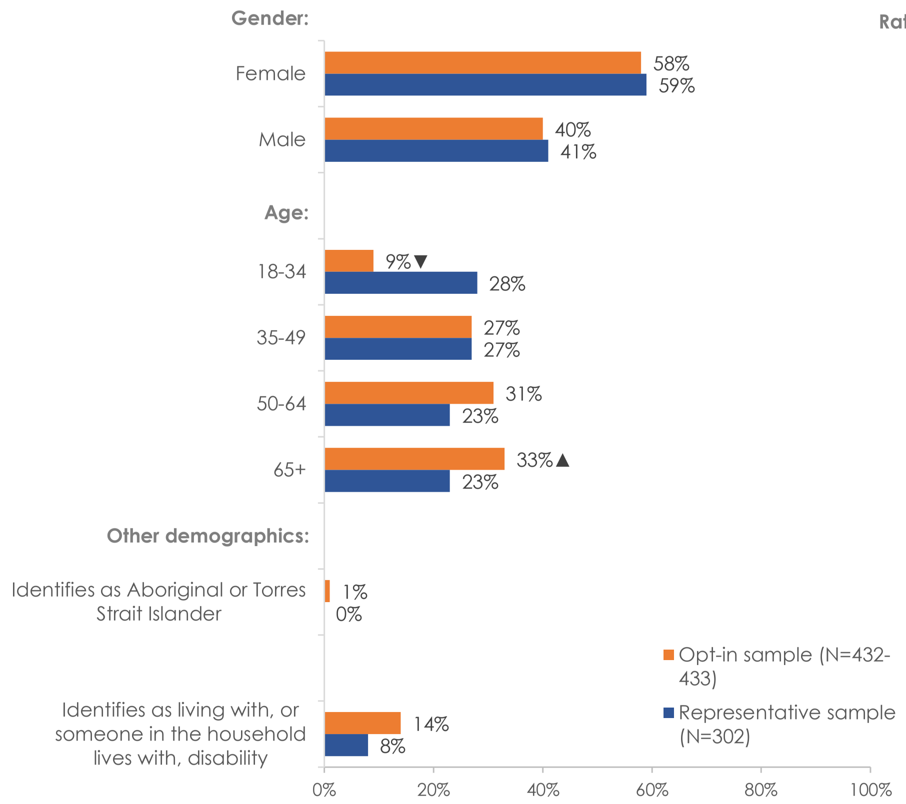
Renewal is work performed on an asset to bring it back to its original condition, e.g. the replacement of a building, reconstructing a segment of road, replacing a bridge or playground. Using industry benchmarks, Council have reviewed its asset groups to work out if they are in very good, good, fair, poor or very poor condition. The following pages provide a snapshot for each asset group. The issue facing Council is that while a lot of assets are in very good/good or fair condition, a large proportion are at risk of falling into poor/very poor condition.

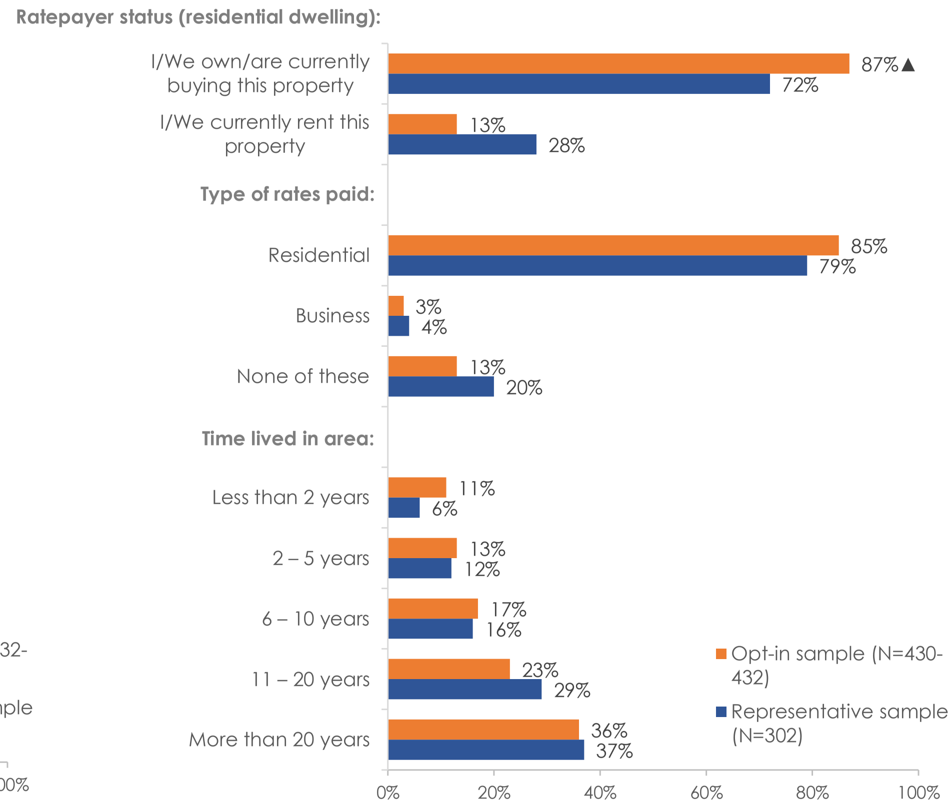
Where are we now?

A snapshot of community asset conditions and current investment levels is provided in this survey. For each asset group, included is an indication of Council's current expenditure on maintenance and renewals, together with a visual representation of each of the condition levels of good, fair and poor.

Sample Profile

Informed sample





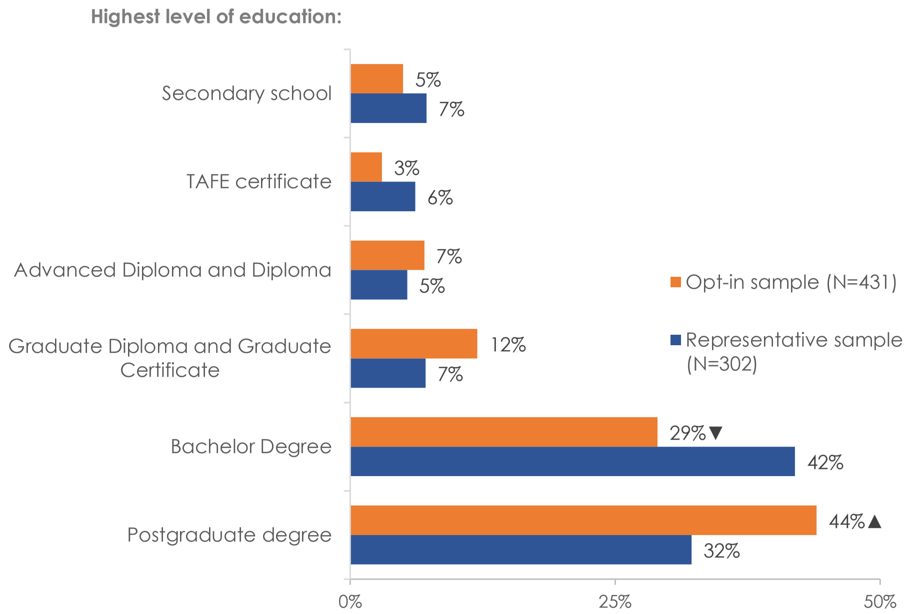
*2% of Opt-in sample identified as 'different gender/non-binary/gender fluid'

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

42

Sample Profile

Informed sample



Residential suburb	Opt-in sample (N=433)	Representative sample (N=302)
North Sydney	13%	13%
Cremorne	12%	15%
Wollstonecraft	11%	13%
Neutral Bay	11%	7%
Cammeray	9%	9%
Crows Nest	8%	11%
Waverton	6%	6%
McMahons Point	5%	5%
Kirribilli	5%	6%
Milsons Point	4%	2%
Cremorne Point	3%	2%
St Leonards	2%	7%
Kurraba Point	2%	1%
Lavender Bay	1%	5%
Other	8%	N/A

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Section 2a.
Funding Considerations

This section explores agreement with statements regarding infrastructure renewals and loan borrowing.

Informed sample

micromex research

Infrastructure Renewals

Informed sample

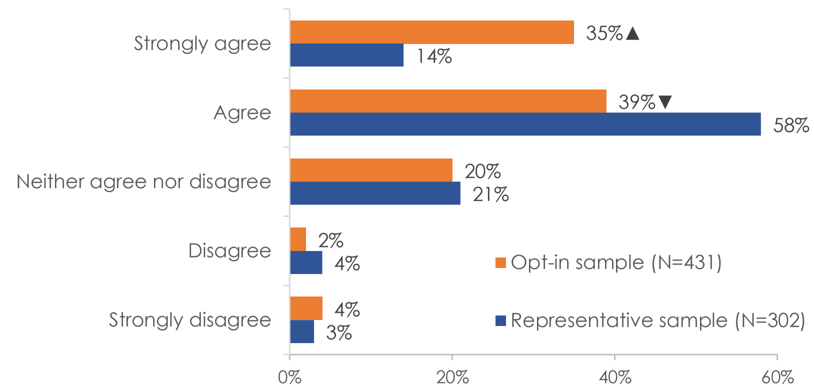
Context: *Development and subdivision within North Sydney increased significantly with the opening of the Sydney Harbour Bridge in 1932 and continued after World War 2. It was during this development period that much of the infrastructure in North Sydney was originally built. Council manages $1.6 billion in infrastructure assets, which have a lifespan varying from 10 years to 250 years.*

Although differing in strength of agreement, overall agreement amongst the Opt-in sample remains in-line with the Representative sample. Overall, 74% of Opt-in respondents agree or strongly agree with the statement '*each generation should contribute to the renewal of community infrastructure they have used and benefited from*', compared to 72% for the Representative sample.

