

## 10.7. Proposed consultation for a special rate variation (SRV) for long term financial sustainability

<b>AUTHOR</b>	Aigul Utegenova, Chief Financial Officer
<b>ENDORSED BY</b>	Therese Cole, Chief Executive Officer
<b>ATTACHMENTS</b>	<ol style="list-style-type: none"><li>1. Long Term Financial Plan [<b>10.7.1</b> - 58 pages]</li><li>2. Organisational Improvement Plan [<b>10.7.2</b> - 8 pages]</li><li>3. Draft Amended 2022-26 Delivery Program [<b>10.7.3</b> - 86 pages]</li><li>4. Draft 2025-35 Asset Management Strategy [<b>10.7.4</b> - 33 pages]</li><li>5. Community Engagement Strategy [<b>10.7.5</b> - 15 pages]</li></ol>
<b>CSP LINK</b>	<ol style="list-style-type: none"><li>5. Our Civic Leadership</li><li>5.2 Strong civic leadership and customer focussed services</li></ol>

### PURPOSE:

For Council to consider undertaking community engagement on the proposal for a special rate variation (SRV) and to undertake public exhibition of the updated draft Long Term Financial Plan (LTFP), draft Amended Delivery Program, and draft Asset Management Strategy.

### EXECUTIVE SUMMARY:

- Currently, **Council's financial position is very weak and the financial outlook is unsustainable**, requiring significant structural reform. Existing revenue is insufficient to cover current service levels, loan repayments, asset maintenance backlogs, infrastructure renewals, upgrades, and the development of new assets to meet the demands of a growing and evolving population.
- Council's financial performance has led to increased infrastructure renewal backlogs which cannot be addressed through existing levels of revenue.
- Responsible and sustainable financial management is a core responsibility of Council, including consideration of intergenerational equity.
- A strategy has been developed and includes four options to address Council's financial position and build a strong and sustainable outlook, including a focus on strategic direction, improved governance and administration, and structural reform to Council's Revenue Policy.
- *All four Options require a Special Rate Variation application to be submitted.*
- This report should be read in conjunction with **Item 10.6**, which presents Council with Draft Informing Strategies for the next ten-year period.

- Prior to determining whether it wishes to make an application for an SRV, it is necessary for Council to undertake community engagement, ensuring the community is aware of the need and extent of the rate rises proposed.

**RECOMMENDATION:**

**1. THAT** Council undertake community consultation on the proposed Special Rate Variation (SRV) options, as detailed in the report and attachments, from 27 November 2024 to 10 January 2025.

**2. THAT** Council place the updated draft updated 2022-26 Delivery Program, revised Long-Term Financial Plan (LTFP) and revised Asset Management Strategy (attached to the report) on public exhibition from 27 November 2024 to 10 January 2025.

**3. THAT** the Chief Executive Officer be authorised to make minor administrative changes to the strategic planning documents if required.

**4. THAT** Council receive a report on the outcomes and feedback from the community engagement on the proposed SRV and the exhibition of the updated draft Delivery Program and LTFP at the ordinary meeting of Council scheduled for 10 February 2025.

## Background

A Council with strong financial performance is one that maintains a revenue stream adequate to sustain existing service levels and infrastructure while also supporting the growing needs of an expanding population. Strong financial performance goes beyond generating sufficient revenue—it also involves effective financial management and strict cost control measures to ensure long-term sustainability.

Currently, the **Council's financial position is very weak and the financial outlook is unsustainable** requiring significant structural reform. Existing revenue is insufficient to cover current service levels, loan repayments, asset maintenance backlogs, infrastructure renewals, upgrades, and the development of new assets to meet the demands of a growing and evolving population.

Council has recently introduced an organisational performance function to focus on review and improvement, which in turn will result in improved efficiency and cost control in Council's administration and operations. However, the measures are limited by outdated and ineffective systems. Investment in these systems will be critical to ensuring reduced administrative and operational overheads.

The financial challenges facing the Council began in 2019/2020, when the COVID-19 pandemic led to a sharp reduction in revenue streams. An assessment of this reduction, accounting for inflation, has demonstrated a reduction of over \$9.9M when compared to pre-pandemic levels.

In 2020/2021, the Council committed to the North Sydney Olympic Pool redevelopment project. Through decisions made in the initial planning phase, including the contract strategy and the decision to proceed prior to designs being complete, significant risk was taken and has been realised, resulting in increased capital and operating costs, along with increased debt and reductions in Council's reserves, placing Council in a weak liquidity position. A total of \$34.19 million has now been borrowed from internal reserves in addition to \$51 million in external loan borrowings. The increased capital costs will have ongoing operational cost impacts, with a \$4.7 million deficit (after interest and depreciation expected in Year 1, reducing to \$2.8 million by Year 3)

In response to these pressures, Council launched a comprehensive program of organisational review and transformation in late 2022. This initiative has identified key structural opportunities for improvement, particularly in the areas of financial management and prioritisation of resources. Key actions under this program include:

- **Organisational Structural Realignment**
- **Strategy Development**
- **Process Improvement**
- **System Replacement**
- **Service Review Framework**
- **Performance and Development Framework**

In 2024, Council also resolved to develop a comprehensive governance strategy aimed at preventing future financial missteps, such as those experienced during the North Sydney Olympic Pool project. This strategy is designed to guide decision-making processes and mitigate the risks associated with major infrastructure projects and investments.

The Draft Governance Strategy, now developed, is a critical part of Council's broader effort to stabilise and improve its financial performance. However, despite the importance of this strategy, the current financial situation means that there are insufficient funds available to implement it. This underscores the urgency of addressing the structural financial issues to secure a sustainable future for the Council and its services.

The following chart outlines Council's actual financial performance from 2017/18 and forecast operating results through to 2034/35.

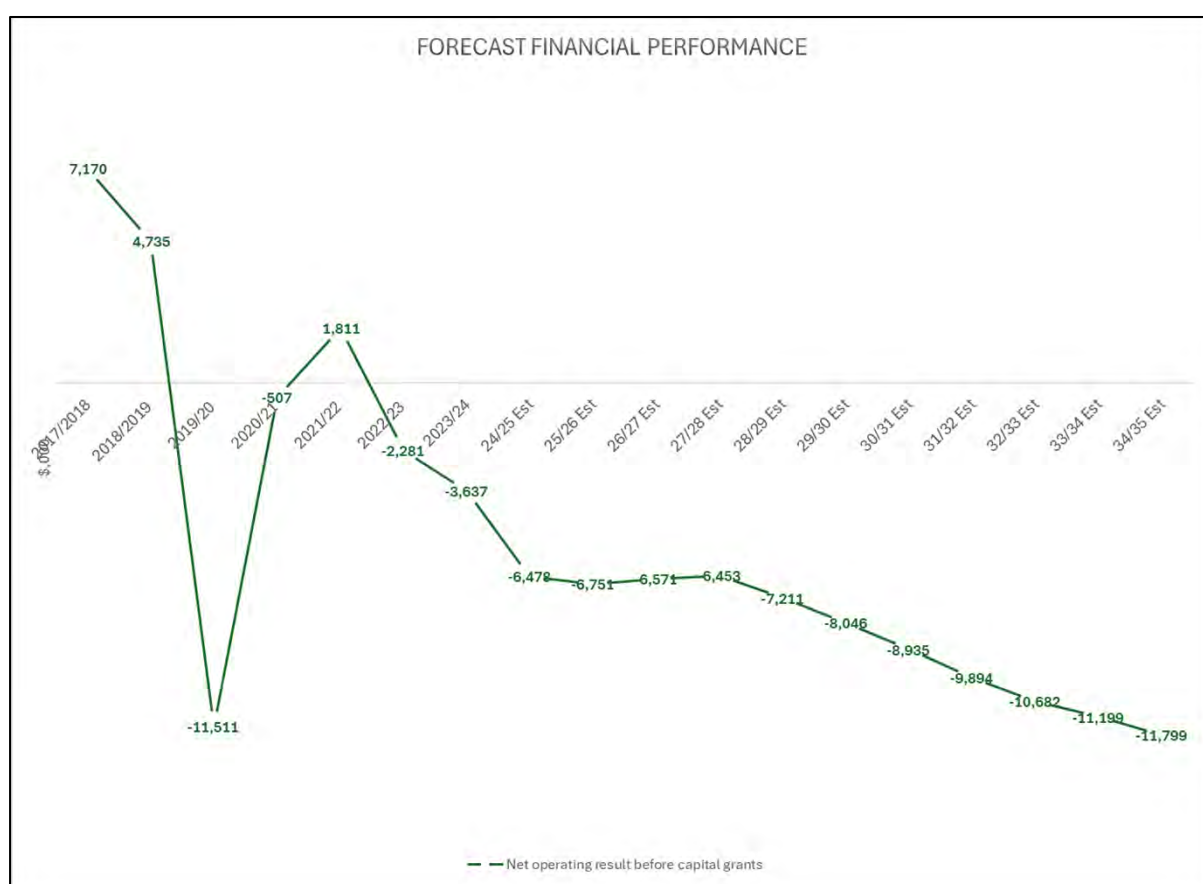


Chart 1 – Forecast Operating results 2018 - 2035

Council's financial performance has led to increased infrastructure renewal backlogs which cannot be addressed through existing levels of revenue. Council's financial statements as at 30 June 2024 provide the following assessment of infrastructure managed by Council.

Asset Class	Gross Replacement Cost \$,000	Percentage assessed as being less than 'Good'	Total cost to bring to 'Good' standard \$,000	Percentage assessed as being less than 'Satisfactory'	Total cost to bring to 'Satisfactory' standard \$,000



Buildings	\$347,015	62.32%	\$216,270	19.99%	\$69,378
Other structures	\$1,146	Nil	\$Nil	Nil	\$Nil
Roads	\$449,887	29.21%	\$131,416	5.80%	\$26,107
Footpaths	\$155,039	28.50%	\$44,183	5.94%	\$9,204
Stormwater drainage	\$270,451	13.00%	\$35,000	11.14%	\$30,140
Open space & recreational assets	\$47,756	26.05%	\$12,443	2.02%	\$964
Other infrastructure assets	\$303,917	39.87%	\$121,161	3.62%	\$11,001
<b>Total</b>	<b>\$1,575,211</b>		<b>\$560,473</b>		<b>\$146,795</b>

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. Additional reactive maintenance costs place further pressure on Council operating budgets, increasing the overall lifecycle cost of the asset.

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

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

- low utilisation rates;
- periods of closure for reactive maintenance;
- increased frequency and cost of ongoing reactive maintenance; and
- public safety risks

As reported in the 2024 September Quarterly Review, Council's liquidity also shows expected financial distress towards the end of the 2024/25 financial year if budgets cannot be contracted. If the forecast unrestricted current ratio is not addressed, additional short-term borrowings may be required.

### **Financial Repair**

A strategy has been developed to address Council's financial position and build a strong and sustainable outlook. This strategy is focused on achieving the following objectives:

**Deliver operating surpluses** - Achieving a fully funded operating position resulting in a surplus operating bottom-line sufficient to fund asset backlogs, new infrastructure requirements and to reduce debt.

**Build financial strength and stability** - Strengthening financial stability by developing a strong cash position, reducing risks associated with own operating revenue, having sufficient assets to cover liabilities, and being in a position to withstand future financial shocks.

**Fund existing service levels** – Ensure existing service levels (that Council currently provide) continue to be fully funded when preparing budgets. Service levels should only change as a result of a full community consultation through the service review framework.

**Ensure a financial position that allows responsiveness to changing community needs** – Fund community priorities as outlined in draft ten year informing strategies.

**Fund improvements to governance and administration** – Ensure good decision-making and efficiency and effectiveness in service delivery through improved systems, processes and development and performance frameworks.

**Reduce levels of debt** – Reduce external loan balances by 70% over the next 10 years.

**Fund infrastructure renewals** – The funding allocated to infrastructure renewals programs (including reserves for this purpose) is at a minimum equivalent to the annual depreciation expense.

**Infrastructure backlogs are reduced** – To ensure expected levels of service are met and to avoid an excessive burden on future generations, funding is allocated to addressing the backlog.

**Financial legacy** - Ensuring that every financial decision that is made, by both the Council and Council management, creates and safeguards the financial legacy of North Sydney Council – a legacy of being prudent and responsible

To achieve the objectives of the strategy, the following three considerations are important:

1. Strategic Direction
2. Improvement in governance and administration
3. Structural change to Revenue Policy

### **Strategic Direction**

As mentioned previously, a financially sustainable Council is one that maintains a revenue stream adequate to sustain existing service levels and infrastructure while also supporting the growing needs of an expanding population.

In 2024, Council undertook a comprehensive community engagement program to understand the needs and priorities of our community. The valuable insights gathered through engagement, along with extensive research, have shaped a suite of eight draft informing strategies that articulate the projects and services that Council needs to deliver to meet the current and future priorities of our community. It is important that these draft strategies are considered as part of Councils efforts to strengthen its financial position.

## **Improvement in governance and administration**

The North Sydney Olympic Pool project underscores the financial risks associated with neglecting governance and administrative frameworks. Often, Council's prioritise funding for visible infrastructure projects, but failure to invest in strong governance can lead to significant long-term financial implications.

Currently, Council's efforts to improve the efficiency of the organisation are limited by outdated systems that require considerable manual intervention, duplicate data points, and a lack of reporting functionality. Combined, this creates inefficiencies within the operations that not only impact customer experience but frustrate our workforce.

Investment in new systems and process are critical to improving Council's efficiency and effectiveness.

## **Structural Reform to Revenue Policy**

Historically low rates, coupled with declines in other revenue sources, highlight the need for structural changes to Council's Revenue Policy. Relying on high levels of user charges, fees, and other income is no longer a sustainable strategy, as these sources have proven to be volatile and unpredictable.

The 2024/25 average residential rate for North Sydney is \$1,040. This includes ordinary rates and special rates levied for environmental and infrastructure purposes. The following chart provides a comparison with other councils. It is noted that Northern Beaches are exploring an SRV for 2025/26.

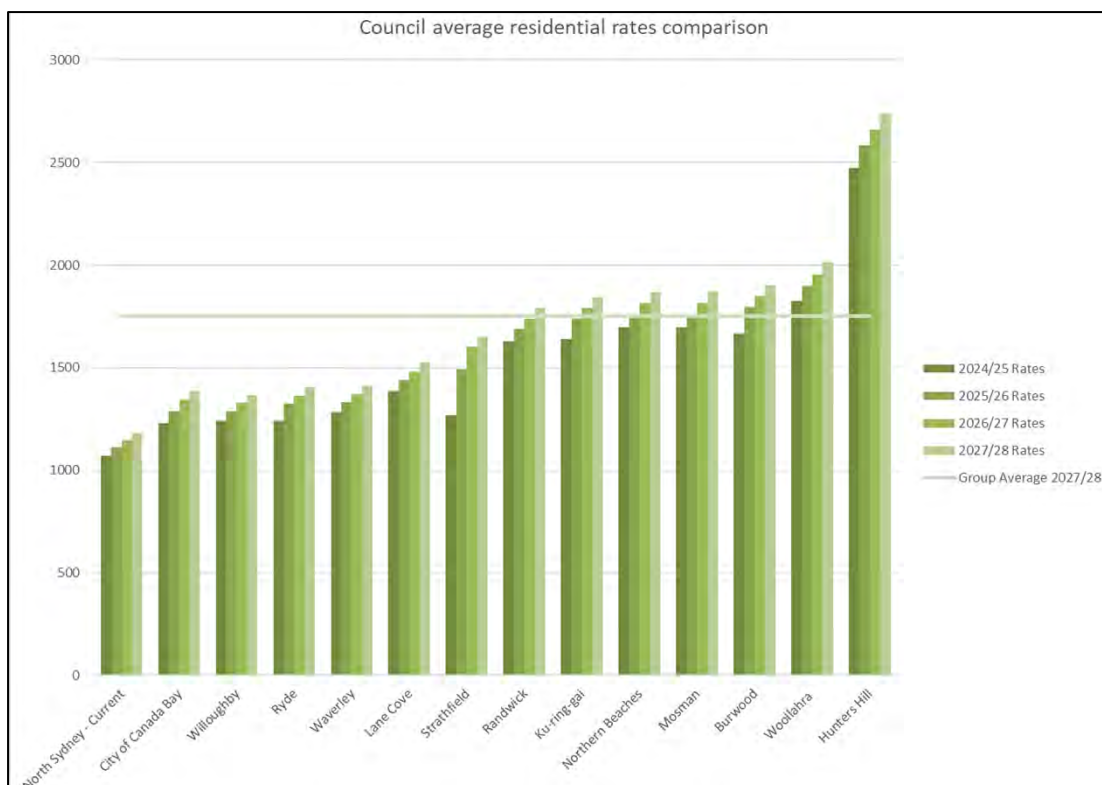


Chart 2 – Average residential rates for comparable councils

Council’s revised Long Term Financial Plan (attached to this report) outlines how delivering a financial repair strategy that fixes the deficit and plans for the future (as detailed in the informing strategies) will require a rate rise through a Special Rate Variation (SRV).

A proposal to reform Councils revenue Policy by way of Special Rate Variation (SRV) has been developed. This includes:

1. Increases to minimum rates, with Ordinary Residential Rates proposed to increase from \$715 in 2024/25 to \$1,300 in 2025/26, and Ordinary Business Rates proposed to increase from \$715 in 2024/25 to \$1,400 in 2025/26.
2. Removal of all special levies, with total permissible income from levies rolled into ordinary rates revenue.
3. One of four options to increase rates above the 2025/26 rate peg of 5%, including:

Table 1 - SRV options summary

All options include the rate peg	2025-26	2026-27	2027-28	Cumulative
Option 1: Financial repair	50.00%	5.00%	5.00%	<b>65.38%</b>
Option 2a: Strength and sustainability (SRV over 2 years)	50.00%	25.00%	Rate peg	<b>87.50%<sup>[1]</sup></b>

Option 2b: Strength and sustainability (one-year SRV)	75.00%	Rate peg	Rate peg	<b>75.00%</b>
Option 3: Future growth	60.00%	20.00%	10.00%	<b>111.20%</b>
Rate peg (base case)	4.00%	3.00%	3.00%	

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

### Option 1

This option is focused on financial repair only and does not provide financial resources for the future-focused projects, planning, and initiatives outlined in Council's draft 10-year strategies, with the exception of governance improvements.

### Options 2a and 2b

These options are future-focused and includes improvement of Council's financial position, along with funding for planning and delivery of new and upgraded infrastructure and increases to services and initiatives to achieve the desired outcomes within the Draft 10-year Informing Strategies, including governance improvements.

### Option 3

This option is future-focused and includes improvement of Council's financial position, along with funding for planning and delivery of new and upgraded infrastructure, including bringing all building infrastructure to a 'good' condition, and increases to services and initiatives to achieve the desired outcomes within the Draft 10-year Informing Strategies, including governance improvements.

In developing these options, consideration has been given to service level reviews and potential reductions in service. However, past experience and current community feedback suggest Council's existing services are valued, and in some cases more are desired. Council has therefore proposed a more considered approach to service level reviews as part of its ongoing organisational improvement plan.

These options are outlined in greater detail in the attached Long Term Financial Plan (LTFP) document.

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

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

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

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

[1] Average Residential Rate for 2024-25 includes infrastructure and environmental levies, current average residential ordinary rates (excluding levies) are \$915.

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

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

[4] The Average Business Rate for 2025-26 reflects Council's intention to remove the levies and raise total permissible rates entirely through ordinary rates. This will re-distribute the revenue collected by levies (approximately 10% of total levies are currently paid by residential rate payers) across the ordinary rate category split of 60%/40% Residential/Business respectively.

Assuming the comparison councils do not apply for special rate variations, the options above would compare as follows, noting the average 2027/28 comparison rate is \$1,898.

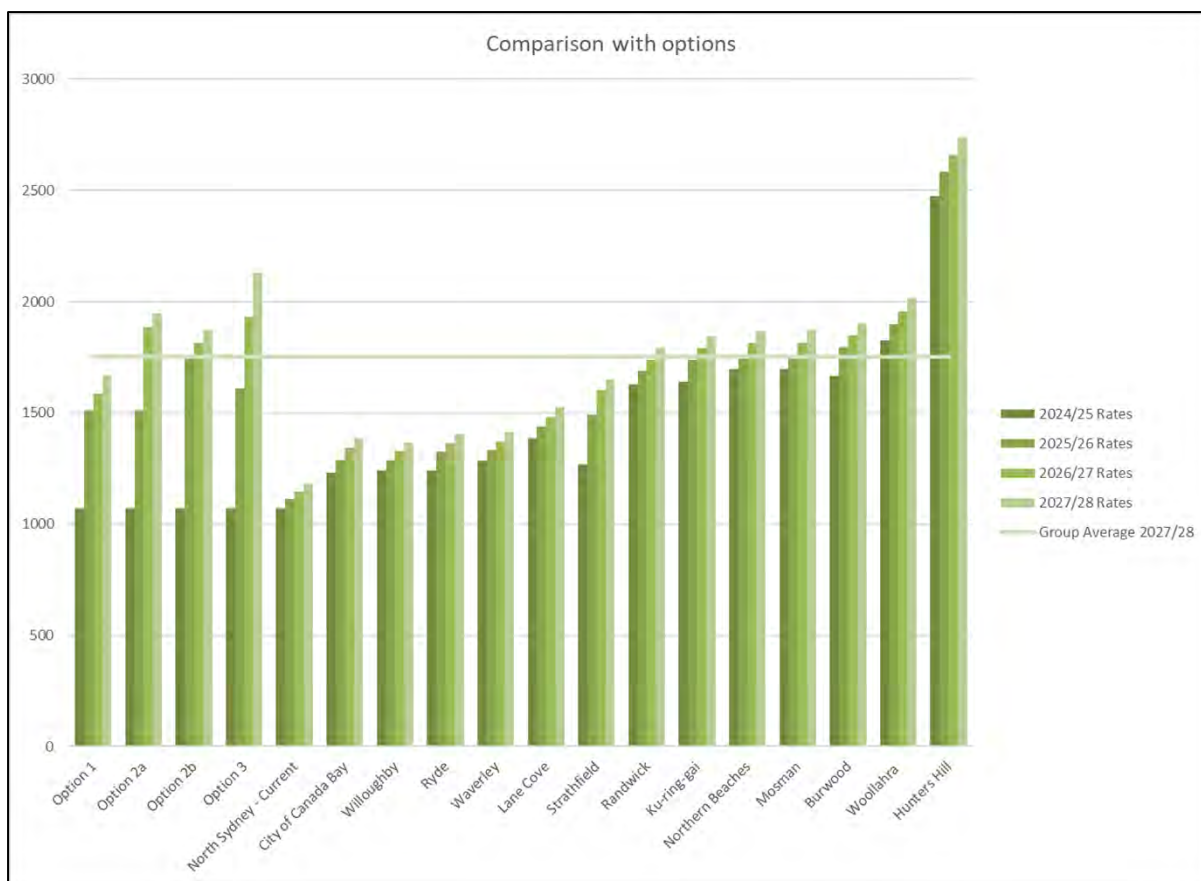


Chart 3 – Average residential rates for comparable Councils with SRV Options

### The importance of setting adequate minimum rates

Council’s current rating structure for ordinary rates is based on a minimum rate of \$715, which applies to all properties, regardless of their land value. Of the 36,871 residential assessments in the Local Government Area (LGA), 77.26% of ratepayers currently pay this minimum rate. This is primarily due to the high density within the area and the practice of levying rates based on unimproved land values.

However, maintaining a low minimum rate restricts Council’s ability to generate sufficient revenue to meet the growing demands of a growing population and the associated need for infrastructure and services.

Future housing growth in the North Sydney LGA is expected to come primarily from new apartment developments. As rates are calculated based on unimproved land value, it is anticipated that most new housing will be subject to the minimum rate. Currently, Council’s minimum rate is set at \$715. Over the next decade, the addition of 3,000 new homes could generate an estimated \$2.8 million in additional annual revenue by Year 10.

Council’s Long-Term Financial Plan (LTFP) has been developed with assumptions that include an increase in the minimum rate to \$1,300. With the expected addition of 3,000 new homes, this rate increase would generate an additional \$5.9 million in new revenue annually by Year 10.

The chart below compares the annual income generated from new ratepayers based on the current minimum rate of \$715 versus an increased rate of \$1,300. Raising the minimum rate would provide Council with additional revenue to support the growing infrastructure needs and services required for the expanding population, while also helping to reduce the financial burden on existing ratepayers.

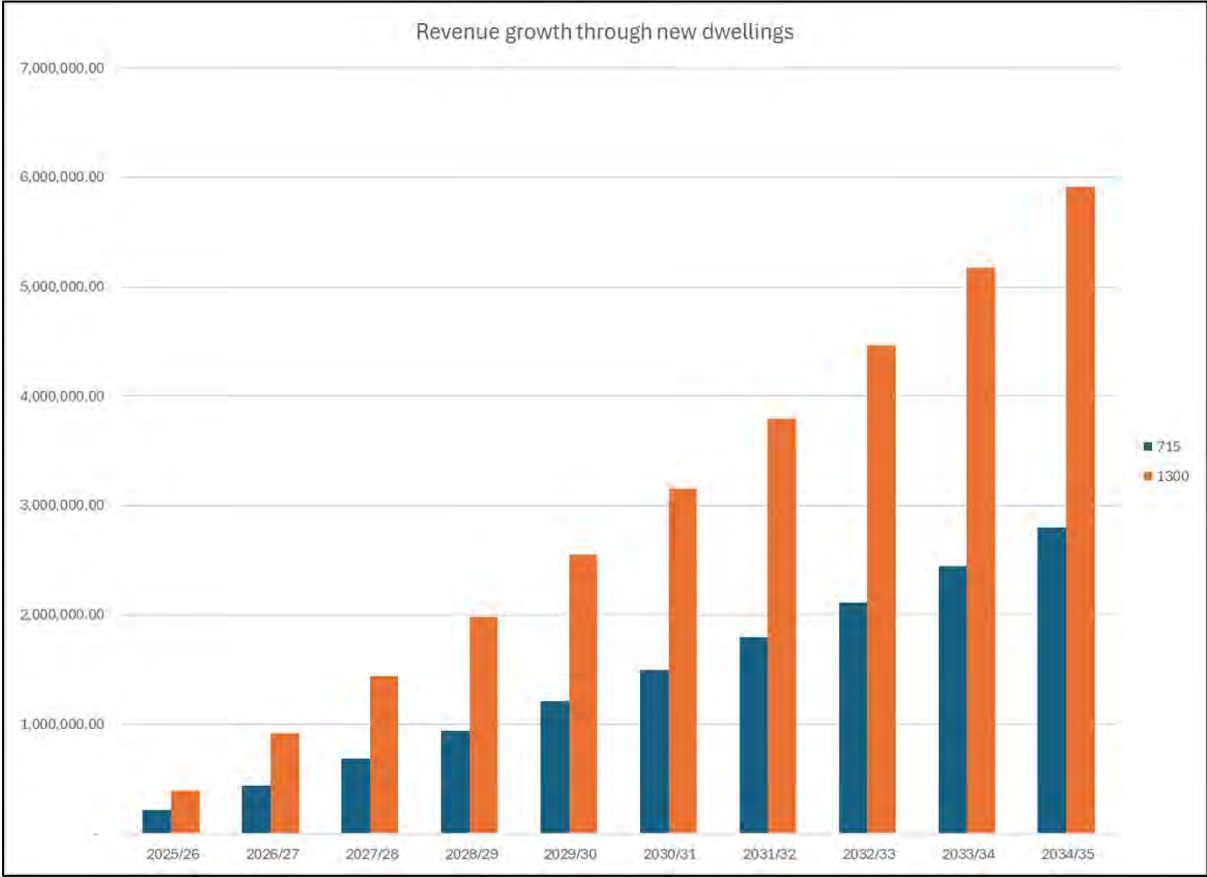


Chart 4 – Forecast revenue growth comparison

### Organisational Improvement Plan

Council has undertaken a review of its long-term financial sustainability and services to identify improvement opportunities, the outcome of which is an (attached) organisational improvement plan to deliver costs savings, more efficient operations and/or increased revenue.

The review aimed at identifying improvements to Council’s financial position and operational productivity. The review prioritised opportunities into an improvement plan that quantified savings already implemented and outlined savings planned for the current and future financial years. The improvement plan identifies the net benefits in the below table.

Item	\$
Savings and cost reductions	\$5,274,725



Revenue increases	\$1,980,000 (annually) and \$5,000,000 (one off)
-------------------	--

The proposed increases to revenue are dependent on community consultation, for example considering additional advertising on Council assets across North Sydney or considering sponsorship and commercial opportunities elsewhere.

The Long-Term Financial Plan assumes no additional corporate administration costs associated with increased services (including North Sydney Olympic Pool) and increased capital works programs. The plan assumes efficiency gains will be achieved through improved governance and administration measures to absorb these costs. These efficiencies are estimated at between \$2 million and \$3 million per annum.

Several other initiatives are expected to deliver productivity or efficiency gains to Council. This could take the form of cost savings but may also include an increase in productivity meaning staff can focus on higher value activities for the community.

These are to be implemented in line with the SRV and embedded into the LTFP.

### Updated Delivery Program

In the 2025-26 financial year, which marks the final year of the current 2022-26 Delivery Program, the scope of projects and services delivered to the community will depend on whether the Special Rate Variation (SRV) is approved, and if so, which option is chosen.

**If the SRV is approved**, it will allow Council to address the financial deficit, reduce the loan for the pool, clear the backlog of delayed projects, maintain asset renewals, and begin implementing key strategic priorities identified in the informing strategies.

Although the current 2022-26 Delivery Program includes the 2025-26 financial year, the shorter Council term (ending with the October 2024 elections) requires that Council review and adopt a new Community Strategic Plan and a 2025-29 Delivery Program before the start of the 2025-26 financial year.

In early 2025, Council will engage with the community to consult on a new draft 2025-35 Community Strategic Plan, 2025-29 Delivery Program, and 2025-26 Operational Plan. These updated plans will be informed by the priorities outlined in the eight Informing Strategies.

As a result, the current 2022-26 Delivery Program will be replaced by the new 2025-29 Delivery Program once the SRV is implemented.

Despite the future adoption of the new 2025-29 Delivery Program, Council is required to update the current 2022-26 Delivery Program and Resourcing Strategy to reflect the proposed SRV before submitting the SRV request to the Independent Pricing and Regulatory Tribunal (IPART). This SRV application is due in February 2025, before the new Community Strategic Plan and Delivery Program are adopted. Therefore, the Resourcing section of the current 2022-26 Delivery Program has been updated to explain the need for the SRV. Additionally, **Appendix 3** has been added to outline key new or expanded projects and services that will be funded, or partially funded, by the SRV in 2025-26.

Approval is sought to place this updated 2022-26 Delivery Program (attached) on public exhibition during the same period as the consultation on the proposed SRV options. The final version of the updated 2022-26 Delivery Program, along with submissions and responses, will be presented to Council for adoption on 10 February 2025.

### **Updated Long Term Financial Plan**

Council has undertaken a comprehensive review and rewrite of its Long-Term Financial Plan. The Plan outlines in detail, Councils current financial position and forecast position, along with four options for financial repair and transition to a strong and sustainable position.

As detailed above, each of the four options require Council to apply for a special rate variation. In summary, these options aim to:

- achieve a fully funded operating position.
- maintain sufficient cash reserves.
- maintain its asset base is 'fit for purpose'.
- have an appropriately funded capital program.
- improve governance and administration.
- be responsive to changing community needs.
- have regard to achieving intergenerational equity.

Approval is sought to place this updated LTFP (attached) on public exhibition over the same period as the consultation on the proposed SRV options. A final LTFP with submissions and responses will be provided to Council on 10 February 2025 for adoption.

### **Updated Asset Management Strategy**

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

The costs to maintain, repair, replace, or upgrade community assets and infrastructure have risen significantly, contributing to a growing infrastructure backlog. The infrastructure backlog refers to the total cost of renewal works required to bring assets up to an acceptable standard.

Since 2019, Council's backlog has surged from \$41.979 million to \$146.794 million in 2024. This represents an increase in the backlog as a percentage of the total asset value, from 3.8% in 2019 to 9.3% in 2024, well above the acceptable benchmark of 2%. Without additional funding, asset deterioration will continue, and the backlog will worsen.

Approval is sought to place this updated Asset Management Strategy (attached) on public exhibition over the same period as the consultation on the proposed SRV options. A final LTFP with submissions and responses will be provided to Council on 10 February 2025 for adoption.