Non-ratepayers had a higher level of agreement compared to ratepayers (88% cf. 72%).

Some verbatim comments about why the Opt-in respondents selected the answer they did are provided overleaf.

"Each generation should contribute to the renewal of community infrastructure they have used and benefited from"



Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Agreement %	74%	72%	71%	77%	78%	73%	72%	88%	75%	76%	73%
Base	431	302	173	251	154	277	374	57	179	98	154

*Representative

Q8a. *To what extent do you agree with the following statement?*

Indicatively higher/lower level of agreement (by group) 45

Infrastructure Renewals

Informed sample

Example verbatims

Agree/ Strongly agree

"I'm paying for my needs now the next generation can pay for their needs"

"Costs should be shared across all levels of the community to ensure facilities are in good or better shape for future generations"

"What is the other option?"

"We either use it or benefit from it so we should contribute. The amount of contribution would be a function of the expected life of the asset and a forecast cost of replacement…"

"We are one community in the past, present, future"

"Good Infrastructure contributes to quality of life and amenity and improves value of real estate"

"f the community wants to continue being able to benefit from infrastructure then the community needs to understand that such things cost money. The user should pay"

Neither agree nor disagree

"Ratepayers are not responsible for Council's financial mismanagement"

"…It's difficult to work out how each generation is to contribute as rates increase on a yearly basis"

"I think if it was spread equitably over economic incomes it would be better"

"It is the job of council to prioritise spending appropriately to include maintaining such infrastructure…"

"Some assets should be disposed of"

"North Sydney has a significant transient population"

"My rates are my contribution to that"

"Some infrastructure life spans more than one generation"

Disagree/ Strongly disagree

"…We need to be satisfied with what we have, maintain it well to keep function, and be less ambitious for new infrastructure that is beyond our means to pay for"

"Some people live here for 6 months as a renter. Some people live here for 30 years as an owner. You can't expect the renter to want to give back"

"I don't trust the current North Sydney Councilors, or workforce, if they ran their business properly, they would have enough money to deal with the top priorities…"

"This is a fig leaf to justify council inefficiency"

"Council don't spend current budget efficiently or effectively"

"There is no case put in the survey's supporting papers of an inter-generational funding issue. Given the required modest annual amounts and temporary rate solutions it appears a bit of a 'furphy'. In addition, savings through smaller council staff numbers, asset sales, non-rate income increases etc. should provide significant relief…"

Q8a. To what extent do you agree with the following statement?
Q8b. Why do you say that?

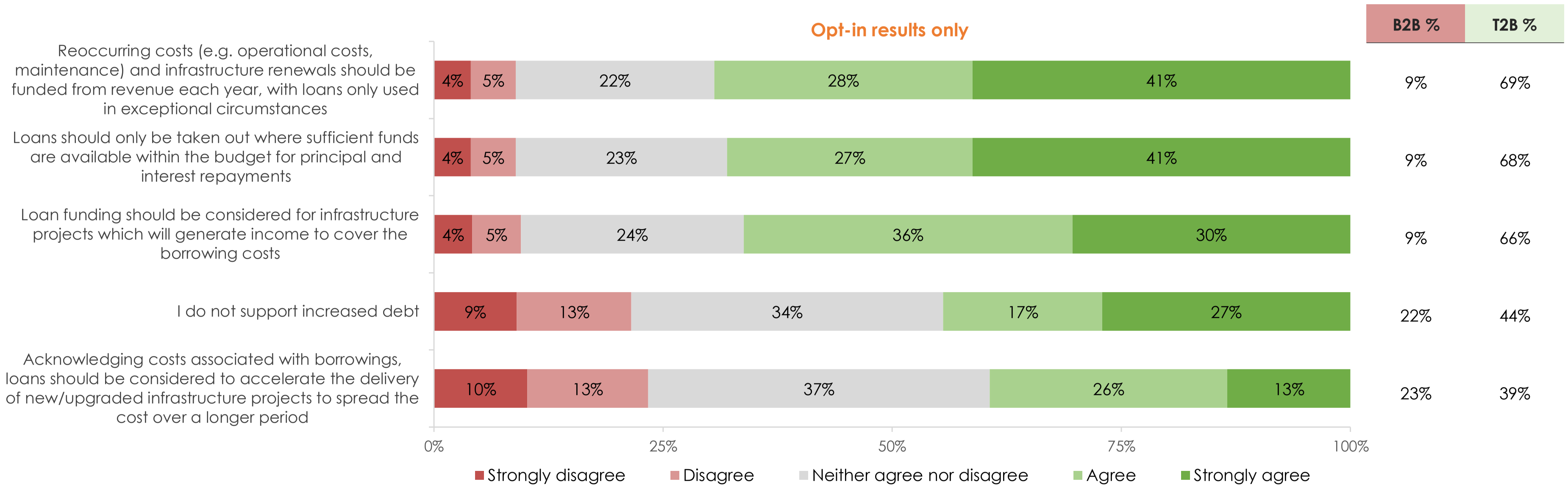
Loan Borrowing

Informed sample

Context: *Borrowing for infrastructure allows councils to deliver projects sooner than otherwise would be possible, but comes at the cost of interest repayments, which may impact future budgets and rates. By 30 June 2026, Council will have $55.8 million in debt, requiring $7.3 million per annum in loan repayments and interest, which must be funded from annual revenue. For example, a $20 million loan taken out over 20 years (maximum) to fund a new community facility would require $33.5 million (principal repayment plus interest) in rating income to pay back the loan over the 20-year period.*

69% agree that reoccurring costs and renewals should be funded from annual revenue rather than loans and 68% agree that loans should only be taken out when sufficient funds are available for repayments. Opinions are more divided on <u>not</u> increasing overall debt (44% agreement, 22% disagreement) and using loans to accelerate delivery of new or upgraded infrastructure (39% agreement, 23% disagreement).

Agreement is relatively consistent across demographics. And the Opt-in sample results are similar to the Representative sample results, see overleaf.



Q9a. Please state your agreement with the following principles.

Loan Borrowing

Informed sample

Agreement %	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Reoccurring costs (e.g. operational costs, maintenance) and infrastructure renewals should be funded from revenue each year, with loans only used in exceptional circumstances	69%	70%	64%	73%	69%	69%	69%	70%	66%	71%	71%
Loans should only be taken out where sufficient funds are available within the budget for principal and interest repayments	68%	72%	68%	67%	67%	68%	68%	65%	64%	73%	68%
Loan funding should be considered for infrastructure projects which will generate income to cover the borrowing costs	66%	65%	63%	68%	65%	67%	67%	58%	64%	63%	70%
I do not support increased debt	44%	47%	43%	46%	41%	46%	44%	47%	45%	46%	43%
Acknowledging costs associated with borrowings, loans should be considered to accelerate the delivery of new/ upgraded infrastructure projects to spread the cost over a longer period	39%	39%	43%	37%	36%	41%	39%	40%	39%	44%	37%
Base	432	302	173	252	154	278	374	57	179	98	155

*Representative

Q9a. Please state your agreement with the following principles.

Section 2b.
Asset Class Management

Informed sample

A snapshot of community asset conditions and current investment levels were provided in the survey. For each of the asset groups, an indication of Council's current expenditure on maintenance and renewals, together with a visual representation of each of the condition levels of very good/good, fair and poor/very poor was provided for the respondent to gain a deeper understanding.

This section is split into seven sub-sections to explore asset ratings, level of investment and support for future spend.

Section 2b(a).

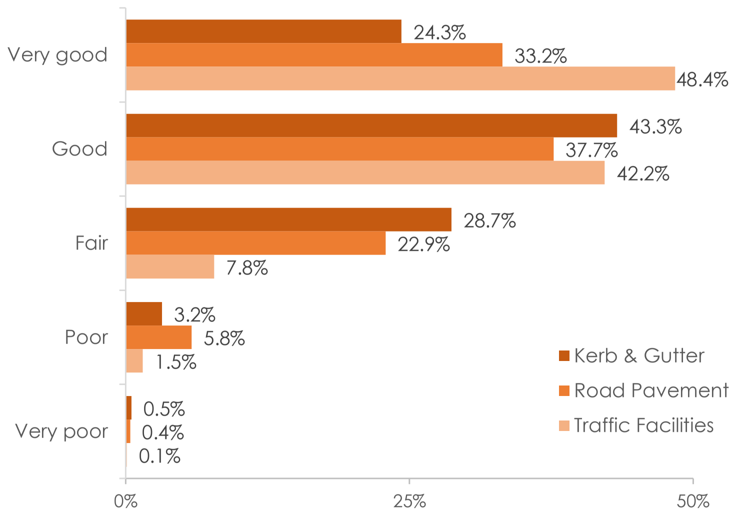
Roads and Transport Infrastructure

Informed sample

Context: *Council manages 260km of kerb and gutter, 153km of road pavements, and 1,173 traffic facilities including median strips, raised pedestrian crossings and roundabouts.*

Replacement value: $450 million. This assumes Council's transport related infrastructure is replaced every 66 years in a like for like condition.

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $6.52 million annually to maintain its road and transport infrastructure but currently has only $5.99 million budgeted for 2025/26.

Additionally, there is a $24 million backlog of infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, roads and traffic facilities will continue to deteriorate, creating safety risks and travel delays.

50

Informed sample

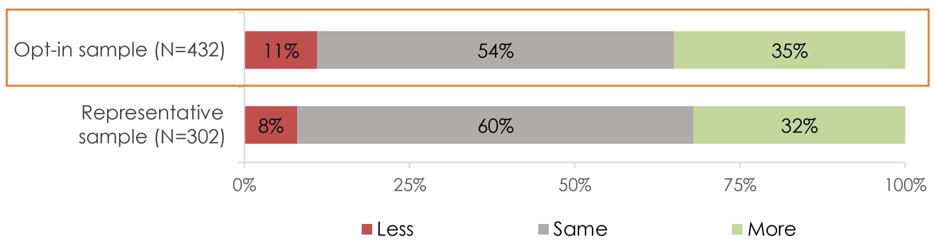
Roads and Transport Infrastructure

For roads and transport infrastructure;

- 51% believe 'fair' conditions are acceptable
- 89% would like to see the same or more investment (35% wanting more), and
- 69% support paying more in rates for maintenance and improvements.