## **The Special Rate Variation process**

Council must apply to IPART for approval to increase rates through an SRV. Before doing so, Council must demonstrate that it has engaged the community about the possibility of an SRV and has considered its views. IPART will also seek community feedback.

IPART assesses SRV applications using the following criteria:

1. The need and purpose of a different rate path for a Council's General Fund is clearly articulated and identified in a Council's Integrated Planning and Reporting (IP&R) documents, including the LTFP.
2. Evidence that the community is aware of the need for and the extent of a rate rise.
3. The impact on affected ratepayers must be reasonable.
4. The relevant IP&R documents must be exhibited, approved, and adopted by the Council.
5. The IP&R documents or the Council's application must explain and quantify the productivity improvements and cost containment strategies.
6. Any other matter that IPART considers relevant.

Regarding the above criteria, the need and purpose for the SRV is outlined in the SRV Background Paper, attached, which will form the basis of information provided in community consultation and addresses criteria 1.

The planned community engagement activities will address assessment criteria 2.

Council has developed an assessment of the community's Capacity to Pay the proposed increases, which directly addresses criteria 3.

An updated LTFP, which includes Council's improvement program, placed on public exhibition, and adopted in line with the SRV consultation process will address criteria 4 and 5.

While IPART have set a deadline of 3 February 2025 for Councils to submit their application for SRVs commencing in the 2025-26 financial year, Council has sought an extension of this deadline to 3 March 2025.

If approved, the proposed timeline for the SRV application process would be as follows:

- 27 November 2024 to 10 January 2025: Community consultation on the SRV.
- 10 February 2025: Council will consider all submissions and decide on whether to proceed to apply for the SRV.
- Before 28 February 2025: Council lodges the SRV application (subject to above decision).
- Between March and June 2025: IPART invites submissions and evaluates the application.
- June 2025: IPART makes its determination, and Council determines if it will apply all or part of the approved SRV.

## **Consultation requirements**

The initial consultation period is scheduled to commence on 27 November 2024 and run through to 10 January 2025, providing nearly seven weeks for community input. This extended timeframe accounts for the Christmas and New Year holiday period.

If, after reviewing community feedback, Council elects to proceed with an SRV application, IPART will also seek community feedback in March/April 2025. Additionally, Council will include the SRV proposal in the 2025/26 IP&R documents for additional consultation in April/May 2025.

The objectives of this community engagement process include:

- to present the proposed SRV options and minimum rates.
- to identify the impact of the SRV options and minimum rates on the average rates across each rating category.
- to exhibit an updated LTFP demonstrating the impact of the proposed SRV on Council's operating results from 2024-25 for feedback and final endorsement by Council.
- to inform the community about the timeline and process for any potential SRV application.
- to gather and consider community feedback to inform Council's final decision on whether and how to proceed with an SRV application.

A detailed community engagement plan is attached to this report. Key engagement activities in the plan include:

- a direct mailout to all ratepayers;
- newspaper advertisements;
- e-newsletter articles;
- social media alerts;
- 'Have Your Say' page (website); and
- public forums for community and businesses.

### **Financial/Resource implications**

This report and recommendation provide options to address Council's poor financial position and build financial strength and sustainability to ensure the community can continue to be supported.

The financial implications of the proposed SRV options are outlined in the body of this report. The financial sustainability review indicates that Council needs to act immediately to address its financial challenges, or it will become unsustainable.

### **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.



# LONG-TERM FINANCIAL PLAN



DRAFT





North Sydney Council  
200 Miller Street  
North Sydney NSW 2060  
Telephone (02) 9936 8100  
Email [council@northsydney.nsw.gov.au](mailto:council@northsydney.nsw.gov.au)  
Website [www.northsydney.nsw.gov.au](http://www.northsydney.nsw.gov.au)

If you require the publication to be translated,  
phone Translating and Interpreting Service (TIS)  
on 13 14 50.

November 2024

# CONTENTS

Introduction	4
Part 1	5
Part 2	7
Part 3	17
Part 4	23
Part 5	27
Part 6	48
Appendix 1	53



## INTRODUCTION

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 Draft Informing Strategies and will inform Council's new Community Strategic Plan. A plan that 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 that support an evolving community.

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

Regrettably, Council's current financial position will not support the level of service and infrastructure enjoyed by the community in past decades. The costs associated with the North Sydney Olympic Pool Redevelopment Project have placed significant pressure on Council's reserves and infrastructure renewals. Ongoing operating costs, including the repayment of over \$51 million in debt will result in ongoing operating deficits. Other factors such as declining revenue streams associated with car parking, fines and advertising, along with cost shifting from other levels of government further exacerbate forecast deficits. This position is not sustainable and requires structural change.

The Long-Term Financial Plan is an enabling document that considers Council's current financial position, along with economic factors that are expected to have an impact on our financial performance in the future, with a view to providing a path to both financial repair and the realisation of the community's aspirations for the future.

LTFP allows for a variety of assumptions, sensitivity analyses, and risk management procedures to:

- repair Council's overall financial position to ensure continued service delivery;
- evaluate the financial viability of providing the service levels specified in the Delivery Program;
- enable the quantification and discussion of the costs of long-term strategic decisions;
- permit scenario testing of various policies and service levels; and
- enable testing of the sensitivity and robustness of our key assumptions.

Council's LTFP is underpinned by its Financial Management Policy and Asset Management Policy. The Financial Management Policy outlines Council's guiding principles in preparing the plan and maintaining financial sustainability. The Asset Management Policy sets the framework for consistent asset management processes throughout the North Sydney Local Government Area and to ensure adequate long-term provision for the renewal of assets. Any plan for financial sustainability must address future provision of infrastructure and environmental sustainability.

# PART 01

## Financial Strength and Sustainability – Where do we want to be?

### Principles and strategy

#### 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.

In their 2013 report 'Financial Sustainability of the New South Wales Local Government Sector', IPART defined financial sustainability as: 'A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community'.

#### 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.

- (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
  - (ii) funding decisions
  - (iii) 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.

#### Financial Strategy

To achieve our financial strategy, the LTFP has been developed with the following objectives over the 10-year time frame:

**Deliver operating surpluses:** Achieving a fully funded operating position resulting in a surplus operating bottom-line sufficient to fund asset backlogs, new infrastructure requirements and to reduce debt.

**Build financial strength and stability:** Strengthening financial stability by developing a strong cash position, reducing risks associated with own operating revenue, having sufficient assets to cover liabilities, and being in a position to withstand future financial shocks.

**Fund existing service levels:** Ensure existing service levels that Council currently provide continue to be fully funded when preparing budgets. Service levels should only change as a result of a full community consultation through the service review framework.

**Ensure a financial position that allows responsiveness to changing community needs:** Fund community priorities as outlined in draft ten year informing strategies.

**Fund improvements to governance and administration:** Ensure good decision-making and efficiency and effectiveness in service delivery through improved systems, processes and development and performance frameworks.

**Reduce levels of debt:** Reduce external loan balances by 70% over the next 10 years, and repay internal borrowings to repair liquidity.

**Fund infrastructure renewals:** The funding allocated to infrastructure renewals programs (including reserves for this purpose) is at a minimum equivalent to the annual depreciation expense.

**Infrastructure backlogs are reduced:** To ensure expected levels of service are met and to avoid an excessive burden on future generations, funding is allocated to addressing the backlog.

**Financial legacy:** Ensuring that every financial decision that is made, by both the Council and Council management, creates and safeguards the financial legacy of North Sydney Council – a legacy of being prudent and responsible.

The financial management objectives establish a robust framework for developing Council's Long-Term Financial Plan (LTFP), facilitating consistent and informed decision-making. The LTFP is crafted to be a dynamic and adaptable model, regularly updated through formal budget reviews, quarterly budget statements, and ongoing year-to-date performance assessments. This approach guarantees that the LTFP remains both current and relevant, enabling the Council to respond effectively to changing circumstances and priorities.

## PART 02

# Our financial position– Where are we now, and why?

## FINANCIAL PERFORMANCE

A Council with strong financial performance is one that maintains a revenue stream adequate to sustain existing service levels and infrastructure while also supporting the growing needs of an expanding population. Strong financial performance goes beyond generating sufficient revenue – it also involves effective financial management and strict cost control measures to ensure long-term sustainability.

Currently, the Council's financial outlook is unsustainable and requires significant structural reform. The existing revenue is insufficient to cover current service levels, loan repayments, asset maintenance backlogs, infrastructure renewals, upgrades, and the development of new assets to meet the demands of a growing and evolving population.

Council has recently introduced an organisational performance function to focus on review and improvement, which in turn will result in improved efficiency and cost control in Council's administration and operations. However, the measures are limited by outdated and ineffective systems. Investment in these systems will be critical to ensuring reduced administrative and operational overheads.

The financial challenges facing the Council began in 2019/2020, when the COVID-19 pandemic led to a sharp reduction in revenue streams. In 2020/2021, the Council committed to the North Sydney Olympic Pool redevelopment project. Through decisions made in the initial planning phase, including the contract strategy and the decision to proceed prior to designs being complete, significant risk was taken and has been realised, resulting in increased capital and operating costs, leaving Council in a weak financial position and with an unsustainable forecast.

In response to these pressures, the Council launched a comprehensive program of organisational review and transformation in late 2022. This initiative has identified key structural opportunities for improvement, particularly in the areas of financial management and prioritisation of resources. Key actions under this program include:

- **Organisational Structural Realignment**
- **Strategy Development**
- **Process Improvement**
- **System Replacement**
- **Service Review Framework**
- **Performance and Development Framework**

In 2024, the Council also resolved to develop a comprehensive governance strategy aimed at preventing future financial missteps, such as those experienced during the North Sydney Olympic Pool project. This strategy is designed to guide decision-making processes and mitigate the risks associated with major infrastructure projects and investments.

The Draft Governance Strategy, now developed, is a critical part of the Council's broader effort to stabilise and improve its financial performance. However, despite the importance of this strategy, the current financial situation means that there are insufficient funds available to implement it. This underscores the urgency of addressing the structural financial issues to secure a sustainable future for the Council and its services.

The following table outlines Council's forecast performance from 2024/25 through to 2034/35. The commentary below the table provides background as to the worsening results.

Table 1. Forecast Income Statement

	2024/25 Budget (\$'000)	2025/26 (\$'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)
<b>Income from Continuing Operations</b>											
Rates	\$61,961	\$64,662	\$66,830	\$69,069	\$71,382	\$73,773	\$76,242	\$78,793	\$81,428	\$84,151	\$86,964
Annual Charges	\$18,016	\$18,556	\$19,113	\$19,686	\$20,277	\$20,885	\$21,512	\$22,157	\$22,822	\$23,506	\$24,211
User Charges & Fees	\$33,803	\$41,394	\$43,726	\$46,108	\$47,722	\$49,392	\$51,121	\$52,910	\$54,762	\$56,679	\$58,662
Other Revenue	\$10,292	\$10,704	\$11,078	\$11,466	\$11,867	\$12,283	\$12,713	\$13,158	\$13,618	\$14,095	\$14,588
Grants and Contributions provided for Operating Purposes	\$5,027	\$5,102	\$5,179	\$5,257	\$5,335	\$5,416	\$5,497	\$5,579	\$5,663	\$5,748	\$5,834
Grants and Contributions provided for Capital Purposes	\$11,378	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444
Interest and Investment Revenue	\$3,165	\$2,878	\$2,515	\$2,117	\$1,700	\$1,268	\$804	\$301	\$0	\$0	\$0
Other Income	\$5,887	\$6,814	\$7,053	\$7,299	\$7,555	\$7,819	\$8,093	\$8,376	\$8,669	\$8,973	\$9,287
<b>Total Income from Continuing Operations</b>	<b>\$149,528</b>	<b>\$157,555</b>	<b>\$162,938</b>	<b>\$168,446</b>	<b>\$173,283</b>	<b>\$178,280</b>	<b>\$183,425</b>	<b>\$188,718</b>	<b>\$194,406</b>	<b>\$200,595</b>	<b>\$206,991</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	\$54,406	\$60,373	\$62,939	\$65,614	\$68,402	\$71,309	\$74,340	\$77,499	\$80,793	\$84,227	\$87,806
Materials and Services	\$53,986	\$57,093	\$58,805	\$60,570	\$62,387	\$64,258	\$66,186	\$68,172	\$70,217	\$72,323	\$74,493
Borrowing Costs	\$2,382	\$2,233	\$2,052	\$1,862	\$1,678	\$1,523	\$1,354	\$1,177	\$993	\$798	\$642
Depreciation and Amortisation	\$28,795	\$31,959	\$32,918	\$33,905	\$34,922	\$35,970	\$37,049	\$38,161	\$39,305	\$40,485	\$41,699
Other Expenses	\$4,783	\$4,926	\$5,074	\$5,227	\$5,383	\$5,545	\$5,711	\$5,882	\$6,059	\$6,241	\$6,428
Net Losses from the Disposal of Assets	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277
<b>Total Expenses from Continuing Operations</b>	<b>\$144,629</b>	<b>\$156,860</b>	<b>\$162,065</b>	<b>\$167,453</b>	<b>\$173,049</b>	<b>\$178,882</b>	<b>184,918</b>	<b>\$191,168</b>	<b>\$197,644</b>	<b>\$204,350</b>	<b>\$211,346</b>
<b>Operating Result from Continuing Operations</b>	<b>\$4,899</b>	<b>\$694</b>	<b>\$872</b>	<b>\$993</b>	<b>\$233</b>	<b>(\$603)</b>	<b>(\$1,493)</b>	<b>(\$2,450)</b>	<b>(\$3,238)</b>	<b>(\$3,755)</b>	<b>(\$4,355)</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(\$6,479)</b>	<b>(\$6,750)</b>	<b>(\$6,572)</b>	<b>(\$6,451)</b>	<b>(\$7,211)</b>	<b>(\$8,047)</b>	<b>(\$8,937)</b>	<b>(\$9,894)</b>	<b>(\$10,682)</b>	<b>(\$11,199)</b>	<b>(\$11,799)</b>

## North Sydney Olympic Pool

The additional capital costs incurred during the redevelopment of the North Sydney Olympic Pool have weakened the financial position of the Council and are expected to place further pressure on its financial performance.

A business plan has been developed for the Pool with the goal of optimising visitation. This plan outlines projections for the first three years of operation, after which visitation growth is expected to plateau at a new steady state. The plan anticipates that by Year 2, the facility will generate enough income to cover operational costs and produce a small surplus. However, these surpluses will be insufficient to cover the interest and depreciation expenses associated with the facility. Additionally, the forecast does not account for Council overheads or the costs of internal support services, such as human resources. The North Sydney Olympic Pool Forecast is as follows:

Income (User Fees)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Gym Services	2,047	2,722	3,405
Aquatic Programs	2,108	2,502	2,900
Admin & CS	2,084	2,148	2,212
Sub-total:	6,239	7,372	8,517
<b>less expenses</b>			
Employee Benefits and on-costs	(4,924)	(5,134)	(5,332)
Material and Services	(1,635)	(1,684)	(1,735)
<b>Operational Performance:</b>	(320)	554	1,450
Depreciation	(2,300)	(2,369)	(2,440)
Interest on Pool Loans	(2,114)	(1,976)	(1,829)
<b>Centre Performance</b>	(4,734)	(3,791)	(2,819)

## Reliance on user charges and other sources of revenue

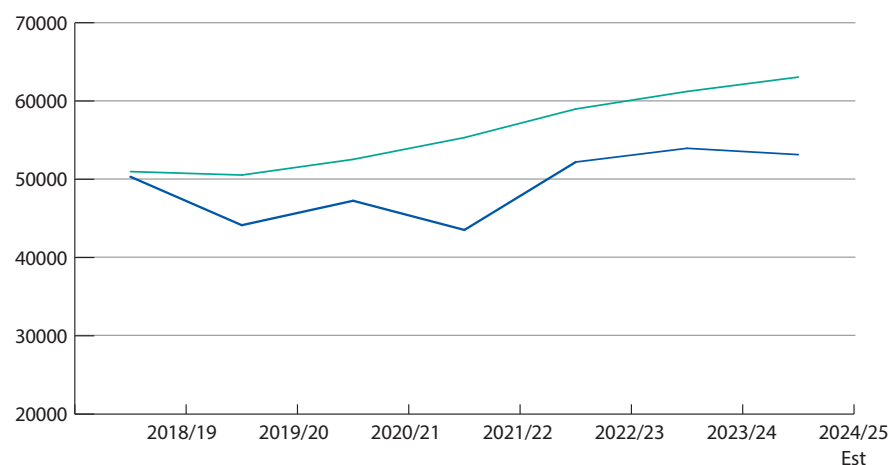
For many years, North Sydney Council successfully diversified its income sources through avenues such as parking revenue and advertising, which helped supplement relatively low rates. However, the financial impact of the 2020 pandemic, along with broader societal shifts and the Council's sustainability initiatives, has significantly reduced these revenue streams.

Historically, the Council adopted a diversified approach to revenue generation in order to reduce its reliance on rates. Traditionally, around 45% of total operating revenue has been generated through user charges, fees, and other non-rate income. This includes on-street parking fees, fines, advertising revenue, and commercial rental income. While this strategy has lessened the financial burden on residents and businesses, it has also exposed the Council to fluctuations in income, which are influenced by a range of social, economic, policy, and environmental factors. The 2020 COVID-19 pandemic highlighted the risks associated with this level of revenue diversification.

Adjusting for inflation and assuming no change in user behaviour since 2019, income from user charges, fees, and other revenue streams would be \$9.9 million higher than current levels. This includes \$4.5 million in on-street parking revenue, \$1.2 million in advertising fees, and \$1.8 million in rental income.

The reduction in revenue can be attributed to several social and economic shifts resulting from the pandemic. These include the widespread adoption of remote work, which has led to a decrease in demand for parking and office space, as well as changes in advertising practices. Digital technology has transformed the advertising landscape, and recent development approvals have led to the rejection of planned digital advertising sites, while traditional paper-based advertising has declined. Additionally, major transport projects by Transport for NSW (TfNSW) have reduced the availability of on-street parking, and the introduction of the Metro is expected to further reduce demand.

While the reduction in car use negatively impacts revenue, it aligns with Council's strategic goals to promote active transport and reduce reliance on motor vehicles.

**Figure 1.** Historical – total income (excluding rates, annual charges, NSOP income and one off items)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 Est
— Total income less rates and annual charges less NSOP	50,318	44,133	47,254	43,525	52,203	53,955	53,147
— CPI inflated adjusted income	50,980	50,470	52,540	55,324	58,976	61,217	63,053

## Other factors

Cost shifting and the additional financial burdens resulting from government decisions have further strained the Council's finances, including a 214% increase in the Emergency Services Levy over the past two years.

## Cost control measures

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

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

- **A process mapping initiative**, initially targeting 250 high-priority processes, with plans to expand to 1,000 over time. This effort aims to identify opportunities for greater operational efficiency.
- **A new service level review framework** to ensure that Council's services are aligned with the evolving needs and expectations of the community.
- **Service unit planning** to identify workforce development priorities, opportunities for process improvement, and areas for financial review.
- **A development and performance framework** to support the creation of a high-performing workforce.
- **A new workforce strategy** aimed at positioning Council as a competitive employer in a challenging environment marked by skills shortages.

Despite these significant commitments to improve organisational efficiency, Council's ability to generate efficiencies is constrained by its outdated technology systems. These systems are not integrated, require excessive manual intervention, and lack the sophistication needed to support timely decision-making. The inefficiencies caused by these systems are a major source of frustration for the workforce and, indirectly, for residents and customers, negatively impacting the overall customer experience.

## FINANCIAL POSITION

A financially strong and resilient Council is one that can absorb financial shocks while maintaining the delivery of essential services and infrastructure at the levels expected by the community. This includes the ability to fund infrastructure renewals as they become due, as well as being able to adapt to the changing needs of a growing community.

Currently, however, Council's financial position is weak and requires significant structural repair.

The table below outline Council's projected financial position and cash flow from 2024/25 to 2034/35. The accompanying commentary provides further insight into the factors contributing to the deterioration of the Council's financial results.

**Table 2.** Forecast Balance Sheet

	2024/25 (\$'000) – FY2025 Approved Budget	2025/26 (\$'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)
<b>Current Assets</b>											
Cash & Cash Equivalents	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Investments	\$59,599	\$66,097	\$73,337	\$80,569	\$88,671	\$96,219	\$103,473	\$110,719	\$117,956	\$125,184	\$133,703
Receivables	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547
Inventories	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Other	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626
<b>Total Current Assets</b>	<b>\$91,832</b>	<b>\$98,330</b>	<b>\$105,570</b>	<b>\$112,802</b>	<b>\$120,904</b>	<b>\$128,452</b>	<b>\$135,706</b>	<b>\$142,952</b>	<b>\$150,189</b>	<b>\$157,417</b>	<b>\$165,936</b>
<b>Non-Current Assets</b>											
Receivables	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Infrastructure, Property, Plant & Equipment	\$1,752,868	\$1,742,978	\$1,732,346	\$1,721,657	\$1,882,188	\$1,870,401	\$1,857,854	\$1,844,185	\$1,829,557	\$1,997,186	\$1,981,070
Investment Property	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698
Right of Use Assets	\$1,258	\$1,202	\$1,146	\$3,930	\$3,874	\$3,818	\$3,762	\$3,706	\$3,650	\$2,328	\$3,739
Investments Accounted for Using the Equity Method	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
<b>Total Non-Current Assets</b>	<b>\$1,808,628</b>	<b>\$1,798,682</b>	<b>\$1,787,994</b>	<b>\$1,780,089</b>	<b>\$1,940,564</b>	<b>\$1,928,721</b>	<b>\$1,916,118</b>	<b>\$1,902,393</b>	<b>\$1,887,709</b>	<b>\$2,054,016</b>	<b>\$2,039,311</b>
<b>TOTAL ASSETS</b>	<b>\$1,900,461</b>	<b>\$1,897,012</b>	<b>\$1,893,564</b>	<b>\$1,892,891</b>	<b>\$2,061,468</b>	<b>\$2,057,173</b>	<b>\$2,051,824</b>	<b>\$2,045,345</b>	<b>\$2,037,898</b>	<b>\$2,211,433</b>	<b>\$2,205,247</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,833	\$32,833
Contract Liabilities	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099
Lease Liabilities	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
Borrowings	\$3,784	\$3,961	\$4,147	\$3,464	\$3,333	\$3,497	\$3,670	\$3,851	\$4,040	\$1,672	\$1,872
Employee Benefit Provisions	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100
<b>Total Current Liabilities</b>	<b>\$54,118</b>	<b>\$54,296</b>	<b>\$54,481</b>	<b>\$53,798</b>	<b>\$53,668</b>	<b>\$53,832</b>	<b>\$54,004</b>	<b>\$54,185</b>	<b>\$54,375</b>	<b>\$52,008</b>	<b>\$52,208</b>

	2024/25 (\$'000) – FY2025 Approved Budget	2025/26 (\$'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)
<b>Non-Current Liabilities</b>											
Lease Liabilities	\$750	\$391	\$32	\$2,513	\$2,154	\$1,795	\$1,436	\$1,077	\$718	\$359	\$0
Borrowings	\$46,794	\$42,833	\$38,686	\$35,222	\$31,889	\$28,392	\$24,722	\$20,871	\$16,831	\$13,892	\$12,220
Employee Benefit Provisions	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154
<b>Total Non-Current Liabilities</b>	<b>\$48,698</b>	<b>\$44,378</b>	<b>\$39,872</b>	<b>\$38,889</b>	<b>\$35,197</b>	<b>\$31,341</b>	<b>\$27,312</b>	<b>\$23,102</b>	<b>\$18,703</b>	<b>\$15,405</b>	<b>\$13,374</b>
<b>TOTAL LIABILITIES</b>	<b>\$102,816</b>	<b>\$98,673</b>	<b>\$94,353</b>	<b>\$92,687</b>	<b>\$88,865</b>	<b>\$85,172</b>	<b>\$81,316</b>	<b>\$77,287</b>	<b>\$73,078</b>	<b>\$67,412</b>	<b>\$65,581</b>
<b>Net Assets</b>	<b>\$1,797,645</b>	<b>\$1,798,339</b>	<b>\$1,799,211</b>	<b>\$1,800,204</b>	<b>\$1,972,603</b>	<b>\$1,972,000</b>	<b>\$1,970,508</b>	<b>\$1,968,057</b>	<b>\$1,964,820</b>	<b>\$2,144,021</b>	<b>\$2,139,666</b>
<b>EQUITY</b>											
Accumulated Surplus	\$981,215	\$981,909	\$982,782	\$983,775	\$984,008	\$983,405	\$981,913	\$979,462	\$976,225	\$972,470	\$968,115
IPPE Revaluation Reserve	\$816,429	\$816,429	\$816,429	\$816,429	\$988,595	\$988,595	\$988,595	\$988,595	\$988,595	\$1,171,551	\$1,171,551
<b>Total Equity</b>	<b>\$1,797,645</b>	<b>\$1,798,339</b>	<b>\$1,799,211</b>	<b>\$1,800,204</b>	<b>\$1,972,603</b>	<b>\$1,972,000</b>	<b>\$1,970,508</b>	<b>\$1,968,057</b>	<b>\$1,964,820</b>	<b>\$2,144,021</b>	<b>\$2,139,666</b>



Table 3. Forecast Cash Flow Statement

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Rates	61,383	64,662	66,830	69,069	71,382	73,773	76,242	78,793	81,428	84,151	86,964
Annual Charges	18,016	18,556	19,113	19,686	20,277	20,885	21,512	22,157	22,822	23,506	24,211
User Charges & Fees	33,803	41,394	43,726	46,108	47,722	49,392	51,121	52,910	54,762	56,679	58,662
Investment & Interest Revenue Received	3,165	2,878	2,515	2,117	1,700	1,268	804	301	-	-	-
Grants & Contributions	12,471	12,546	12,623	12,701	12,779	12,860	12,941	13,023	13,107	13,192	13,278
Bonds & Deposits Received	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Other	16,179	17,518	18,131	18,765	19,422	20,102	20,806	21,534	22,287	23,067	23,875
<b>Payments</b>											
Employee Benefits & On-Costs	(54,406)	(60,373)	(62,939)	(65,614)	(68,402)	(71,309)	(74,340)	(77,499)	(80,793)	(84,227)	(87,806)
Materials & Contracts	(53,986)	(57,093)	(58,805)	(60,570)	(62,387)	(64,258)	(66,186)	(68,172)	(70,217)	(72,323)	(74,493)
Borrowing Costs	(2,382)	(2,233)	(2,052)	(1,862)	(1,678)	(1,523)	(1,354)	(1,177)	(993)	(798)	(642)
Bonds & Deposits Refunded	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)
Other	(4,783)	(4,926)	(5,074)	(5,227)	(5,383)	(5,545)	(5,711)	(5,882)	(6,059)	(6,241)	(6,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>29,459</b>	<b>32,930</b>	<b>34,067</b>	<b>35,175</b>	<b>35,433</b>	<b>35,644</b>	<b>35,833</b>	<b>35,987</b>	<b>36,345</b>	<b>37,007</b>	<b>37,621</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Sale of Investment Securities											
Redemption of term deposits											
Sale of Infrastructure, Property, Plant & Equipment											
<b>Payments</b>											
Purchase of Investment Securities											
Purchase of Investment Property											
Purchase of Infrastructure, Property, Plant & Equipment	(92,444)	(22,346)	(22,562)	(23,493)	(23,565)	(24,460)	(24,779)	(24,769)	(24,954)	(25,435)	(25,860)
Contributions paid to joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(92,444)</b>	<b>(22,346)</b>	<b>(22,562)</b>	<b>(23,493)</b>	<b>(23,565)</b>	<b>(24,460)</b>	<b>(24,779)</b>	<b>(24,769)</b>	<b>(24,954)</b>	<b>(25,435)</b>	<b>(25,860)</b>

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds from Borrowings & Advances	20,000										
<b>Payments</b>											
Repayment of Borrowings & Advances	(2,863)	(3,784)	(3,961)	(4,147)	(3,464)	(3,333)	(3,497)	(3,670)	(3,851)	(4,040)	(2,939)
Repayment of lease liabilities (principal repayments)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)
<b>Net Cash Flow provided (used in) Financing Activities</b>	16,834	(4,087)	(4,264)	(4,450)	(3,767)	(3,636)	(3,800)	(3,973)	(4,154)	(4,343)	(3,242)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(46,151)	6,497	7,241	7,232	8,101	7,548	7,254	7,246	7,237	7,228	8,519
Plus: Cash & Cash Equivalents - beginning of year	22,849	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
<b>Cash &amp; Cash Equivalents – end of the year</b>	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	59,599	66,097	73,337	80,569	88,671	96,219	103,473	110,719	117,956	125,184	133,703
<b>Cash, Cash Equivalents &amp; Investments –end of the year</b>	80,599	87,097	94,337	101,569	109,671	117,219	124,473	131,719	138,956	146,184	154,703

Table 4: Financial Performance Indicators

Indicator	Benchmark	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34	2034/35	2035/36
Operating performance ratio	>0%	-4.50%	-4.23%	-4.01%	-4.35%	-4.71%	-5.08%	-5.46%	-5.71%	-5.80%	-5.91%
Own source operating revenue ratio	>60%	92.04%	92.25%	92.46%	92.63%	92.79%	92.94%	93.10%	93.26%	93.42%	93.59%
Unrestricted current ratio	>1.5	0.60	0.57	0.54	0.53	0.49	0.45	0.41	0.37	0.35	0.34
Debt service current ratio	>2	5.08	4.63	4.79	4.80	5.57	5.90	5.92	5.96	6.08	6.13
Cash expense cover ratio	> 3 months	7.29	7.62	7.99	8.37	8.76	9.06	9.30	9.51	9.70	9.94
Buildings and infrastructure renewal ratio	>100%	70%	69%	69%	67%	68%	67%	65%	63%	63%	62%
Infrastructure backlog ratio – condition 3	<2%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%
Infrastructure backlog ratio – condition 2	<2%	33%	34%	36%	34%	35%	36%	37%	39%	37%	38%
Asset maintenance ratio	>100%	90%	83%	77%	72%	68%	64%	60%	57%	54%	51%

## Cash and investments

Internal borrowings required to fund the North Sydney Olympic Pool (NSOP) Redevelopment Project are projected to significantly deplete Council's unrestricted and internally restricted cash and investment reserves in the short term. A total of \$49.07 million— comprising \$14.88 million for asset renewal and capital works funding, and \$34.19 million from internal reserves— has been used to fund the project to its completion. These internal reserves include critical funds, such as employee leave entitlements, deposits, retentions and bonds.

External financing for the NSOP project has now reached \$51 million. In addition to the funding requirements for the NSOP, the reduction in Council revenue streams following the COVID-19 pandemic has further impacted the reserve balances.

The post-pandemic decline in revenue has also limited the Council's ability to build reserves for infrastructure renewal. Had revenue levels remained consistent with pre-pandemic trends and adjusted for inflation, it is estimated that an additional \$29.2 million would have been available to bolster these reserves.

As of 30 June 2025, Council is forecast to have just \$14 million in cash and investments that are not subject to external restrictions. This amount is critically low and will result in internal reserves for outstanding liabilities shrinking to just \$5 million, representing only 23% of historically maintained reserve levels.

The current liquidity position is critically weak and if additional income is not sourced, expenses reduced or capital projects delayed this financial year, further short-term borrowings may be required.

## Infrastructure, property, plant and equipment

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 performance of local councils in providing adequate funding for infrastructure renewals is typically assessed using the renewal ratio. This ratio compares annual expenditure on renewals against total depreciation for the year. While this measure is useful, it has limitations. It is backward-looking and sensitive to factors such as future inflation and shifting community and customer expectations. Therefore, using depreciation values as a sole indicator of future infrastructure needs should be regarded as a minimum threshold, with actual renewal requirements likely exceeding these figures over time.

As of 30 June 2024, Council's infrastructure, property, plant, and equipment holdings were valued at \$2.18 billion, with accumulated depreciation amounting to \$571.6 million. The net carrying value after depreciation was \$1.6 billion.

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

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

Typically, councils aim to fund renewals equal to the annual depreciation amount. However, due to the uneven timing of asset renewals, along with budget pressures and inflationary factors, this approach is often insufficient to maintain infrastructure at a satisfactory standard.