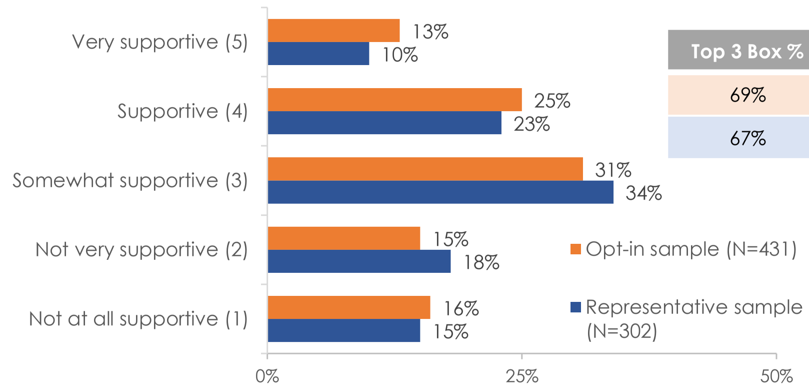
Opt-in results are generally similar to those from the Representative sample.

Council spend:



Acceptable Condition:

Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
69%	3.04
67%	2.94

Q1a. *What condition do you consider acceptable for our kerb and gutter, road pavement and traffic facilities?*
Q1b. *Should Council spend more, the same or less on kerb and gutter, road pavement and traffic facilities maintenance and renewal?*
Q1c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve kerb and gutter, road pavement and traffic facilities in the local area?*

Scale: 1 = not at all supportive, 5 = very supportive

Roads and Transport Infrastructure

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q1a)											
Very good/ Good	43%	45%	40%	46%	36%	47%	45%	35%	41%	38%	50%
Fair	51%	51%	54%	47%	57%	47%	49%	61%	54%	55%	43%
Poor/ Very poor	6%	4%	6%	7%	6%	6%	6%	4%	5%	7%	7%
Council spend (Q1b)											
More	35%	32%	34%	37%	30%	38%	36%	30%	34%	33%	38%
Same	54%	60%	53%	55%	59%	52%	53%	61%	54%	56%	54%
Less	11%	8%	14%	8%	11%	10%	11%	9%	12%	11%	8%
Support (Q1c)											
Top 3 Box %	69%	67%	64%	74%	69%	69%	68%	75%	69%	63%	73%
Mean rating	3.04	2.94	2.94	3.13	3.05	3.03	2.98	3.39	3.08	2.92	3.06
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)

Q1a. What condition do you consider acceptable for our kerb and gutter, road pavement and traffic facilities?
Q1b. Should Council spend more, the same or less on kerb and gutter, road pavement and traffic facilities maintenance and renewal?
Q1c. Using the scale below, how supportive are you of paying more in rates to maintain or improve kerb and gutter, road pavement and traffic facilities in the local area?

52

Section 2b(b).

Bus Shelters and Street Furniture

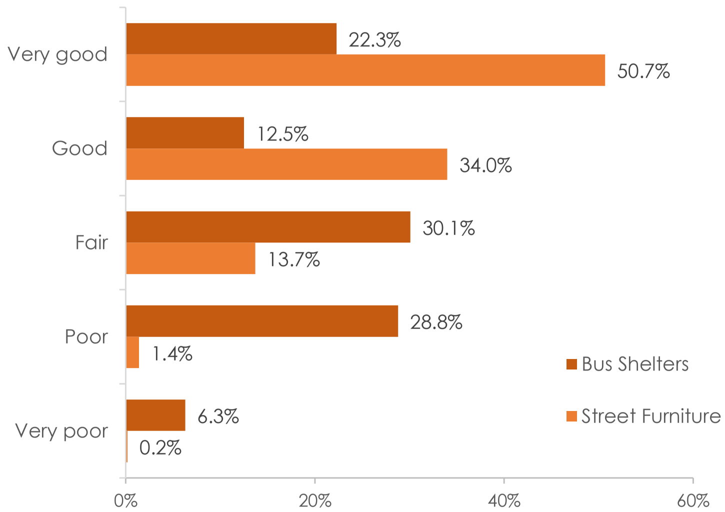
Informed sample

Context: *Council manages 66 bus shelters and 1,084 items of street furniture.*

Council needs $330,000 annually to maintain its bus shelters and street furniture, but has only $200,000 budgeted for 2025/26.

There is also a $2.1 million backlog of deteriorating bus shelters and street furniture in poor condition, with only $400,000 available to address it, meaning that without increased investment, public transport users will face reduced comfort, accessibility, and safety, especially during poor weather or at night.

Current Condition Levels:



Very good/ Good: **Fair:** **Poor/ Very poor:**

53

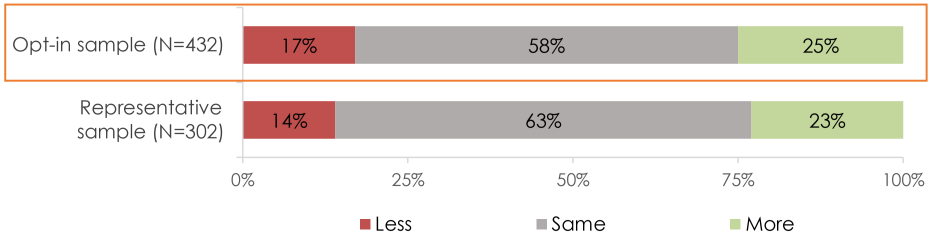
Informed sample

Bus Shelters and Street Furniture

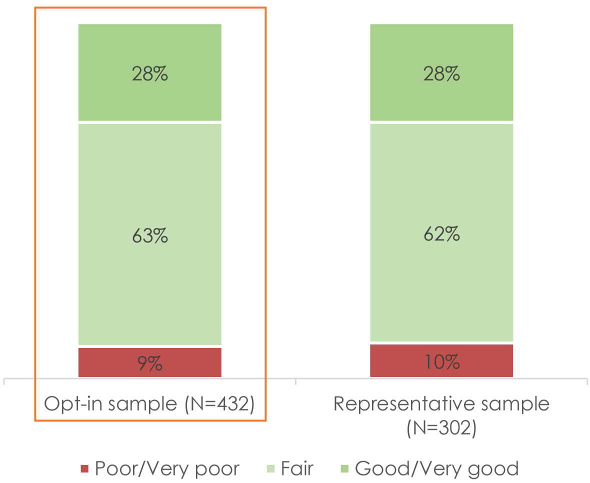
For bus shelters and street furniture;

- 63% believe 'fair' conditions are acceptable
- 83% would like to see the same or more investment (1 in 4 wanting more), and
- 60% support paying more in rates for maintenance and improvements.

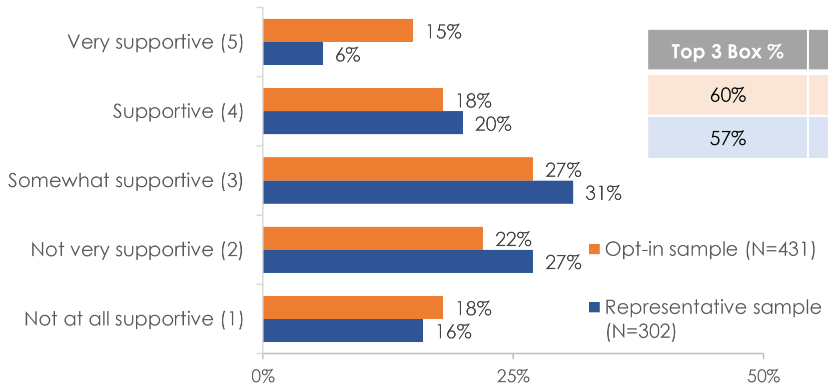
Opt-in results are generally similar to those from the Representative sample.



Acceptable Condition:



Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
60%	2.88
57%	2.72

Q2a. *What condition do you consider acceptable for our bus shelters and street furniture?*
Q2b. *Should Council spend more, the same or less on bus shelters and street furniture maintenance and renewal?*
Q2c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve bus shelters and street furniture in the local area?*

Scale: 1 = not at all supportive, 5 = very supportive

54

Bus Shelters and Street Furniture

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q2a)											
Very good/ Good	28%	28%	24%	32%	25%	31%	29%	28%	28%	26%	30%
Fair	63%	62%	65%	61%	63%	62%	62%	65%	61%	63%	63%
Poor/ Very poor	9%	10%	11%	8%	12%	7%	9%	7%	10%	11%	6%
Council spend (Q2b)											
More	25%	23%	27%	23%	23%	26%	23%	33%	28%	23%	21%
Same	58%	63%	55%	61%	58%	59%	59%	54%	53%	57%	66%
Less	17%	14%	17%	15%	19%	15%	17%	12%	19%	19%	12%
Support (Q2c)											
Top 3 Box %	60%	57%	57%	63%	58%	61%	58%	70%	61%	52%	63%
Mean rating	2.88	2.72	2.80	2.95	2.85	2.90	2.80	3.39	2.98	2.68	2.89
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)

Q2a. *What condition do you consider acceptable for our bus shelters and street furniture?*
Q2b. *Should Council spend more, the same or less on bus shelters and street furniture maintenance and renewal?*
Q2c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve bus shelters and street furniture in the local area?*

Section 2b(c).

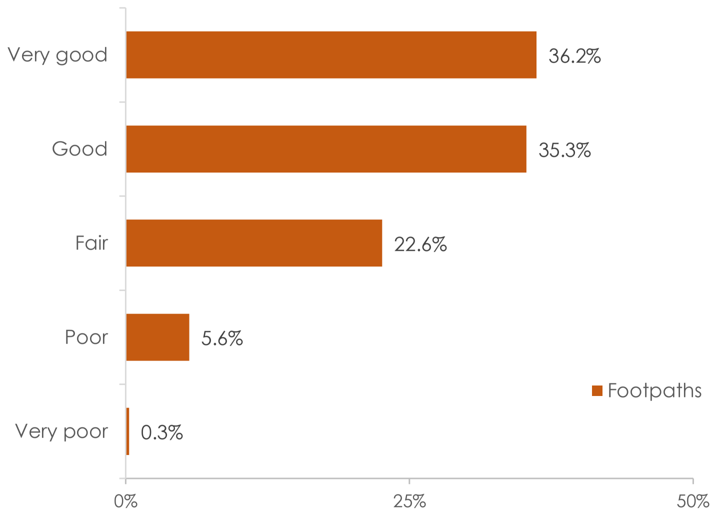
Footpaths

Informed sample

Context: *There are approximately 265.9km of footpath assets located within road reserves and parks (including walking tracks).*

Replacement value: $155 million. This assumes Council's footpaths are replaced every 40 years on average in a like for like condition (does not consider upgraded surfaces such as granite pavers in CBD locations.)

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $3.9 million annually to maintain its footpaths, but has only $400,000 budgeted for 2025/26.

There is also a $9.2 million backlog of footpaths in poor or very poor condition, with no dedicated budget to address it, meaning that without increased investment, aging footpaths will create accessibility and safety risks, particularly for people with mobility issues, older residents, and families.

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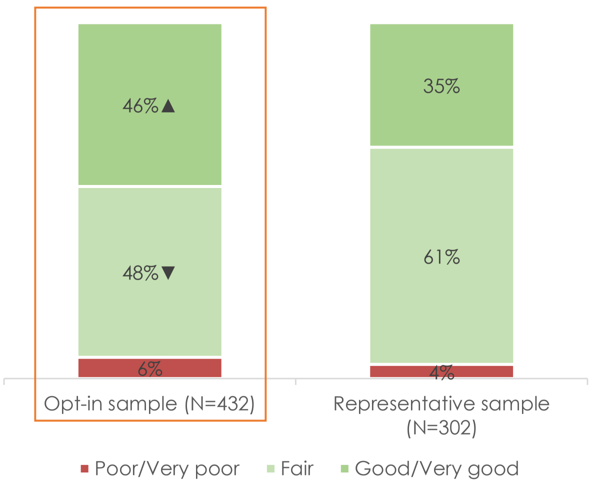
Footpaths

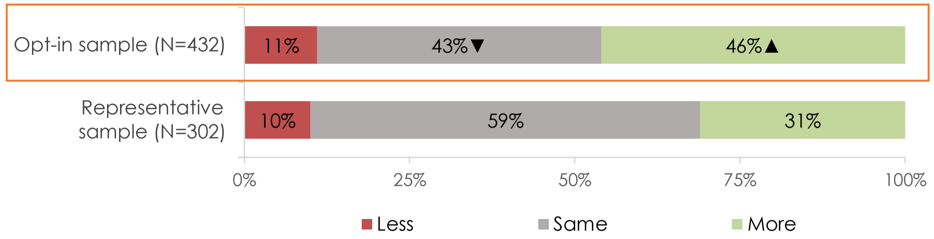
Informed sample

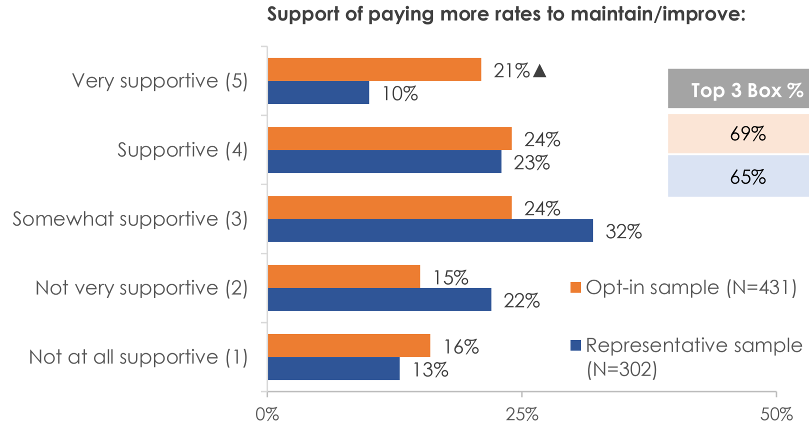
For footpaths;

- 48% believe 'fair' conditions are acceptable
- 89% would like to see the same or more investment (nearly 50% wanting more), and
- 69% support paying more in rates for maintenance and improvements.

For this category, the Opt-in sample wants higher quality and more investment than does the Representative sample







Top 3 Box %	Mean rating
69%	3.19
65%	2.94

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
Scale: 1 = not at all supportive, 5 = very supportive

Q3a. *What condition do you consider acceptable for our footpaths?*
Q3b. *Should Council spend more, the same or less on footpath maintenance and renewal?*
Q3c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve footpaths?*

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Footpaths

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q3a)											
Very good/ Good	46%▲	35%	40%	52%	44%	48%	45%	54%	46%	33%	55%
Fair	48%▼	61%	55%	43%	51%	47%	49%	44%	49%	61%	39%
Poor/ Very poor	6%	4%	5%	6%	6%	5%	6%	2%	6%	6%	5%
Council spend (Q3b)											
More	46%▲	31%	43%	49%	46%	46%	44%	56%	47%	43%	46%
Same	43%▼	59%	45%	42%	43%	44%	44%	37%	41%	45%	45%
Less	11%	10%	13%	9%	11%	11%	11%	7%	12%	12%	9%
Support (Q3c)											
Top 3 Box %	69%	65%	66%	71%	70%	68%	67%	80%	70%	64%	70%
Mean rating	3.19	2.94	3.12	3.25	3.20	3.18	3.11	3.64	3.27	3.02	3.19
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)
Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Q3a. *What condition do you consider acceptable for our footpaths?*
Q3b. *Should Council spend more, the same or less on footpath maintenance and renewal?*
Q3c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve footpaths?*

Section 2b(d).

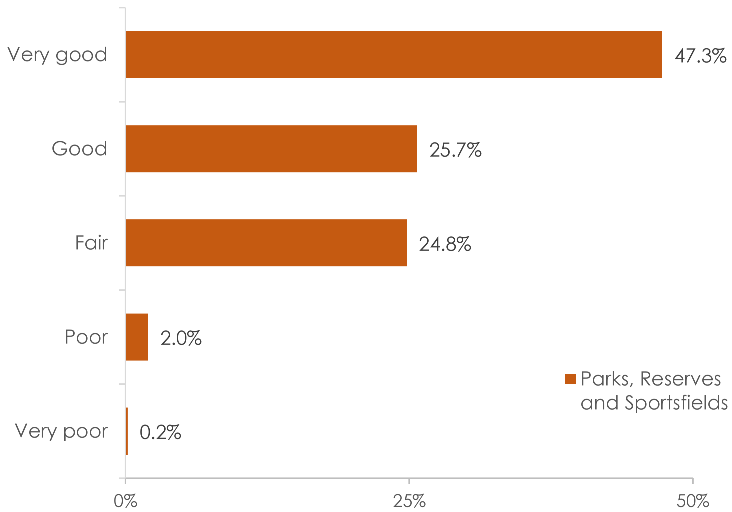
Parks, Reserves and Sportsfields

Informed sample

Context: *There are approximately 2,508 items of furniture, 44 playgrounds and 88 sporting related assets within Council parks and reserves.*

Replacement value: $40.2 million. This assumes these assets are replaced every 25 years on average in a like for like condition (does not consider upgraded surfaces or equipment).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $1.6 million annually to maintain its parks, recreational assets, but has only $610,000 budgeted for 2025/26.

There is also a $900,000 backlog of parks infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, play equipment, sports facilities, and open spaces will degrade. This will have impacts on the accessibility and useability of our open spaces.

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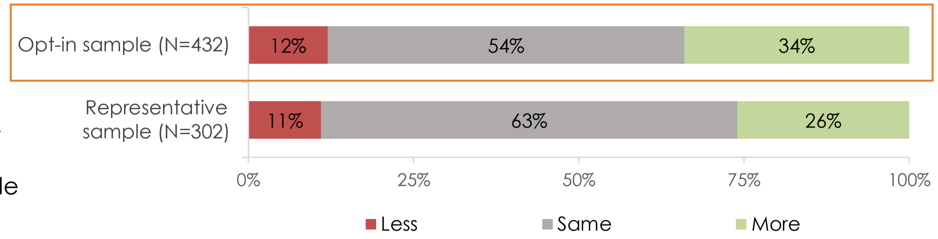
Parks, Reserves and Sportsfields

Informed sample

For parks, reserves and sportsfields;

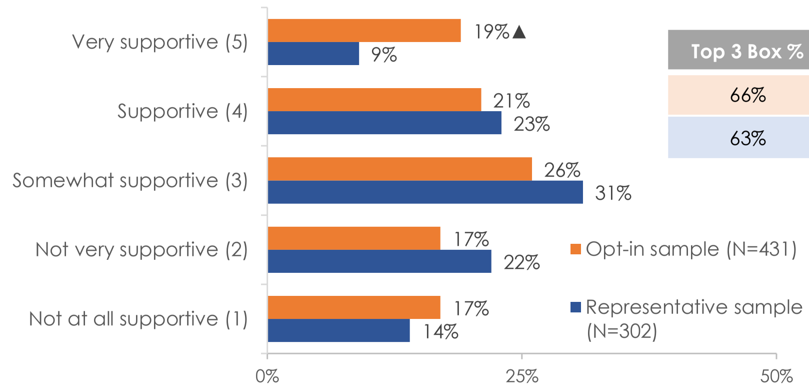
- 54% believe 'fair' conditions are acceptable
- 88% would like to see the same or more investment (1 in 3 wanting more), and
- 66% support paying more in rates for maintenance and improvements.