Current estimates of infrastructure backlog indicate a history of 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 2024, 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 \$571.6 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	Percentage assessed as being less than 'Good'	Total cost to bring to 'Good' standard \$,000	Percentage assessed as being less than 'Satisfactory'	Total cost to bring to 'Satisfactory' standard \$,000
Buildings	\$347,015	62.32%	\$216,270	19.99%	\$69,378
Other structures	\$1,146	Nil	\$Nil	Nil	\$Nil
Roads	\$449,887	29.21%	\$131,416	5.80%	\$26,107
Footpaths	\$155,039	28.50%	\$44,183	5.94%	\$9,204
Stormwater drainage	\$270,451	13.00%	\$35,000	11.14%	\$30,140
Open space and recreational assets	\$47,756	26.05%	\$12,443	2.02%	\$964
Other infrastructure assets	\$303,917	39.87%	\$121,161	3.62%	\$11,001
<b>Total</b>	<b>\$1,575,211</b>		<b>\$560,473</b>		<b>\$146,795</b>

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

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

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

In addition to these infrastructure challenges, the increased capital expenditure associated with the North Sydney Olympic Pool project will have long-term implications for future operational and renewal costs, including an additional \$2.3 million in annual depreciation.

Given the current financial position, the Council does not have sufficient funds to adequately maintain its infrastructure, which further compounds the challenges in addressing the renewal backlog and maintaining service standards.

## Receivables

As of 30 June 2024, the Council's outstanding rates and annual charges ratio was 3.74%, which is within the industry benchmark of less than 5.00%. This indicates a healthy level of receivables management.

## Investment properties

As of 30 June 2024, Council's investment properties were valued at \$53.7 million. Like the Council's operational and community buildings, these properties are in need of renewal. In addition to current low rental market conditions, the physical condition of the buildings further hinders the Council's ability to attract tenants.

While Council may consider selling some of these investment properties as part of a broader financial strategy, many of the commercial assets hold long-term strategic value. Selling them to address short-term liquidity needs could significantly limit future opportunities to shape the local area, especially in response to the region's growing population. Moreover, asset sales would not resolve the underlying long-term revenue shortfalls faced by the Council.

## Payables

As at 30 June 2024, Council recorded total payables of \$32.833 million. Historically, the majority of this liability is short-term and funded through working capital. This excludes security bonds, deposits, and retentions, of which the majority are not anticipated to be settled within the next twelve months. As at 30 June 2024, an internally restricted reserve of \$14.657 million was created for this liability.

As at 30 June 2025, this reserve is forecast to reduce to \$3.1 million. This is a short-term measure only and unsustainable moving forward.

## Employee benefit provisions

As at 30 June 2024, Council's employee leave and gratuities liability totalled \$14.254 million. Historically, Council has held 50% of this liability in an internally restricted reserve to ensure liquidity.

As at 30 June 2025, this reserve is forecast to reduce to 15% of the liability. This is a short-term measure only and unsustainable moving forward.

## Loan Borrowings

As at 30 June 2025, Council will have \$50.577m in loans outstanding, as follows:

Loan Purpose	Lender	Original loan value	Balance as at 30 June 2025	Annual repayment 2025/26
North Sydney Olympic Pool	TCorp	\$31 million	\$27.836 million	\$2.31 million
North Sydney Olympic Pool	TCorp	\$20 million	\$19.228 million	\$2.56 million
Alexander Street carpark and on-street car parking management system	CBA	\$9.5 million	\$3.513 million	\$1.15 million
<b>Total</b>		<b>\$60.5 million</b>	<b>\$50.577 million</b>	<b>\$6.02 million</b>

Based upon current loan schedules, 70% of this debt is required to be repaid within the next ten years.

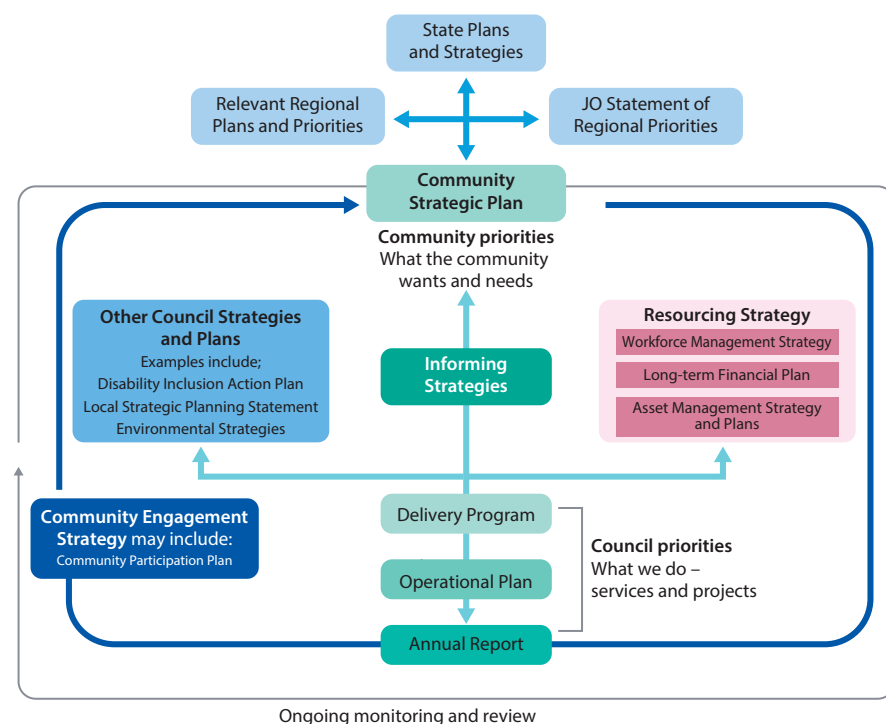
# PART 03

## A strong and sustainable financial future – How will we get there?

### Clear strategic direction

The Integrated Planning and Reporting Framework, mandated by the *Local Government Act 1993*, outlines the minimum standards for strategic planning across NSW local governments.

Figure 2. Integrated Planning Framework



### Long-Term Financial Plan: Ensuring a Sustainable Future for North Sydney

The Long-Term Financial Plan is a key strategic tool designed to ensure the Council can sustainably fund the services, infrastructure, and initiatives required by the community. It aims to align financial resources with the needs and priorities of the community, ensuring that we can continue to deliver high-quality services while addressing both current and future challenges.

### Community Engagement: Shaping Our Future

Understanding the community's needs and aspirations is critical when developing financial strategies. In May and June 2024, the Council launched an extensive community engagement initiative, 'The Next Ten Year'. This initiative included discussion papers, expert panels, workshops, and information sessions. Over 1,000 surveys were completed, alongside significant feedback from in-person engagements.

In parallel, independent consultants conducted research into key areas of the Council's operations and areas of influence. These included open space and recreation, culture and creativity, social inclusion, integrated transport, and economic development. This research provided valuable insights that helped shape the priorities for North Sydney's future.

### Balancing Priorities and Financial Sustainability

The Council faces a significant challenge: balancing the need to address infrastructure shortfalls from the past with the demand for new services and infrastructure as the Local Government Area (LGA) evolves. The community's willingness to invest in these changes – through additional funding or by adjusting existing services – will be key to achieving this balance.

To respond to these challenges, the Council has developed a series of ten-year strategies, informed by community feedback and research, to guide decision-making and resource allocation. These strategies outline the key areas where the Council will focus its efforts in the coming decade.

## Key Informing Strategies

The Draft Informing Strategies focus on the following priority areas:

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

These strategies are designed to address both current and future needs, ensuring that the Council is well-positioned to support growth and development while maintaining the quality of life for residents.

A comprehensive review of the funding requirements for these strategies has identified potential sources of revenue, including developer contributions and grants. However, additional revenue through local rates will be required to fully fund these initiatives. For the purposes of this Long-Term Financial Plan, only the costs requiring rating revenue have been included.

## Financial Options and Strategic Priorities

The Long-Term Financial Plan outlines several options for how these strategies can be funded, with varying levels of investment. The strategic priorities are included in **Options 2a, 2b, and 3** of this plan. These options provide different approaches to funding the strategies, with Option 3 representing the most ambitious level of investment.

If **Option 1** is selected, the progress towards the outcomes outlined in the Draft Informing Strategies will be more limited. In this case, the Council will focus primarily on like-for-like renewal projects and those that are externally funded.

## Improved governance and administration

In October 2022, following a request for a significant contract variation, Mayor Zoë Baker called for an independent review of the North Sydney Olympic Pool project. The review highlighted several critical issues in the initial planning and decision-making processes, which contributed to significant project risks and cost overruns.

1. The original business case and project budget lacked comprehensive financial and non-financial data, leading to an underestimation of costs and scope.
2. The growth in project scope from Option 2 to Option 2B was driven by Councillors' desire for a superior facility which did not fully align with feedback from community consultation.
3. The decision to remove experienced external project managers after the concept design phase weakened oversight and control.
4. The governance framework was insufficient, particularly regarding the composition of steering committees and overall oversight.

5. Risk management practices were not robust enough to support decision-making for a project of this complexity and scale.
6. Latent site conditions were identified late in the process, resulting in additional work, expanded scope, and increased costs.
7. The Council did not establish a comprehensive contracting strategy, opting instead to enter into two separate contracts for design and construction. This approach significantly increased the project's risk.
8. The construction contract was expedited and signed before design documentation was complete and while site investigations were still ongoing, further compounding risks.

It is evident that the initial project budget for the North Sydney Olympic Pool was significantly underfunded. While the project's scope expanded, critical decisions made throughout the process, such as premature contracting and insufficient risk management, have resulted in substantial financial risks being realised.

In response to the review, the Council has made several key changes to improve project management, including the engagement of external project managers, quantity surveyors, and programmers. These specialists have helped improve control over variations and time extensions. However, despite these improvements, many risks remain unmitigated, leading to ongoing project disputes and legal action. Nevertheless, all parties are working collaboratively to deliver the project.

The North Sydney Olympic Pool project underscores the financial risks associated with lacking governance and administrative frameworks. Often, Council's prioritise funding for visible infrastructure projects, but failure to invest in strong governance can lead to significant long-term financial implications.

Following the appointment of the new CEO in November 2022, the Council initiated an organisational review to identify key limitations and structural issues within its governance and operations. The review, which has been ongoing through 2023 and 2024, has resulted in significant changes to the organisational structure. New development and performance frameworks are being implemented across the workforce to improve efficiency and accountability.

However, the primary challenge facing the workforce remains the lack of integrated processes and systems. These deficiencies lead to reduced efficiency, poor data quality, and reliance on manual interventions, all of which contribute to financial risk.

This Long-Term Financial Plan prioritises improvements in governance and administration across all options, recognising that a strong, integrated framework is essential to reducing financial risks and ensuring the successful prioritisation and delivery of future projects, services and initiatives.

## STRUCTURAL CHANGE TO REVENUE POLICY

Historically low rates, coupled with declines in other revenue sources, highlight the need for structural changes to the Council's Revenue Policy. Relying on high levels of user charges, fees, and other income is no longer a sustainable strategy, as these sources have proven to be volatile and unpredictable.

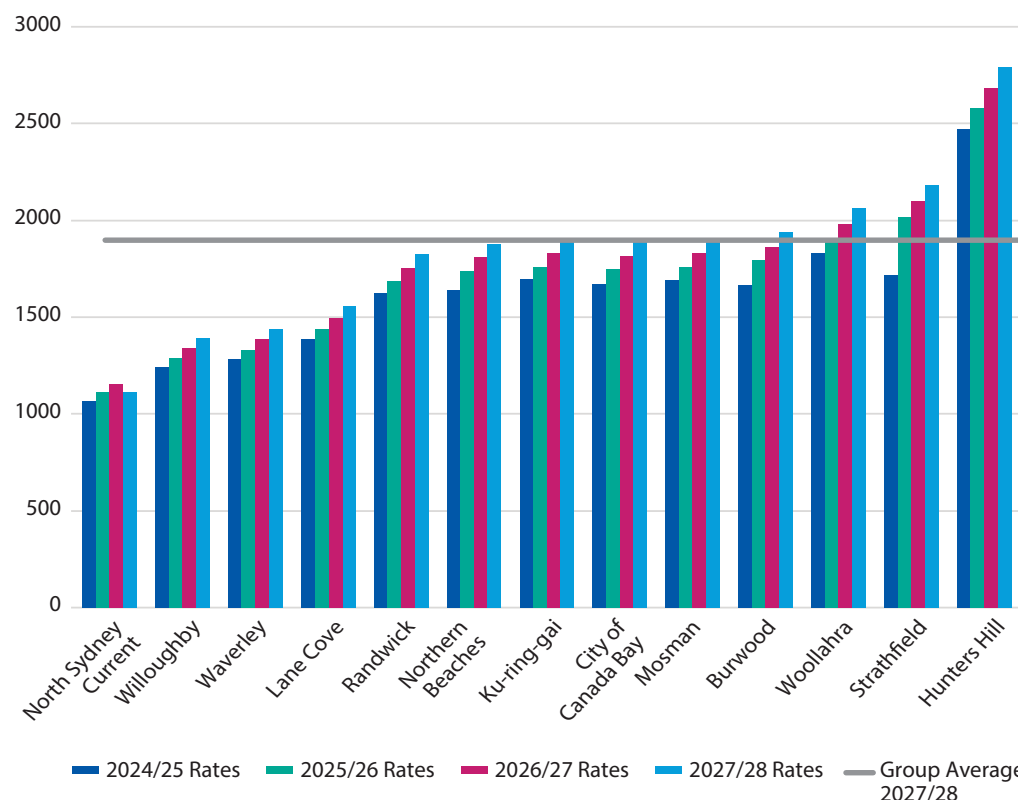
The fluctuations in revenue over the past four years, combined with future forecasts, underscore the necessity of adjusting the rating levels. Without a significant correction to rating levels, the Council will face challenges in achieving long-term financial stability and sustainability.

This Long-Term Financial Plan presents four options for rating increases aimed at improving the Council's financial position. While each option illustrates the extent of the necessary correction, comparisons with other councils highlight that the proposed increases are still based on a relatively low starting point. In accordance with the requirements of special rate variation applications, a capacity to pay analysis has been undertaken in developing these options. In addition to reviewing the level of rating income required, a review of the distribution of rates has also been undertaken and recommends an increase in the minimum rate.

In addition to ordinary rates, Council levies two special levies for environmental and infrastructure purposes. Council calculates these levies using a base rate method of calculation rather than the minimum system used for ordinary rates. In all options presented in this Long-Term Financial Plan, Council proposes that these levies be rolled into the ordinary rate to increase efficiencies in relation to rates administration.

The 2024/25 average residential rate for North Sydney is \$1,040. This includes ordinary rates and special rates levied for environmental and infrastructure purposes. The following chart provides a comparison with other councils.

Figure 3. Council average residential rates comparison



### Increases to rating revenue proposed within this plan

The following increases to Council's total permissible rating income are included within the options contained in this plan.

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



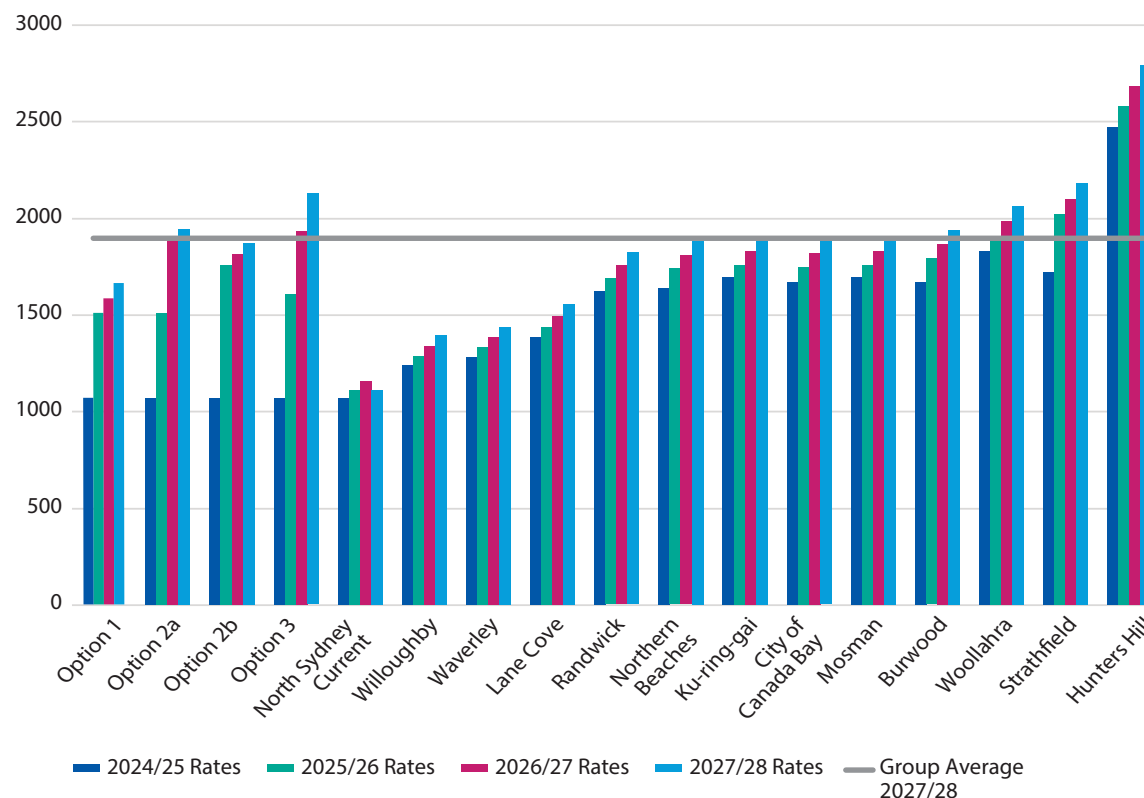
Council's 2024/25 average residential rate is \$1,040 [1]. Based upon the proposed increases, combined with an adjustment to the minimum rate from \$715 to \$1,300, the average residential rate is estimated as follows:

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

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

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

Figure 4. Comparison with options



[1] Average Residential Rate for 2024-25 includes infrastructure and environmental levies, current average residential ordinary rates (excluding levies) are \$915.

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

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

[4] The Average Business Rate for 2025/26 reflects Council's intention to remove the levies and raise total permissible rates entirely through ordinary rates. This will redistribute the revenue collected by levies (approximately 10% of total levies are currently paid by residential rate payers) across the ordinary rate category split of 60%/40% Residential/Business respectively.

Assuming the comparison councils do not apply for special rate variations, the residential rate options above would compare as follows, noting the average 2027/28 comparison rate for those councils compared is \$1,752.

## Review of rates distribution between residential and business categories

A review has been conducted to evaluate the distribution of rates contributions between the residential and business categories, based on the relative benefits of services and infrastructure provided to each. The assessment concluded that the current split – 60% residential and 40% business – remains appropriate.

## Business rates comparison

Comparing average business rates across different Local Government Areas (LGAs) can be challenging due to the varying characteristics of each area's business environment and industry.

Both Waverley Council and the City of Sydney apply a dual category system for business rates: one for their Central Business Districts (CBD) and another for suburban centres. These rates are as follows:

Council	Ad valorem (rate in \$ land value)
City of Sydney – CBD	0.00301020
City of Sydney – Ordinary business	0.00777792
Waverley – Bondi	0.00404844
Waverley – Ordinary business	0.00824189
North Sydney	0.00437084

Council may consider introducing a sub-categorisation within its business rates, though it is important to note that such a change would not affect the total revenue collected from business rates. Instead, it would simply alter how the total levy is distributed among different business categories.

However, given the current economic climate – particularly in the North Sydney CBD, which, despite recent support from the new Metro, is still recovering from the impacts of the pandemic, with commercial vacancy rates remaining higher than pre-pandemic levels – it is not recommended to implement any sub-categorisation for the 2025/26 financial year.

## Impact of special levies

Council has introduced an environment levy and an infrastructure levy to secure funding for initiatives and projects in these areas. These levies have been introduced using a different rating methodology to the 'minimum rates' methodology used for ordinary rates. A 'base rate' methodology has been used, which has resulted in residential ratepayers paying 90% of these special levies, despite benefits assessments suggesting a 60%/40% split is appropriate.

In addition, Council has two small levies for the purposes of streetscape upgrades which are charged to ratepayers in two local centres. The size of these levies does not warrant the cost of separate administration, with the income and expenditure being immaterial as compared to Council's broader budget and responsibilities.

Councils Draft Informing Strategies aim to prioritise funding for all services, infrastructure and initiatives within the Local Government Area. Prioritising funding through Council's overarching strategic framework will ensure funding priorities are made in line with community expectations.

As part of the structural change proposal for rating, it is proposed that all levies be removed, with the total permissible income currently raised through levies rolled into ordinary rates and levied based upon the 'minimum rates' methodology, ensuring a 60%/40% contribution split between residential and business.

## 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 \$14,300 in rating revenue (\$715 x 20 units). If the site were redeveloped into an apartment block with 200 units, Council would then receive \$143,000 in rating revenue – an increase of \$128,700.

## Impact of the minimum rates structure

Council's current rating structure for ordinary rates is based on a minimum rate, with each property paying a minimum of \$715. Of the 36,871 residential assessments, 77.26% of 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.

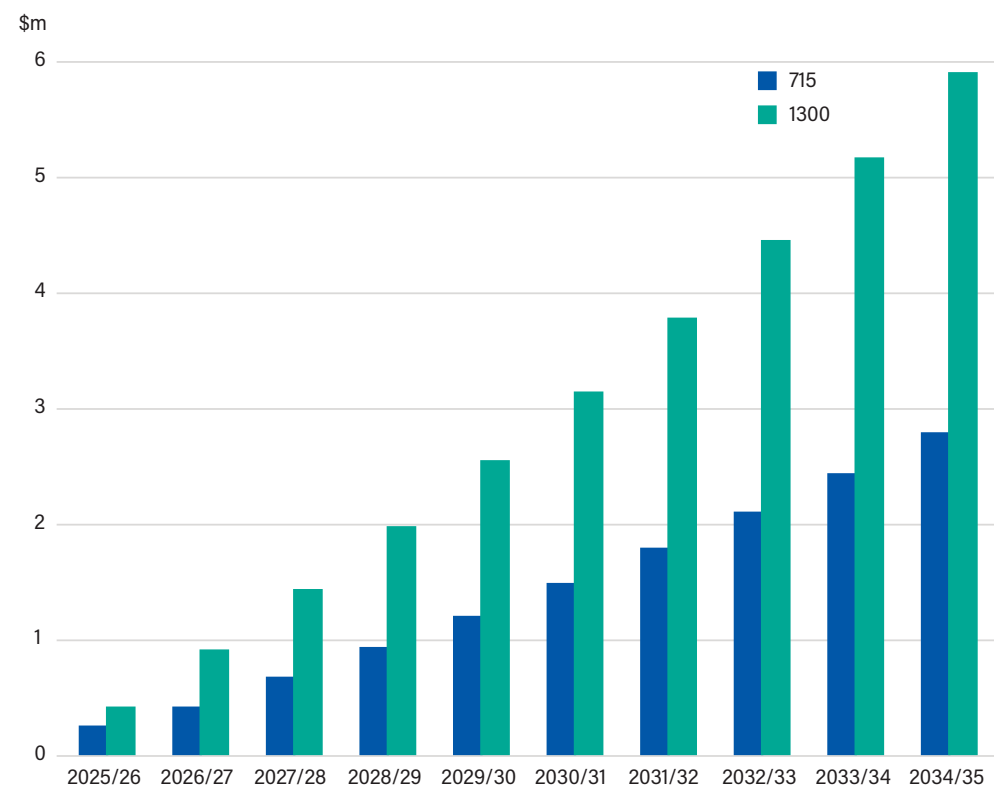
## Potential impact of increased minimum rates

New housing within North Sydney Local Government area is expected to come from new apartments. As rates are calculated based upon unimproved land value, it is expected that all future housing will be subject to minimum rates. Council's current minimum rate is low at \$715. An additional 3,000 homes over years, would generate an additional \$2.8m in new revenue per annum by Year 10.

Council's long-term financial plan has been modelled based upon the minimum rate increasing to \$1,300, with an additional 3,000 homes expected to generate \$5.9m in new revenue per annum by Year 10.

The chart below illustrates the difference in annual income generated by new ratepayers based on a comparison between the current minimum rate of \$715 and an increased rate of \$1,300. Raising the minimum rate would help alleviate the financial burden on existing ratepayers by generating additional revenue to support the growing infrastructure and services required for the expanding population.

Figure 5. Revenue growth through new dwellings



# PART 04

## Financial planning assumptions

### Cash and investments

The forecast level of unrestricted cash and investments for Council as of 1 July 2025 is critically low. The immediate priority across all options proposed in this plan is to repay internal borrowings. Following the repayment of these borrowings, the focus will shift towards rebuilding unrestricted cash reserves to ensure Council has the financial resilience needed to withstand future financial shocks, unforeseen events, and realised financial risks.

### 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 \$2.18 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 2025, Council's external borrowings total \$51 million. This plan assumes repayment of these borrowings in accordance with the agreed terms, which will reduce the debt by 70% over a 10-year period. The plan also assumes no further borrowings will be taken on during this period. Despite this, given the low forecast levels of unrestricted cash and investments as of 1 July 2025, Council may need to secure additional short-term loan funding to ensure liquidity if Council's cash levels cannot be increased through budget changes within the coming quarter.

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 does not include provision for the introduction of Food Organics collection by 2030. Domestic waste collection is funded through domestic waste charges and not general rates. Council is currently reviewing long-term plans for domestic waste services. Due to the uncertainty of market conditions and costs associated with this new service, financial impacts will be considered in future reviews of this long-term financial plan. No adjustment has been made to income and expenditure in this plan.

## Scenario 1 Financial Assumptions

Table 5. Scenario 1 Financial Assumptions

	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Year 4 2028/29	Year 5 2029/30	Year 6 2030/31	Year 7 2031/32	Year 8 2032/33	Year 9 2033/34	Year 10 2034/35
Rate pegging limit (excl SRV)	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Annual charges	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
User charges and fees	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Investment return rates	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other revenues	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Employee Costs – Award	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee Costs – Step increases	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Materials and contracts	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other expenses	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Depreciation	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Depreciation increase due to NSOP (\$,000, then % increase)	\$2,300	3%	3%	3%	3%	3%	3%	3%	3%	3%
Superannuation (as % of salaries and wages)	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
NSOP – Additional user charges and fees (\$,000, then % increase)	\$6,239	\$883	\$851	4%	4%	4%	4%	4%	4%	4%
NSOP – Employee Costs (\$,000, then % increase)	\$3,001	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
NSOP – Materials and contracts (\$,000, then % increase)	\$981.75	3%	3%	3%	3%	3%	3%	3%	3%	3%
Governance improvements	\$2,590	\$3,883	\$3,677	\$2,527	\$2,035	\$1,881	\$1,912	\$1,894	\$2,029	\$2,009
Housing Growth (new dwellings)	300	300	300	300	300	300	300	300	300	300
Principal loan repayments	\$3,784	\$3,961	\$4,147	\$3,463	\$3,333	\$3,497	\$3,670	\$3,850	\$4,040	\$2,939
Interest loan repayments	\$2,232	\$2,052	\$1,861	\$1,677	\$1,522	\$1,354	\$1,177	\$993	\$798	\$642

## Scenario 2 Financial Assumptions

Scenario 2 Financial Assumption include all of Scenario 1 assumptions, plus the following new and expanded services and infrastructure.

**Table 6.** Expanded operational services and initiatives budgets (not inflated)

	Year 1 2025/26 \$,000	Year 2 2026/27 \$,000	Year 3 2027/28 \$,000	Year 4 2028/29 \$,000	Year 5 2029/30 \$,000	Year 6 2030/31 \$,000	Year 7 2031/32 \$,000	Year 8 2032/33 \$,000	Year 9 2033/34 \$,000	Year 10 2034/35 \$,000
Environment initiatives	402	327	287	207	187	193	173	193	173	185
Integrated transport initiatives	933	762	412	412	412	452	412	412	412	412
Economic development initiatives	780	530	660	590	590	590	590	590	590	590
Culture and creativity initiatives	795	705	1,135	1,485	1,205	1,205	1,205	1,205	1,205	1,205
Social inclusion initiatives	855	1,205	620	920	1,170	1,320	1,070	1,170	820	820
Open space and recreation initiatives	410	570	320	570	320	320	320	320	320	320
Housing initiatives	240	130	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>4,415</b>	<b>4,229</b>	<b>3,434</b>	<b>4,184</b>	<b>3,884</b>	<b>4,080</b>	<b>3,770</b>	<b>3,890</b>	<b>3,520</b>	<b>3,532</b>

**Table 7.** New and upgraded infrastructure budgets (not inflated)

	Year 1 2025/26 \$,000	Year 2 2026/27 \$,000	Year 3 2027/28 \$,000	Year 4 2028/29 \$,000	Year 5 2029/30 \$,000	Year 6 2030/31 \$,000	Year 7 2031/32 \$,000	Year 8 2032/33 \$,000	Year 9 2033/34 \$,000	Year 10 2034/35 \$,000
Environment initiatives	283	2,092	631	565	524	354	421	209	164	120
Integrated transport initiatives	300	1,013	1,275	1,288	1,302	1,316	1,330	1,344	1,359	1,418
Economic development initiatives	2,600	2,785	385	1,582	1,582	285	1,482	1,482	185	1,482
Culture and creativity initiatives	280	460	80	790	100	480	100	480	100	480
Social inclusion initiatives	1,100	0	1,500	6,000	4,500	0	0	0	0	0
Open space and recreation initiatives	4,884	3,282	12,347	2,735	7,376	4,899	592	792	392	482
Housing initiatives	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>9,447</b>	<b>9,632</b>	<b>16,219</b>	<b>12,960</b>	<b>15,384</b>	<b>7,333</b>	<b>3,925</b>	<b>4,307</b>	<b>2,201</b>	<b>3,982</b>
<b>Total Governance</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL STRATEGIES</b>	<b>9,747</b>	<b>9,932</b>	<b>16,519</b>	<b>12,960</b>	<b>15,384</b>	<b>7,333</b>	<b>3,925</b>	<b>4,307</b>	<b>2,201</b>	<b>3,982</b>

**Table 8.** Scenario 3 Financial Assumptions (inflated)

Scenario 3 Financial Assumption include all of Scenario 1 and 2 assumptions, plus the following additional funding to improve the standard of building assets to a 'good' condition. These renewals will be prioritised based upon Council's Asset Management Plans.

	Year 1 2025/26 \$,000	Year 2 2026/27 \$,000	Year 3 2027/28 \$,000	Year 4 2028/29 \$,000	Year 5 2029/30 \$,000	Year 6 2030/31 \$,000	Year 7 2031/32 \$,000	Year 8 2032/33 \$,000	Year 9 2033/34 \$,000	Year 10 2034/35 \$,000
Building renewals	0	0	0	15,500	15,965	16,444	16,937	17,445	17,969	18,508

## Efficiency gains

The plan assumes no additional corporate administration costs associated with increased services (including North Sydney Olympic Pool) and increased capital works programs. The plan assumes efficiency gains will be achieved through improved governance and administration measures to absorb these costs. These efficiencies are estimated at between \$2 million and \$3 million per annum. The plan also incorporates actions within the Council's Organisational Improvement Plan.

# PART 05

## Financial future – Securing a strong financial future

Council has undertaken a process of financial modelling to explore structural change in revenue to improve the financial strength and sustainability of Council. These models also aim to address current inefficiencies in administration and operations.

### OPTION 1

This option is focused on financial repair only and does not provide financial resources for the future-focused projects, planning and initiatives outlined in Council's Draft Ten-year strategies, with the exception of governance improvements. This option includes:

- Rates revenue is increased by 50% in the first year, 5% in the second year and 5% in the third year (inclusive of rate peg).
- From Year 4, rate revenue is increased in line with rate peg.
- 'Minimum Residential Rates' are increased to \$1,300 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- 'Minimum Business Rates' are increased to \$1,400 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- Internal borrowings are repaid
- External borrowings are reduced by 70%
- 80% infrastructure renewal rate in Years 1 and 2, with 100% renewal from Years 3 to 10, to bring infrastructure to a 'satisfactory' condition over a ten-year period.
- Critical backlog infrastructure is addressed in Years 1 and 2.
- Level 3 infrastructure backlog is reduced by \$15m per year (indexed) from Years 3 to 10
- Required improvements to governance and administration are included
- No allowance has been made for costs associated with new/expanded services, initiatives and projects outlined in Draft Informing Strategies.