Opt-in results are generally similar to those from the Representative sample – with a little more commitment to more investment from the Opt-in sample.



Acceptable Condition:

Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
66%	3.09
63%	2.90

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
Scale: 1 = not at all supportive, 5 = very supportive

Q4a. What condition do you consider acceptable for our parks and recreational assets?
Q4b. Should Council spend more, the same or less on parks and recreational assets in terms of maintenance and renewal?
Q4c. Using the scale below, how supportive are you of paying more in rates to maintain or improve parks, reserves, and sports fields in the local area?

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Parks, Reserves and Sportsfields

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q4a)											
Very good/ Good	40%	38%	38%	41%	40%	40%	39%	47%	45%	29%	41%
Fair	54%	59%	53%	54%	53%	54%	55%	49%	48%	63%	54%
Poor/ Very poor	6%	3%	9%	5%	7%	6%	7%	4%	7%	8%	5%
Council spend (Q4b)											
More	34%	26%	36%	32%	41%	29%	30%	54%	41%	28%	29%
Same	54%	63%	51%	56%	44%	60%	57%	37%	46%	59%	61%
Less	12%	11%	13%	12%	15%	11%	13%	9%	13%	13%	10%
Support (Q4c)											
Top 3 Box %	66%	63%	65%	68%	71%	64%	64%	84%	72%	56%	66%
Mean rating	3.09	2.90	3.07	3.11	3.23	3.01	2.98	3.80	3.28	2.84	3.02
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)

Q4a. What condition do you consider acceptable for our parks and recreational assets?
Q4b. Should Council spend more, the same or less on parks and recreational assets in terms of maintenance and renewal?
Q4c. Using the scale below, how supportive are you of paying more in rates to maintain or improve parks, reserves, and sports fields in the local area?

Section 2b(e).

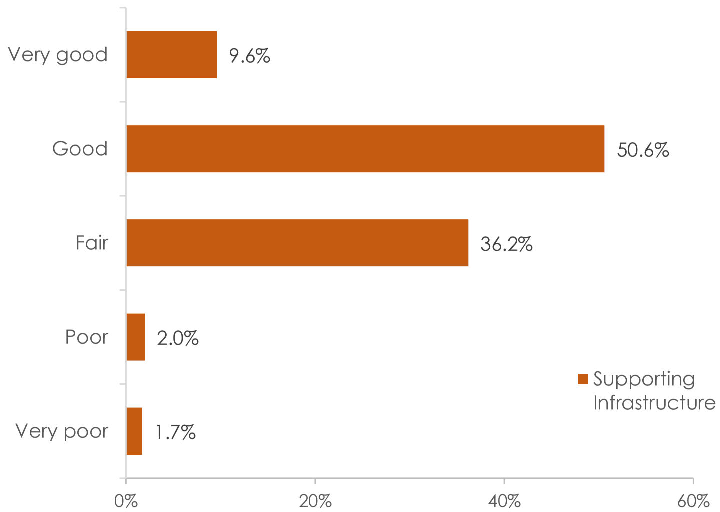
Supporting Infrastructure

Informed sample

Context: *Council manages approximately 44km of fences, 2,618 bollards, 1,874 lighting assets, 44 marine structures, 25km of retaining walls and 4.9km of seawalls.*

Replacement value: $303.9 million. This assumes these assets are replaced every 74 years on average in a like for like condition (does not consider upgraded materials or equipment).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

The Council needs $4.1 million annually to maintain its supporting infrastructure, but has only $1.33 million budgeted for 2025/26.

There is also an $11 million backlog of supporting infrastructure in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, essential supporting infrastructure may fail, leading to reduced safety, usability, and increased long-term repair costs.

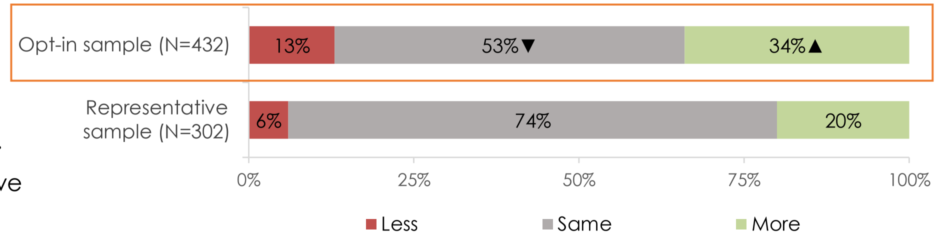
Supporting Infrastructure

Informed sample

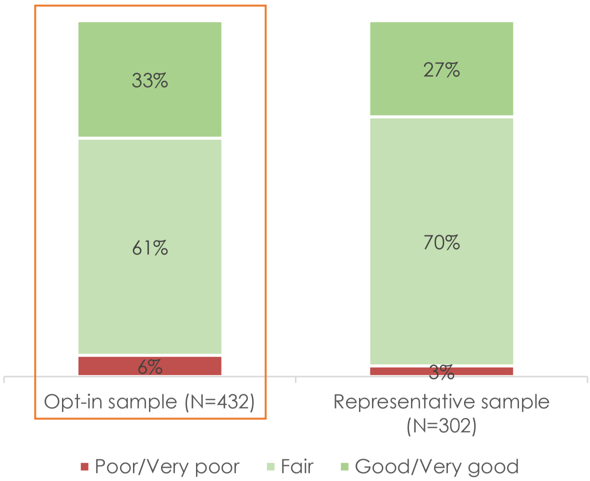
For supporting infrastructure;

- 61% believe 'fair' conditions are acceptable
- 87% would like to see the same or more investment (1 in 3 wanting more), and
- 67% support paying more in rates for maintenance and improvements.

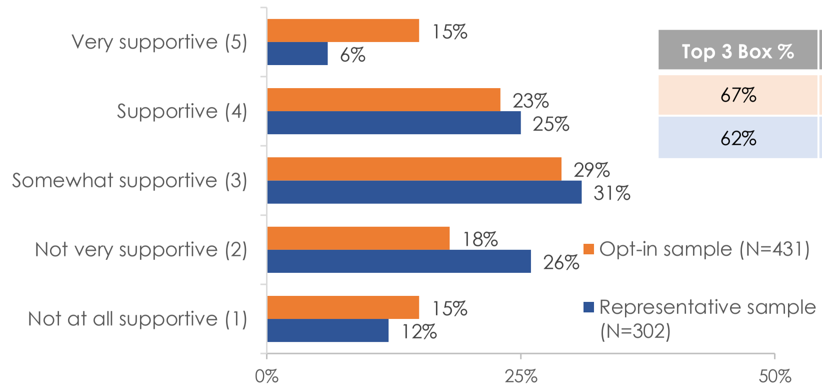
Opt-in results are a little more polarised than those from the Representative sample



Acceptable Condition:



Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
67%	3.05
62%	2.86

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
Scale: 1 = not at all supportive, 5 = very supportive

Q5a. *What condition do you consider acceptable for supporting infrastructure?*
Q5b. *Should Council spend more, the same or less on supporting infrastructure maintenance and renewal?*
Q5c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve supporting infrastructure in the local area?*

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Supporting Infrastructure

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q5a)											
Very good/ Good	33%	27%	30%	35%	30%	35%	32%	37%	32%	31%	35%
Fair	61%	70%	62%	61%	64%	60%	61%	61%	61%	64%	59%
Poor/ Very poor	6%	3%	8%	4%	6%	6%	7%	2%	7%	5%	6%
Council spend (Q5b)											
More	34%▲	20%	33%	36%	32%	36%	33%	40%	38%	33%	32%
Same	53%▼	74%	52%	54%	53%	53%	53%	51%	46%	55%	59%
Less	13%	6%	15%	10%	15%	11%	13%	9%	16%	12%	9%
Support (Q5c)											
Top 3 Box %	67%	62%	66%	69%	68%	67%	65%	82%	68%	60%	72%
Mean rating	3.05	2.86	3.03	3.08	3.10	3.02	2.97	3.54	3.14	2.90	3.04
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)
Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Q5a. What condition do you consider acceptable for supporting infrastructure?
Q5b. Should Council spend more, the same or less on supporting infrastructure maintenance and renewal?
Q5c. Using the scale below, how supportive are you of paying more in rates to maintain or improve supporting infrastructure in the local area?

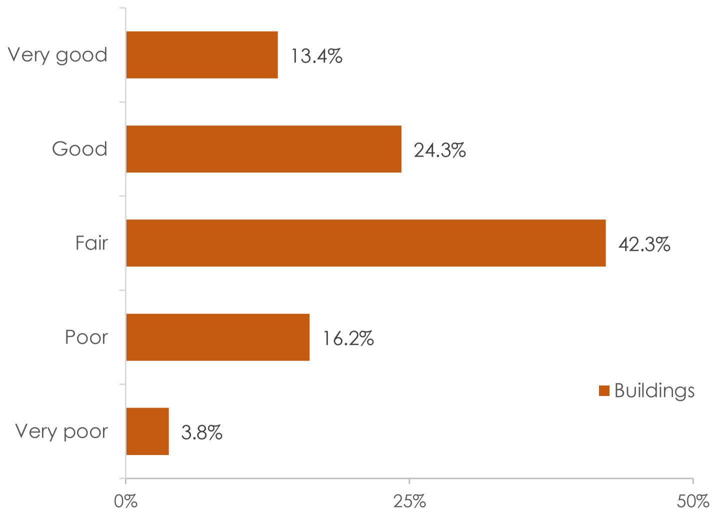
Section 2b(f).