Under this option, the average ordinary rates would be as follows:

Financial Year	Average residential rate
Year 1	\$1,511
Year 2	\$1,586
Year 3	\$1,665

Financial Year	Average business rate
Year 1	\$10,601
Year 2	\$11,131
Year 3	\$11,687



Table 9. Option 1: Financial Performance Indicators

Indicator	Benchmark	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34	2034/35	2035/36
Operating performance ratio	>0%	11.20%	12.38%	14.12%	14.97%	15.50%	15.91%	16.30%	16.78%	17.30%	18.00%
Own source operating revenue ratio	>60%	93.30%	93.59%	93.86%	94.03%	94.20%	94.37%	94.53%	94.70%	94.87%	95.04%
Unrestricted current ratio	>1.5	1.21	1.70	1.94	2.24	2.56	2.93	3.33	3.77	4.57	5.21
Debt service current ratio	>2	10.06	9.52	10.44	11.02	13.37	14.78	15.46	16.22	17.06	17.89
Cash expense cover ratio	> 3 months	7.14	9.38	11.38	12.50	13.69	14.89	16.09	17.31	18.55	19.99
Buildings and infrastructure renewal ratio	>100%	82%	98%	144%	144%	144%	144%	144%	144%	144%	144%
Infrastructure backlog ratio – condition 3	<2%	8.89%	8.82%	8.16%	6.79%	6.13%	5.44%	4.71%	3.95%	2.87%	2.11%
Infrastructure backlog ratio – condition 2	<2%	34.01%	34.72%	34.62%	31.37%	31.24%	31.09%	30.92%	30.71%	27.73%	27.51%
Asset maintenance ratio	>100%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 10. Option 1 – Income Statement

	2024/25 Budget (\$'000)	2025/26 (\$'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)
<b>Income from Continuing Operations</b>											
Rates	\$61,961	\$93,331	\$98,388	\$103,697	\$107,315	\$111,193	\$115,386	\$119,962	\$125,008	\$130,641	\$137,008
Annual Charges	\$18,016	\$18,556	\$19,113	\$19,686	\$20,277	\$20,885	\$21,512	\$22,157	\$22,822	\$23,506	\$24,211
User Charges & Fees	\$33,803	\$41,394	\$43,726	\$46,108	\$47,722	\$49,392	\$51,121	\$52,910	\$54,762	\$56,679	\$58,662
Other Revenue	\$10,292	\$10,704	\$11,078	\$11,466	\$11,867	\$12,283	\$12,713	\$13,158	\$13,618	\$14,095	\$14,588
Grants & Contributions provided for Operating Purposes	\$5,027	\$5,102	\$5,179	\$5,257	\$5,335	\$5,416	\$5,497	\$5,579	\$5,663	\$5,748	\$5,834
Grants & Contributions provided for Capital Purposes	\$11,378	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444
Interest & Investment Revenue	\$3,165	\$3,809	\$5,011	\$5,916	\$6,587	\$7,290	\$8,003	\$8,710	\$9,408	\$10,097	\$10,802
Other Income	\$5,887	\$6,814	\$7,053	\$7,299	\$7,555	\$7,819	\$8,093	\$8,376	\$8,669	\$8,973	\$9,287
<b>Total Income from Continuing Operations</b>											
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	\$54,406	\$60,373	\$62,939	\$65,614	\$68,402	\$71,309	\$74,340	\$77,499	\$80,793	\$84,227	\$87,806
Materials & Services	\$53,986	\$57,221	\$58,937	\$60,705	\$62,526	\$64,402	\$66,334	\$68,324	\$70,374	\$72,485	\$74,660
Materials & Services – Strategy		\$2,590	\$3,883	\$3,677	\$2,527	\$2,035	\$1,881	\$1,912	\$1,894	\$2,029	\$2,009
Borrowing Costs	\$2,382	\$2,233	\$2,052	\$1,862	\$1,678	\$1,523	\$1,354	\$1,177	\$993	\$798	\$642
Depreciation & Amortisation	\$28,795	\$31,959	\$32,918	\$33,905	\$34,922	\$35,970	\$37,049	\$38,161	\$39,305	\$40,485	\$41,699
Other Expenses	\$4,783	\$4,926	\$5,074	\$5,227	\$5,383	\$5,545	\$5,711	\$5,882	\$6,059	\$6,241	\$6,428
Net Losses from the Disposal of Assets	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277
<b>Total Expenses from Continuing Operations</b>	\$144,629	\$159,579	\$166,080	\$171,266	\$175,716	\$181,061	\$186,947	\$193,233	\$199,695	\$206,541	\$213,522
<b>Operating Result from Continuing Operations</b>	\$4,899	\$27,576	\$30,912	\$35,607	\$38,386	\$40,661	\$42,821	\$45,062	\$47,700	\$50,641	\$54,315
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	(\$6,479)	\$20,132	\$23,468	\$28,163	\$30,942	\$33,217	\$35,377	\$37,618	\$40,256	\$43,197	\$46,871

Table 11. Option 1 – Cashflow Statement

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Rates	61,383	93,331	98,388	103,697	107,315	111,193	115,386	119,962	125,008	130,641	137,008
Annual Charges	18,016	18,556	19,113	19,686	20,277	20,885	21,512	22,157	22,822	23,506	24,211
User Charges & Fees	33,803	41,394	43,726	46,108	47,722	49,392	51,121	52,910	54,762	56,679	58,662
Investment & Interest Revenue Received	3,165	3,809	5,011	5,916	6,587	7,290	8,003	8,710	9,408	10,097	10,802
Grants & Contributions	12,471	12,546	12,623	12,701	12,779	12,860	12,941	13,023	13,107	13,192	13,278
Bonds & Deposits Received	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Other	16,179	17,518	18,131	18,765	19,422	20,102	20,806	21,534	22,287	23,067	23,875
<b>Payments</b>											
Employee Benefits & On-Costs	(54,406)	(60,373)	(62,939)	(65,614)	(68,402)	(71,309)	(74,340)	(77,499)	(80,793)	(84,227)	(87,806)
Materials & Contracts	(53,986)	(59,811)	(62,820)	(64,382)	(65,053)	(66,437)	(68,215)	(70,237)	(72,268)	(74,514)	(76,669)
Borrowing Costs	(2,382)	(2,233)	(2,052)	(1,862)	(1,678)	(1,523)	(1,354)	(1,177)	(993)	(798)	(642)
Bonds & Deposits Refunded	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)
Other	(4,783)	(4,926)	(5,074)	(5,227)	(5,383)	(5,545)	(5,711)	(5,882)	(6,059)	(6,241)	(6,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>29,459</b>	<b>59,811</b>	<b>64,106</b>	<b>69,789</b>	<b>73,586</b>	<b>76,908</b>	<b>80,147</b>	<b>83,500</b>	<b>87,282</b>	<b>91,403</b>	<b>96,291</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Sale of Investment Securities											
Redemption of term deposits											
Sale of Infrastructure, Property, Plant & Equipment											
<b>Payments</b>											
Purchase of Investment Securities											
Purchase of Investment Property											
Purchase of Infrastructure, Property, Plant & Equipment	(92,444)	(26,057)	(32,112)	(48,905)	(50,372)	(51,883)	(53,440)	(55,043)	(56,694)	(58,395)	(60,147)
Contributions paid to joint ventures and associates	–	–	–	–	–	–	–	–	–	–	–
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(92,444)</b>	<b>(26,057)</b>	<b>(32,112)</b>	<b>(48,905)</b>	<b>(50,372)</b>	<b>(51,883)</b>	<b>(53,440)</b>	<b>(55,043)</b>	<b>(56,694)</b>	<b>(58,395)</b>	<b>(60,147)</b>

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
<b>Proceeds from Borrowings and Advances</b>	20,000										
<b>Payments</b>											
Repayment of Borrowings and Advances	(2,863)	(3,784)	(3,961)	(4,147)	(3,464)	(3,333)	(3,497)	(3,670)	(3,851)	(4,040)	(2,939)
Repayment of lease liabilities (principal repayments)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)
<b>Net Cash Flow provided (used in) Financing Activities</b>	16,834	(4,087)	(4,264)	(4,450)	(3,767)	(3,636)	(3,800)	(3,973)	(4,154)	(4,343)	(3,242)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(46,151)</b>	<b>29,668</b>	<b>27,730</b>	<b>16,434</b>	<b>19,447</b>	<b>21,388</b>	<b>22,907</b>	<b>24,484</b>	<b>26,434</b>	<b>28,664</b>	<b>32,901</b>
<b>plus: Cash &amp; Cash Equivalents – beginning of year</b>	<b>22,849</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Cash &amp; Cash Equivalents – end of the year</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Investments – end of the year</b>	<b>59,599</b>	<b>89,268</b>	<b>116,998</b>	<b>133,432</b>	<b>152,878</b>	<b>174,267</b>	<b>197,173</b>	<b>221,657</b>	<b>248,091</b>	<b>276,755</b>	<b>309,657</b>
<b>Cash, Cash Equivalents &amp; Investments – end of the year</b>	<b>80,599</b>	<b>110,268</b>	<b>137,998</b>	<b>154,432</b>	<b>173,878</b>	<b>195,267</b>	<b>218,173</b>	<b>242,657</b>	<b>269,091</b>	<b>297,755</b>	<b>330,657</b>

Table 12. Option 1 – Balance Sheet

	2024/25 (\$'000) - FY2025 Approved Budget	2025/26 (\$'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)
<b>Current Assets</b>											
Cash & Cash Equivalents	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Investments	\$59,599	\$89,268	\$116,998	\$133,432	\$152,878	\$174,267	\$197,173	\$221,657	\$248,091	\$276,755	\$309,657
Receivables	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547
Inventories	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Other	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626
<b>Total Current Assets</b>	<b>\$91,832</b>	<b>\$121,501</b>	<b>\$149,231</b>	<b>\$165,665</b>	<b>\$185,111</b>	<b>\$206,500</b>	<b>\$229,406</b>	<b>\$253,890</b>	<b>\$280,324</b>	<b>\$308,988</b>	<b>\$341,890</b>
<b>Non-Current Assets</b>											
Receivables	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Infrastructure, Property, Plant & Equipment	\$1,752,868	\$1,746,689	\$1,745,607	\$1,760,330	\$1,951,535	\$1,967,172	\$1,983,286	\$1,999,891	\$2,017,004	\$2,236,337	\$2,254,508
Investment Property	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698
Right of Use Assets	\$1,258	\$1,202	\$1,146	\$3,930	\$3,874	\$3,818	\$3,762	\$3,706	\$3,650	\$2,328	\$3,739
Investments Accounted for Using the Equity Method	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
<b>Total Non-Current Assets</b>	<b>\$1,808,628</b>	<b>\$1,802,393</b>	<b>\$1,801,255</b>	<b>\$1,818,762</b>	<b>\$2,009,911</b>	<b>\$2,025,492</b>	<b>\$2,041,550</b>	<b>\$2,058,099</b>	<b>\$2,075,156</b>	<b>\$2,293,167</b>	<b>\$2,312,749</b>
<b>TOTAL ASSETS</b>	<b>\$1,900,461</b>	<b>\$1,923,894</b>	<b>\$1,950,485</b>	<b>\$1,984,426</b>	<b>\$2,195,023</b>	<b>\$2,231,991</b>	<b>\$2,270,956</b>	<b>\$2,311,990</b>	<b>\$2,355,480</b>	<b>\$2,602,155</b>	<b>\$2,654,639</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832
Contract Liabilities	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099
Lease Liabilities	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
Borrowings	\$3,784	\$3,961	\$4,147	\$3,464	\$3,333	\$3,497	\$3,670	\$3,851	\$4,040	\$1,672	\$1,872
Employee Benefit Provisions	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100
<b>Total Current Liabilities</b>	<b>\$54,118</b>	<b>\$54,296</b>	<b>\$54,481</b>	<b>\$53,798</b>	<b>\$53,668</b>	<b>\$53,832</b>	<b>\$54,004</b>	<b>\$54,185</b>	<b>\$54,375</b>	<b>\$52,007</b>	<b>\$52,207</b>
<b>Non-Current Liabilities</b>											
Lease Liabilities	\$750	\$391	\$32	\$2,513	\$2,154	\$1,795	\$1,436	\$1,077	\$718	\$359	\$0
Borrowings	\$46,794	\$42,833	\$38,686	\$35,222	\$31,889	\$28,392	\$24,722	\$20,871	\$16,831	\$13,892	\$12,220
Employee Benefit Provisions	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154
<b>Total Non-Current Liabilities</b>	<b>\$48,698</b>	<b>\$44,378</b>	<b>\$39,872</b>	<b>\$38,889</b>	<b>\$35,197</b>	<b>\$31,341</b>	<b>\$27,312</b>	<b>\$23,102</b>	<b>\$18,703</b>	<b>\$15,405</b>	<b>\$13,374</b>
<b>TOTAL LIABILITIES</b>	<b>\$102,816</b>	<b>\$98,673</b>	<b>\$94,353</b>	<b>\$92,687</b>	<b>\$88,865</b>	<b>\$85,172</b>	<b>\$81,316</b>	<b>\$77,287</b>	<b>\$73,078</b>	<b>\$67,411</b>	<b>\$65,580</b>
<b>Net Assets</b>	<b>\$1,797,645</b>	<b>\$1,825,220</b>	<b>\$1,856,132</b>	<b>\$1,891,739</b>	<b>\$2,106,158</b>	<b>\$2,146,819</b>	<b>\$2,189,640</b>	<b>\$2,234,703</b>	<b>\$2,282,402</b>	<b>\$2,534,744</b>	<b>\$2,589,058</b>
<b>EQUITY</b>											
Accumulated Surplus	\$981,215	\$1,008,791	\$1,039,703	\$1,075,310	\$1,113,696	\$1,154,357	\$1,197,178	\$1,242,240	\$1,289,940	\$1,340,581	\$1,394,896
IPPE Revaluation Reserve	\$816,429	\$816,429	\$816,429	\$816,429	\$992,462	\$992,462	\$992,462	\$992,462	\$992,462	\$1,194,163	\$1,194,163
<b>Total Equity</b>	<b>\$1,797,645</b>	<b>\$1,825,220</b>	<b>\$1,856,132</b>	<b>\$1,891,739</b>	<b>\$2,106,158</b>	<b>\$2,146,819</b>	<b>\$2,189,640</b>	<b>\$2,234,703</b>	<b>\$2,282,402</b>	<b>\$2,534,744</b>	<b>\$2,589,058</b>

## OPTION 2A

This option is future focused, and includes improvement of Council's financial position, along with funding for planning and delivery of new and upgraded infrastructure and increases to services and initiatives to achieve the desired outcomes within the Draft Ten-year Informing Strategies, including governance improvements. This option includes:

- Rates revenue is increased by 50% in the first year, 25% in the second year and rate peg for future years.
- From year 3, rate revenue is increased in line with rate peg.
- 'Minimum Residential Rates' are increased to \$1,300 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- 'Minimum Business Rates' are increased to \$1,400 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- Initiatives outlined in the Draft Informing Strategies are included.
- Internal borrowings are repaid
- External borrowings are reduced by 70%
- 80% infrastructure renewal rate in years 1 and 2, with 100% renewal from Years 3 to 10, to bring infrastructure to a 'satisfactory' condition over a ten-year period.
- Critical backlog infrastructure is addressed in Years 1 and 2.
- Level 3 infrastructure backlog is reduced by \$15m per year (indexed) from Years 3 to 10.