Buildings

Informed sample

Context: *Council owns 140 buildings. These include Civic and Operational Buildings (e.g. Council Chambers, Depots, Library etc), community centres and halls, childcare centres, indoor sports centre, clubhouses, public amenities, North Sydney Oval buildings, Coal Loader buildings, community housing and museums. In addition, Council owns 11 investment properties.*
Replacement value: $347 million. This assumes these assets are replaced every 68.7 years on average in a like for like condition (does not consider upgrades or improved finishes).

Current Condition Levels:



Very good/ Good:

Fair:

Poor/ Very poor:

Council needs $5 million annually to maintain its buildings, but has only $3.895 million budgeted for 2025/26. There is also a $69.4 million backlog of buildings in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, community buildings may become unusable or unsafe, impacting service delivery and increasing final repair costs.

65

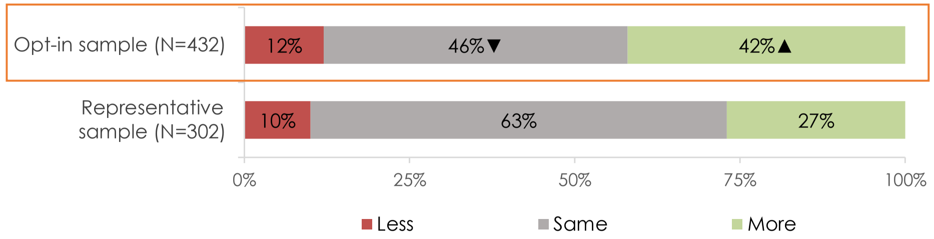
Buildings

Informed sample

For public buildings;

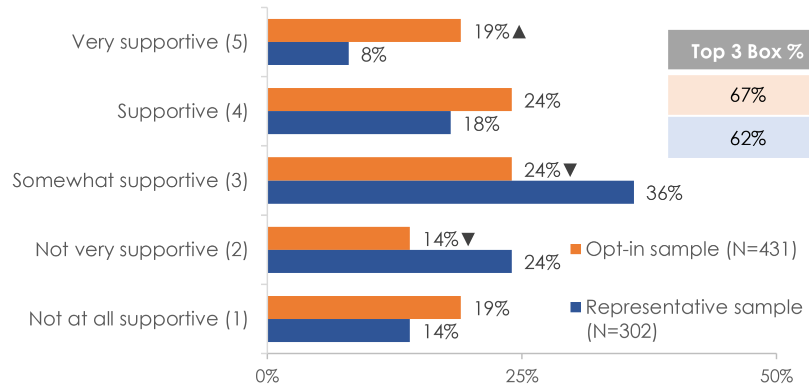
- 53% believe 'fair' conditions are acceptable
- 88% would like to see the same or more investment (42% wanting more), and
- 67% support paying more in rates for maintenance and improvements.

For this category, the Opt-in sample wants higher quality and more investment than does the Representative sample.



Acceptable Condition:

Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
67%	3.11
62%	2.83

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
Scale: 1 = not at all supportive, 5 = very supportive

Q6a. What condition do you consider acceptable for our buildings?
Q6b. Should Council spend more, the same or less on building maintenance and renewal?
Q6c. Using the scale below, how supportive are you of paying more in rates to maintain or improve public buildings in the local area?

Buildings

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q6a)											
Very good/ Good	41%▲	28%	31%	48%	38%	43%	40%	47%	45%	38%	39%
Fair	53%▼	69%	62%	48%	54%	53%	53%	51%	49%	55%	56%
Poor/ Very poor	6%	3%	8%	4%	8%	5%	6%	2%	6%	7%	5%
Council spend (Q6b)											
More	42%▲	27%	39%	44%	40%	42%	40%	54%	46%	39%	38%
Same	46%▼	63%	46%	46%	44%	47%	47%	40%	38%	48%	54%
Less	12%	10%	15%	10%	16%	10%	13%	5%	16%	13%	8%
Support (Q6c)											
Top 3 Box %	67%	62%	62%	71%	68%	67%	65%	82%	70%	61%	68%
Mean rating	3.11	2.83	2.99	3.19	3.12	3.10	3.01	3.77	3.23	2.96	3.06
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)
Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Q6a. *What condition do you consider acceptable for our buildings?*
Q6b. *Should Council spend more, the same or less on building maintenance and renewal?*
Q6c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve public buildings in the local area?*

Section 2b(g).

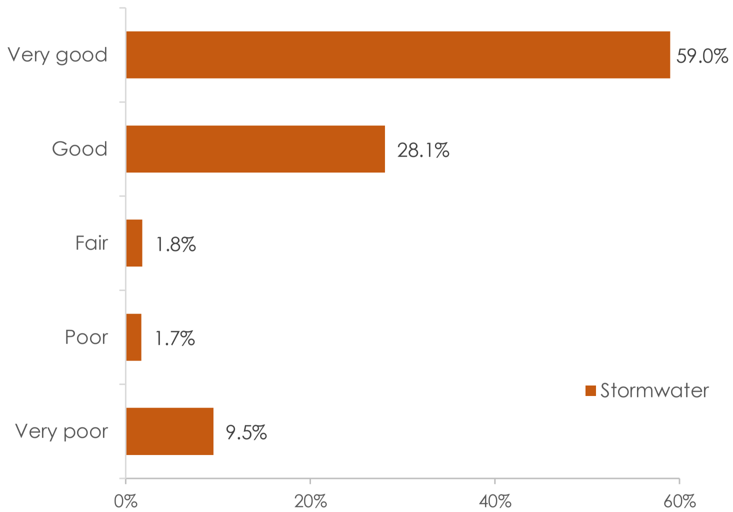
Stormwater

Informed sample

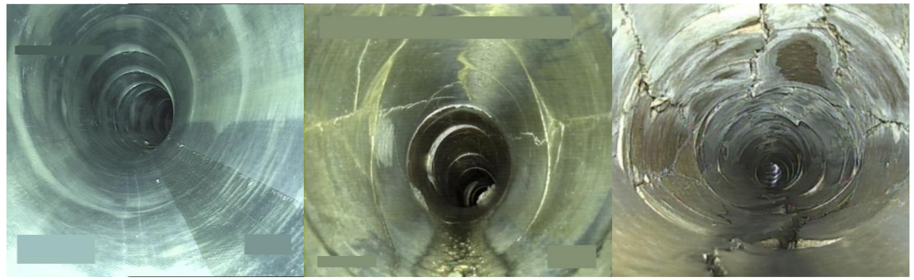
Context: *Council manages 27 Gross Pollutant Traps, 107km of stormwater pipes, and 6,659 stormwater pits.*

Replacement value: $270.5 million. This assumes Council's stormwater infrastructure is replaced every 112 years on average in a like for like condition.

Current Condition Levels:



Very good/ Good: **Fair:** **Poor/ Very poor:**



The Council needs $2.4 million annually to maintain its stormwater infrastructure, but has only $800,000 budgeted for 2025/26.

There is also a $30.1 million backlog of stormwater systems in poor or very poor condition with no dedicated budget to address it, meaning that without increased investment, aging stormwater systems may increase local flooding, environmental damage, and emergency repair costs during major weather events.

Stormwater

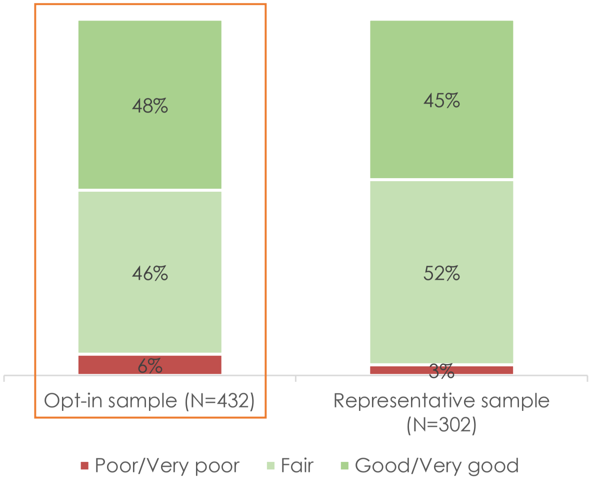
Informed sample

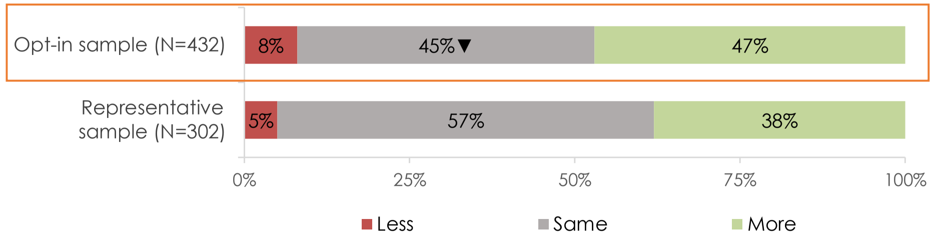
For stormwater assets;

- 46% believe 'fair' conditions are acceptable and 48% prefer 'very good/ good' conditions
- 92% would like to see the same or more investment (47% wanting more), and
- 73% support paying more in rates for maintenance and improvements.

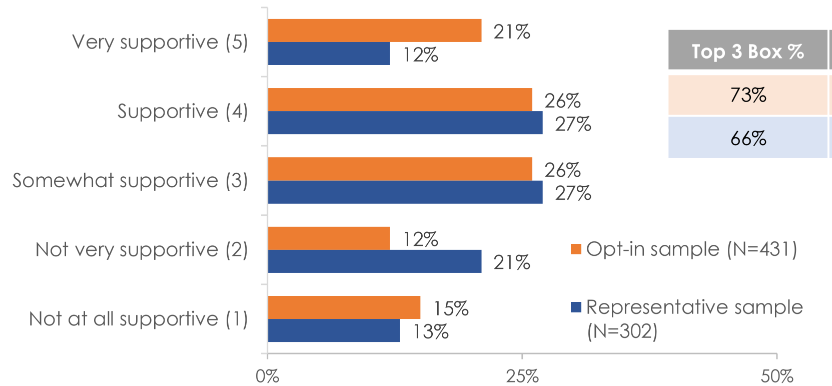
For this category, the Opt-in sample wants higher quality and more investment than does the Representative sample

Acceptable Condition:





Support of paying more rates to maintain/improve:



Top 3 Box %	Mean rating
73%	3.27
66%	3.03

Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.
Scale: 1 = not at all supportive, 5 = very supportive

Q7a. What condition do you consider acceptable for stormwater assets?
Q7b. Should Council spend more, the same or less on stormwater infrastructure maintenance and renewal?
Q7c. Using the scale below, how supportive are you of paying more in rates to maintain or improve stormwater infrastructure in the local area?

Stormwater

Informed sample

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Acceptable condition (Q7a)											
Very good/ Good	48%	45%	40%	55%	45%	50%	47%	54%	45%	43%	55%
Fair	46%	52%	54%	40%	49%	44%	47%	42%	50%	50%	39%
Poor/ Very poor	6%	3%	6%	5%	6%	6%	6%	4%	6%	7%	5%
Council spend (Q7b)											
More	47%	38%	43%	50%	47%	46%	44%	61%	47%	44%	48%
Same	45%▼	57%	46%	44%	44%	45%	46%	35%	42%	48%	45%
Less	8%	5%	10%	6%	9%	8%	9%	4%	10%	8%	7%
Support (Q7c)											
Top 3 Box %	73%	66%	71%	76%	76%	71%	71%	88%	75%	65%	76%
Mean rating	3.27	3.03	3.22	3.34	3.33	3.24	3.20	3.77	3.32	3.10	3.32
Base	431-432	302	173	251-252	154	277-278	374	56-57	179	97-98	155

*Representative

Scale: 1 = not at all supportive, 5 = very supportive
Indicatively higher/lower level of support/percentage (by group)
Note: ▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

Q7a. *What condition do you consider acceptable for stormwater assets?*
Q7b. *Should Council spend more, the same or less on stormwater infrastructure maintenance and renewal?*
Q7c. *Using the scale below, how supportive are you of paying more in rates to maintain or improve stormwater infrastructure in the local area?*

Section 2c.

Council Performance and Consultation

This section explores residents' feedback about the consultation as well as Council's overall performance.

Informed sample

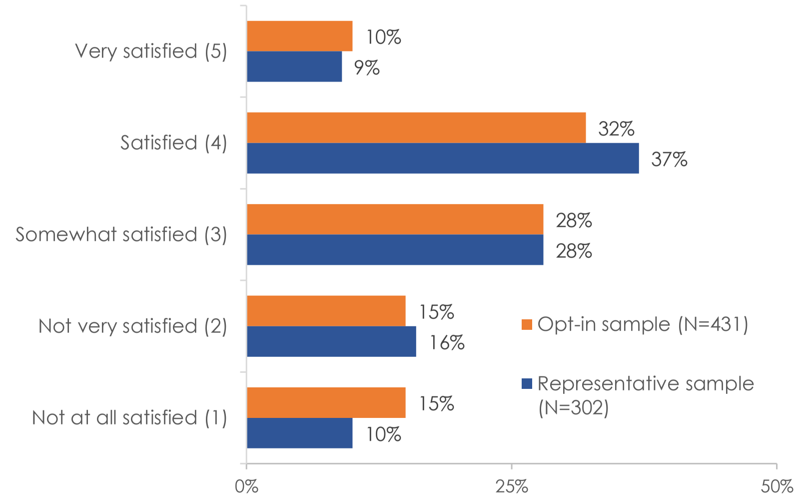
micromex research

Overall Satisfaction with the Performance of Council

Informed sample

70% of Opt-in respondents are at least somewhat satisfied with the performance of Council, this increases to 86% amongst non-ratepayers.

Results are largely in line with the Representative sample.



	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	70%	74%	67%	73%	70%	69%	67%	86%	72%	67%	68%
Mean rating	3.06	3.19	2.93	3.17	3.05	3.07	3.00	3.48	3.12	2.92	3.09
Base	431	302	173	251	154	277	374	56	179	97	155

*Representative

Q11. *How satisfied are you with the performance of Council, and their services, not just on one or two issues but across all responsibility areas?*

Scale: 1 = not at all satisfied, 5 = very satisfied
Indicatively higher/lower level of satisfaction (by group) 72

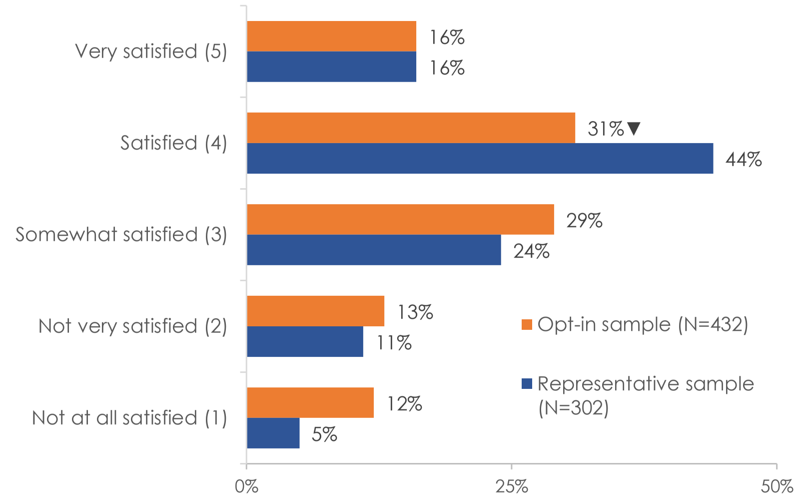
Overall Satisfaction with this Community Consultation

Informed sample

76% of Opt-in respondents were at least somewhat satisfied with the community consultation, overall – somewhat lower than for the Representative sample (84%).

Females, non-ratepayers and longer-term residents were more satisfied.

Some verbatim comments for why respondents provided their rating are provided overleaf.



Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples.

	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	76%	84%	72%	79%	77%	75%	74%	88%	76%	68%	80%
Mean rating	3.27	3.53	3.10	3.42	3.29	3.27	3.20	3.75	3.27	3.07	3.41
Base	432	302	173	252	154	278	374	57	179	98	155

*Representative

Q10d. Overall, how satisfied are you with this community consultation?

Scale: 1 = not at all satisfied, 5 = very satisfied
Indicatively higher/lower level of satisfaction (by group)

Overall Satisfaction with this Community Consultation

Informed sample

Example verbatims

Satisfied/ Very satisfied

"Sufficiently detailed information on the circumstances, considerations and options to provide suitably informed responses to the survey"

"Good to be able to get involved - as long as our input is carefully assessed and considered"

"It explained things well and I enjoyed the pictures of storm water drains"

"Good consultation attempt"

"Covers a huge range of information and lays out clearly information re the running of the Council"

It was interesting to see what it costs to maintain infrastructure. It was helpful to see the costs for each area and budgeted amounts"

"The pictures were a great element"

Somewhat satisfied

"I feel after the 87% SRV was rejected that we are now being threatened with reduced services as punishment for opposing it. Council should be working with residents not against them…"

"Leading questions"

"Not enough room to suggest options - e.g. outsourced, performance-based contracts for selected maintenance and operations"

"Online forms are OK, but it would be good to have more visibility over face-to-face consultation and actual discussion. The council feels very much like a black box"

"The consultation appears biased"

"Only a small amount of info was given"

"No option in survey to consider other alternates to raise funds…"

Not at all/Not very satisfied

"Not detailed enough, broad sweeping, generalised, loaded questions to provide council the argument it wants not a truly impartial questionnaire rather engineered to deliver a result that absolves council of all blame"

"I found out about this survey on Facebook posted by a resident outraged that the council is spending money on this (250K purportedly) and their pay rises rather than managing the funds they have effectively"

"Very narrow consultation with only one aim. To increase rates"

"I found it by accident, even though you have my email contact details and have asked to remain in touch. The consultation was limited - you didn't consider selling assets and getting the council out of commercial ventures"

"The information provided paints a bleak picture of financial mismanagement over an extended period yet there is no indication of how this sorry state of affairs came about"

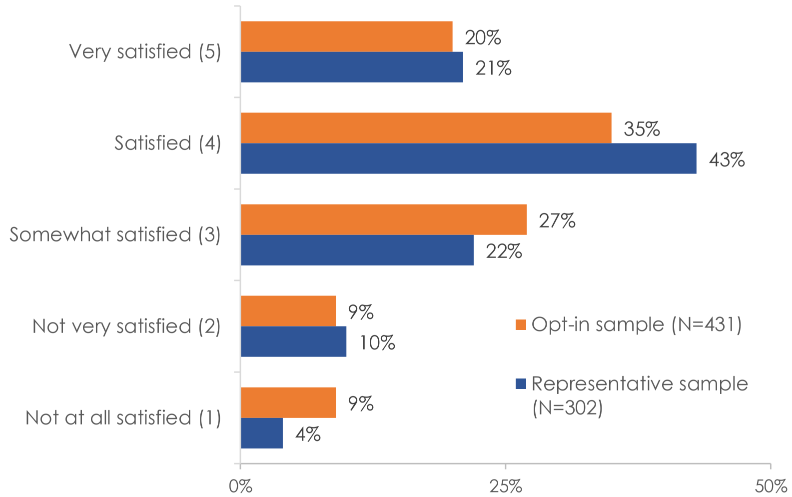
Q10d. Overall, how satisfied are you with this community consultation?
Q10e. Why do you say that?

Satisfaction with the Level of Information Provided

Informed sample

Results are similar to the Representative sample, with 82% of Opt-in respondents being at least somewhat satisfied with the level of information provided in this consultation - 1 in 5 stating they were 'very satisfied'.

Females and non-ratepayers were more satisfied with the information provided.



	Overall Opt-in sample	Overall Rep* sample	Gender		Age		Ratepayer status		Time lived in area		
			Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
Top 3 Box %	82%	86%	79%	86%	83%	82%	81%	91%	82%	79%	84%
Mean rating	3.48	3.66	3.33	3.62	3.47	3.49	3.43	3.82	3.48	3.31	3.60
Base	431	302	173	251	154	277	373	57	179	98	154

*Representative

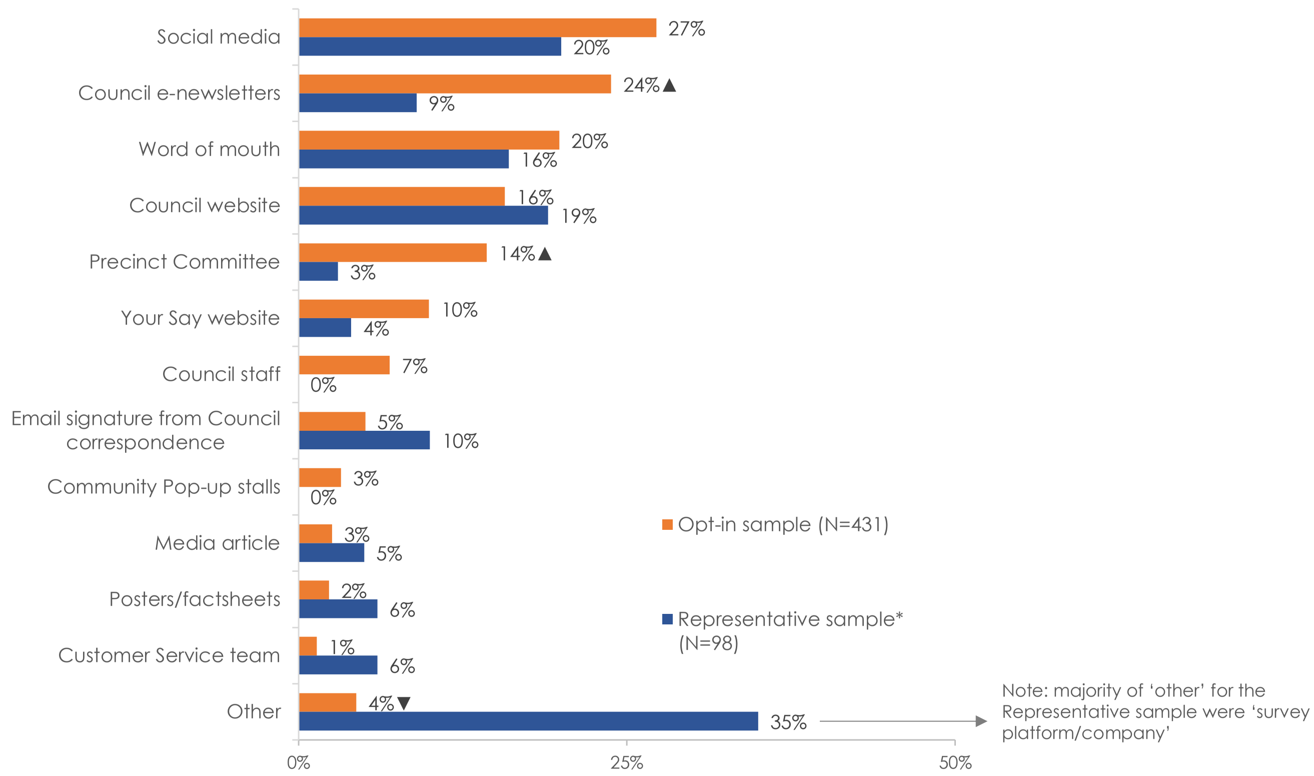
Q10c. How satisfied were you with the level of information provided to you in this consultation?

Scale: 1 = not at all satisfied, 5 = very satisfied
Indicatively higher/lower level of satisfaction (by group) 75

Appendix
Additional Analyses

Being Informed of this Consultation

Informed sample



*Asked only of those who completed the Representative survey online

Q10b . How were you informed of this consultation?

Note:▲/▼ = difference equal to/greater than 10% between representative and opt-in samples. 77

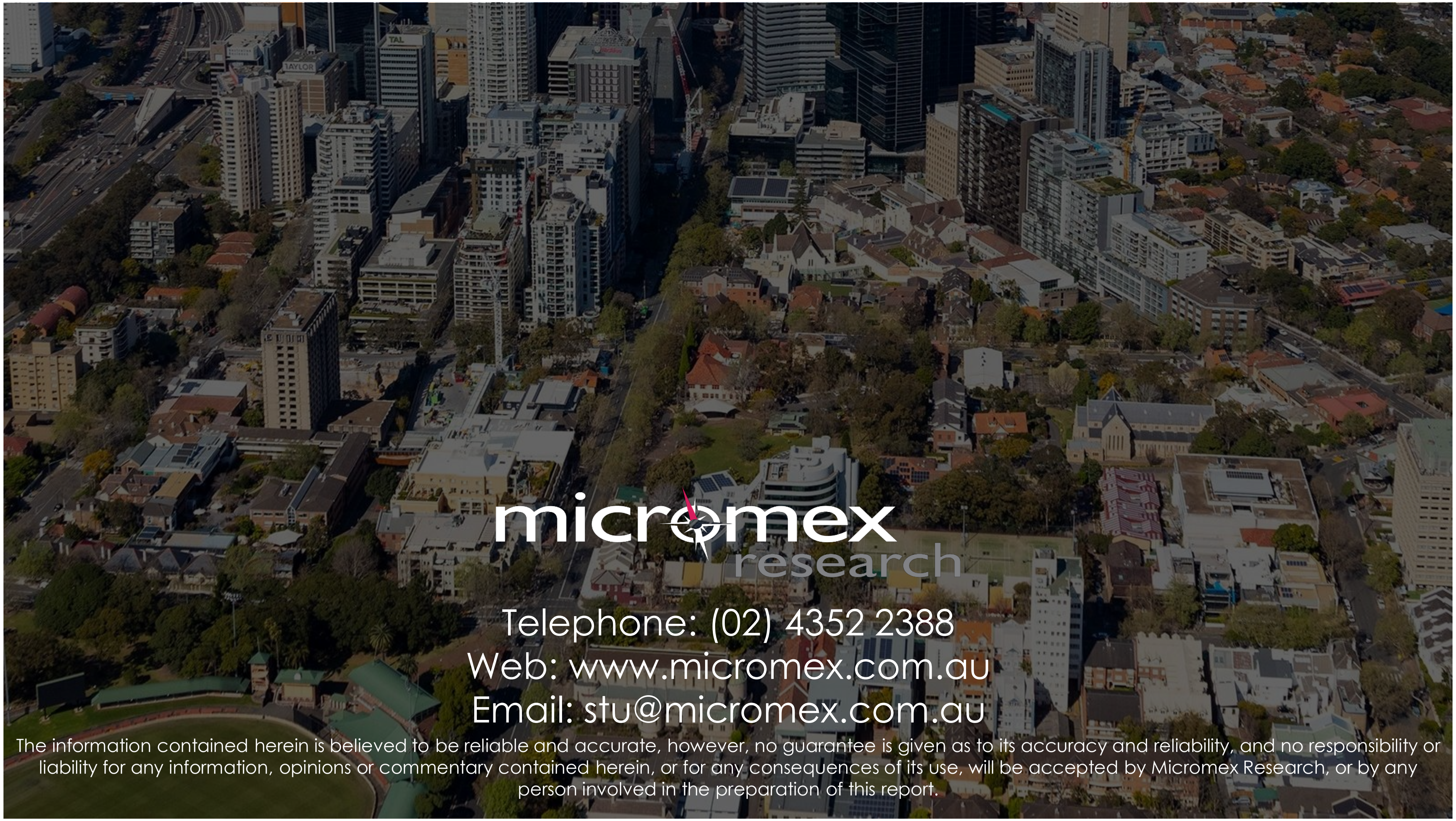
Alternative Sources of Revenue

Baseline sample

At least somewhat supportive (T3B%)	Overall	Gender		Age		Ratepayer status		Time lived in area		
		Male	Female	Under 50	50+	Ratepayer	Non-ratepayer	10 years or less	11-20 years	More than 20 years
New/increased fees for commercial/large group park use	90%	89%	90%	87%	91%	90%	87%	88%	93%	90%
Corporate/private event hire of the Olympic Pool	87%	85%	88%	85%	88%	87%	86%	86%	88%	87%
Ticketing entry to parks on New Year's Eve	84%	84%	84%	80%	86%	86%	71%	82%	90%	82%
Naming rights for local facilities, such as North Sydney Oval and the Olympic pool	77%	78%	76%	78%	76%	76%	82%	79%	74%	76%
Increased parking enforcement	66%	71%	63%	66%	66%	66%	68%	64%	71%	66%
More commercial advertising in public places	63%	64%	62%	75%	56%	62%	73%	68%	64%	57%
Base (maximum)	430	172	247	154	272	371	55	178	97	151

Q12c . To offset or reduce the pressure on Council rates as a revenue source, how supportive are you of the following?

Indicatively higher/lower level of support (by group) 78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