Under this option, the average ordinary rates would be as follows:

Financial Year	Average residential rate	Financial Year	Average business rate
Year 1	\$1,511	Year 1	\$10,601
Year 2	\$1,888	Year 2	\$13,251
Year 3	\$1,945	Year 3	\$13,648

**Table13.** Option 2A: Financial Performance Indicators (50%, 25%, 12.5%)

Indicator	Benchmark	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34	2034/35	2035/36
Operating performance ratio	>0%	8.16%	17.07%	17.56%	17.40%	17.48%	17.43%	17.77%	18.02%	18.62%	19.18%
Own source operating revenue ratio	>60%	93.28%	94.11%	94.28%	94.43%	94.57%	94.72%	94.87%	95.03%	95.18%	95.34%
Unrestricted current ratio	>1.5	0.80	1.33	1.32	1.41	1.44	1.73	2.17	2.62	3.45	4.12
Debt service current ratio	>2	9.14	11.63	12.33	12.74	15.40	16.88	17.67	18.46	19.47	20.37
Cash expense cover ratio	> 3 months	6.91	7.84	9.97	10.31	10.97	11.35	12.43	13.79	15.16	16.86
Buildings and infrastructure renewal ratio	>100%	82%	97%	142%	141%	140%	140%	139%	139%	139%	139%
Infrastructure backlog ratio – condition 3	<2%	8.84%	8.72%	7.99%	6.60%	5.90%	5.21%	4.51%	3.77%	2.74%	2.01%
Infrastructure backlog ratio – condition 2	<2%	33.82%	34.31%	33.86%	30.46%	30.07%	29.80%	29.57%	29.31%	26.44%	26.18%
Asset maintenance ratio	>100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 14. Option 2A – Income Statement

	2024/25 Budget (\$'000)	2025/26 (\$'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)
<b>Income from Continuing Operations</b>											
Rates	\$61,961	\$93,331	\$117,054	\$120,955	\$125,091	\$129,503	\$134,245	\$139,386	\$145,016	\$151,249	\$158,233
Annual Charges	\$18,016	\$18,556	\$19,113	\$19,686	\$20,277	\$20,885	\$21,512	\$22,157	\$22,822	\$23,506	\$24,211
User Charges & Fees	\$33,803	\$41,394	\$43,726	\$46,108	\$47,722	\$49,392	\$51,121	\$52,910	\$54,762	\$56,679	\$58,662
Other Revenue	\$10,292	\$10,704	\$11,078	\$11,466	\$11,867	\$12,283	\$12,713	\$13,158	\$13,618	\$14,095	\$14,588
Grants & Contributions provided for Operating Purposes	\$5,027	\$5,102	\$5,179	\$5,257	\$5,335	\$5,416	\$5,497	\$5,579	\$5,663	\$5,748	\$5,834
Grants & Contributions provided for Capital Purposes	\$11,378	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444
Interest & Investment Revenue	\$3,165	\$3,353	\$3,753	\$3,987	\$4,048	\$4,251	\$4,500	\$4,945	\$5,464	\$6,053	\$6,708
Other Income	\$5,887	\$6,814	\$7,053	\$7,299	\$7,555	\$7,819	\$8,093	\$8,376	\$8,669	\$8,973	\$9,287
<b>Total Income from Continuing Operations</b>	\$149,528	\$186,698	\$214,400	\$222,203	\$229,340	\$236,992	\$245,124	\$253,955	\$263,458	\$273,746	\$284,968
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	\$54,406	\$60,893	\$63,481	\$66,179	\$68,991	\$71,924	\$74,980	\$78,167	\$81,489	\$84,952	\$88,563
Materials & Services	\$53,986	\$57,221	\$58,937	\$60,705	\$62,526	\$64,402	\$66,334	\$68,324	\$70,374	\$72,485	\$74,660
Materials & Services – Strategy		\$6,603	\$7,818	\$6,861	\$6,651	\$5,934	\$6,132	\$5,910	\$6,163	\$5,943	\$6,057
Borrowing Costs	\$2,382	\$2,233	\$2,052	\$1,862	\$1,678	\$1,523	\$1,354	\$1,177	\$993	\$798	\$642
Depreciation & Amortisation	\$28,795	\$32,476	\$33,993	\$35,942	\$37,772	\$39,823	\$41,469	\$42,962	\$44,531	\$46,015	\$47,671
Other Expenses	\$4,783	\$4,926	\$5,074	\$5,227	\$5,383	\$5,545	\$5,711	\$5,882	\$6,059	\$6,241	\$6,428
Net Losses from the Disposal of Assets	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277
<b>Total Expenses from Continuing Operations</b>	\$144,629	\$164,628	\$171,632	\$177,053	\$183,278	\$189,428	\$196,258	\$202,699	\$209,886	\$216,712	\$224,298
<b>Operating Result from Continuing Operations</b>	\$4,899	\$22,070	\$42,768	\$45,150	\$46,061	\$47,564	\$48,866	\$51,256	\$53,572	\$57,034	\$60,669
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	(\$6,479)	\$14,626	\$35,324	\$37,706	\$38,617	\$40,120	\$41,422	\$43,812	\$46,128	\$49,590	\$53,225

Table 15: Option 2A – Cashflow Statement

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Rates	61,383	93,869	117,054	120,955	125,091	129,503	134,245	139,386	145,016	151,249	158,233
Annual Charges	18,016	18,556	19,113	19,686	20,277	20,885	21,512	22,157	22,822	23,506	24,211
User Charges & Fees	33,803	41,394	43,726	46,108	47,722	49,392	51,121	52,910	54,762	56,679	58,662
Investment & Interest Revenue Received	3,165	3,353	3,753	3,987	4,048	4,251	4,500	4,945	5,464	6,053	6,708
Grants & Contributions	12,471	12,546	12,623	12,701	12,779	12,860	12,941	13,023	13,107	13,192	13,278
Bonds & Deposits Received	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Other	16,179	17,518	18,131	18,765	19,422	20,102	20,806	21,534	22,287	23,067	23,875
<b>Payments</b>											
Employee Benefits & On-Costs	(54,406)	(60,893)	(63,481)	(66,179)	(68,991)	(71,924)	(74,980)	(78,167)	(81,489)	(84,952)	(88,563)
Materials & Contracts	(53,986)	(63,823)	(66,755)	(67,567)	(69,177)	(70,337)	(72,466)	(74,234)	(76,537)	(78,429)	(80,717)
Borrowing Costs	(2,382)	(2,233)	(2,052)	(1,862)	(1,678)	(1,523)	(1,354)	(1,177)	(993)	(798)	(642)
Bonds & Deposits Refunded	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)
Other	(4,783)	(4,926)	(5,074)	(5,227)	(5,383)	(5,545)	(5,711)	(5,882)	(6,059)	(6,241)	(6,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>29,459</b>	<b>55,361</b>	<b>77,038</b>	<b>81,369</b>	<b>84,110</b>	<b>87,664</b>	<b>90,612</b>	<b>94,494</b>	<b>98,380</b>	<b>103,326</b>	<b>108,618</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Sale of Investment Securities											
Redemption of term deposits											
Sale of Infrastructure, Property, Plant & Equipment											
<b>Payments</b>											
Purchase of Investment Securities											
Purchase of Investment Property											
Purchase of Infrastructure, Property, Plant & Equipment	(92,444)	(36,811)	(43,825)	(69,534)	(68,246)	(74,106)	(66,879)	(64,817)	(67,540)	(66,884)	(71,632)
Contributions paid to joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(92,444)</b>	<b>(36,811)</b>	<b>(43,825)</b>	<b>(69,534)</b>	<b>(68,246)</b>	<b>(74,106)</b>	<b>(66,879)</b>	<b>(64,817)</b>	<b>(67,540)</b>	<b>(66,884)</b>	<b>(71,632)</b>



	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
<b>Proceeds from Borrowings &amp; Advances</b>	20,000										
<b>Payments</b>											
Repayment of Borrowings & Advances	(2,863)	(3,784)	(3,961)	(4,147)	(3,464)	(3,333)	(3,497)	(3,670)	(3,851)	(4,040)	(2,939)
Repayment of lease liabilities (principal repayments)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)
<b>Net Cash Flow provided (used in) Financing Activities</b>	16,834	(4,087)	(4,264)	(4,450)	(3,767)	(3,636)	(3,800)	(3,973)	(4,154)	(4,343)	(3,242)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(46,151)	14,464	28,949	7,385	12,098	9,922	19,933	25,705	26,686	32,099	33,744
<b>plus: Cash &amp; Cash Equivalents – beginning of year</b>	22,849	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
<b>Cash &amp; Cash Equivalents – end of the year</b>	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
<b>Investments – end of the year</b>	59,599	74,063	103,012	110,397	122,494	132,416	152,349	178,054	204,740	236,840	270,583
<b>Cash, Cash Equivalents &amp; Investments – end of the year</b>	80,599	95,063	124,012	131,397	143,494	153,416	173,349	199,054	225,740	257,840	291,583

Table 16. Option 2A – Balance Sheet

	2024/25 (\$'000)	2025/26 (\$'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)
<b>Current Assets</b>											
Cash & Cash Equivalents	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Investments	\$59,599	\$74,063	\$103,012	\$110,397	\$122,494	\$132,416	\$152,349	\$178,054	\$204,740	\$236,840	\$270,583
Receivables	\$10,547	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009
Inventories	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Other	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626
<b>Total Current Assets</b>	<b>\$91,832</b>	<b>\$105,758</b>	<b>\$134,707</b>	<b>\$142,092</b>	<b>\$154,189</b>	<b>\$164,111</b>	<b>\$184,044</b>	<b>\$209,749</b>	<b>\$236,435</b>	<b>\$268,535</b>	<b>\$302,278</b>
<b>Non-Current Assets</b>											
Receivables	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Infrastructure, Property, Plant & Equipment	\$1,752,868	\$1,756,926	\$1,766,481	\$1,799,796	\$2,009,973	\$2,043,979	\$2,069,112	\$2,090,690	\$2,113,422	\$2,345,354	\$2,369,038
Investment Property	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698
Right of Use Assets	\$1,258	\$1,202	\$1,146	\$3,930	\$3,874	\$3,818	\$3,762	\$3,706	\$3,650	\$2,328	\$3,739
Investments Accounted for Using the Equity Method	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
<b>Total Non-Current Assets</b>	<b>\$1,808,628</b>	<b>\$1,812,630</b>	<b>\$1,822,129</b>	<b>\$1,858,228</b>	<b>\$2,068,349</b>	<b>\$2,102,299</b>	<b>\$2,127,376</b>	<b>\$2,148,898</b>	<b>\$2,171,574</b>	<b>\$2,402,184</b>	<b>\$2,427,279</b>
<b>TOTAL ASSETS</b>	<b>\$1,900,461</b>	<b>\$1,918,388</b>	<b>\$1,956,836</b>	<b>\$2,000,320</b>	<b>\$2,222,538</b>	<b>\$2,266,410</b>	<b>\$2,311,420</b>	<b>\$2,358,647</b>	<b>\$2,408,009</b>	<b>\$2,670,719</b>	<b>\$2,729,557</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832
Contract Liabilities	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099
Lease Liabilities	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
Borrowings	\$3,784	\$3,961	\$4,147	\$3,464	\$3,333	\$3,497	\$3,670	\$3,851	\$4,040	\$1,672	\$1,872
Employee Benefit Provisions	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100
<b>Total Current Liabilities</b>	<b>\$54,118</b>	<b>\$54,296</b>	<b>\$54,481</b>	<b>\$53,798</b>	<b>\$53,668</b>	<b>\$53,832</b>	<b>\$54,004</b>	<b>\$54,185</b>	<b>\$54,375</b>	<b>\$52,007</b>	<b>\$52,207</b>
<b>Non-Current Liabilities</b>											
Lease Liabilities	\$750	\$391	\$32	\$2,513	\$2,154	\$1,795	\$1,436	\$1,077	\$718	\$359	\$0
Borrowings	\$46,794	\$42,833	\$38,686	\$35,222	\$31,889	\$28,392	\$24,722	\$20,871	\$16,831	\$13,892	\$12,220
Employee Benefit Provisions	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154
<b>Total Non-Current Liabilities</b>	<b>\$48,698</b>	<b>\$44,378</b>	<b>\$39,872</b>	<b>\$38,889</b>	<b>\$35,197</b>	<b>\$31,341</b>	<b>\$27,312</b>	<b>\$23,102</b>	<b>\$18,703</b>	<b>\$15,405</b>	<b>\$13,374</b>
<b>TOTAL LIABILITIES</b>	<b>\$102,816</b>	<b>\$98,673</b>	<b>\$94,353</b>	<b>\$92,687</b>	<b>\$88,865</b>	<b>\$85,172</b>	<b>\$81,316</b>	<b>\$77,287</b>	<b>\$73,078</b>	<b>\$67,411</b>	<b>\$65,580</b>
<b>Net Assets</b>	<b>\$1,797,645</b>	<b>\$1,819,715</b>	<b>\$1,862,482</b>	<b>\$1,907,633</b>	<b>\$2,133,673</b>	<b>\$2,181,237</b>	<b>\$2,230,104</b>	<b>\$2,281,360</b>	<b>\$2,334,931</b>	<b>\$2,603,307</b>	<b>\$2,663,977</b>
<b>EQUITY</b>											
Accumulated Surplus	\$981,215	\$1,003,285	\$1,046,053	\$1,091,203	\$1,137,265	\$1,184,829	\$1,233,695	\$1,284,951	\$1,338,522	\$1,395,556	\$1,456,226
IPPE Revaluation Reserve	\$816,429	\$816,429	\$816,429	\$816,429	\$996,409	\$996,409	\$996,409	\$996,409	\$996,409	\$1,207,751	\$1,207,751
<b>Total Equity</b>	<b>\$1,797,645</b>	<b>\$1,819,715</b>	<b>\$1,862,482</b>	<b>\$1,907,633</b>	<b>\$2,133,673</b>	<b>\$2,181,237</b>	<b>\$2,230,104</b>	<b>\$2,281,360</b>	<b>\$2,334,931</b>	<b>\$2,603,307</b>	<b>\$2,663,977</b>

## OPTION 2B

This option is future focused, and includes improvement of Council's financial position, along with funding for planning and delivery of new and upgraded infrastructure and increases to services and initiatives to achieve the desired outcomes within the Draft Ten-year Informing Strategies, including governance improvements. This option includes:

- Rates revenue is increased by 75% in the first year, with rate peg to applied in future years.
- From year 4, rate revenue is increased in line with rate peg.
- 'Minimum Residential Rates' are increased to \$1,300 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- 'Minimum Business Rates' are increased to \$1,400 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- Initiatives outlined in the Draft Informing Strategies are included.
- Internal borrowings are repaid
- External borrowings are reduced by 70%
- 80% infrastructure renewal rate in years 1 and 2, with 100% renewal from years 3 to 10 to bring infrastructure to a 'satisfactory' condition over a ten-year period.
- Critical backlog infrastructure is addressed in years 1 and 2.
- Level 3 infrastructure backlog is reduced by \$15m per year (indexed) from years 3 to 10.

Under this option, the average ordinary rates would be as follows:

Financial Year	Average residential rate	Financial Year	Average business rate
Year 1	\$1,762	Year 1	\$12,367
Year 2	\$1,815	Year 2	\$12,739
Year 3	\$1,870	Year 3	\$13,121

**Table 17.** Option 2B: Performance indicators (75% upfront)

Indicator	Benchmark	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34	2034/35	2035/36
Operating performance ratio	>0%	15.73%	15.46%	15.98%	15.83%	15.91%	15.87%	16.24%	16.51%	17.14%	17.73%
Own source operating revenue ratio	>60%	93.79%	93.98%	94.16%	94.31%	94.46%	94.61%	94.76%	94.92%	95.08%	95.24%
Unrestricted current ratio	>1.5	1.22	1.64	1.52	1.51	1.42	1.59	1.91	2.24	2.90	3.43
Debt service current ratio	>2	12.10	10.97	11.65	12.04	14.57	15.98	16.74	17.50	18.48	19.35
Cash expense cover ratio	> 3 months	6.94	9.19	10.98	10.97	11.29	11.33	12.09	13.15	14.22	15.64
Buildings and infrastructure renewal ratio	>100%	82%	97%	142%	141%	140%	140%	139%	139%	139%	139%
Infrastructure backlog ratio – condition 3	<2%	8.84%	8.72%	7.99%	6.60%	5.90%	5.21%	4.51%	3.77%	2.74%	2.01%
Infrastructure backlog ratio – condition 2	<2%	33.82%	34.31%	33.86%	30.46%	30.07%	29.80%	29.57%	29.31%	26.44%	26.18%
Asset maintenance ratio	>100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 18. Option 2B – Income Statement

	2024/25 Budget (\$'000)	2025/26 (\$'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)
<b>Income from Continuing Operations</b>											
Rates	\$61,961	\$108,821	\$112,476	\$116,240	\$120,234	\$124,500	\$129,092	\$134,079	\$139,549	\$145,618	\$152,434
Annual Charges	\$18,016	\$18,556	\$19,113	\$19,686	\$20,277	\$20,885	\$21,512	\$22,157	\$22,822	\$23,506	\$24,211
User Charges & Fees	\$33,803	\$41,394	\$43,726	\$46,108	\$47,722	\$49,392	\$51,121	\$52,910	\$54,762	\$56,679	\$58,662
Other Revenue	\$10,292	\$10,704	\$11,078	\$11,466	\$11,867	\$12,283	\$12,713	\$13,158	\$13,618	\$14,095	\$14,588
Grants & Contributions provided for Operating Purposes	\$5,027	\$5,102	\$5,179	\$5,257	\$5,335	\$5,416	\$5,497	\$5,579	\$5,663	\$5,748	\$5,834
Grants & Contributions provided for Capital Purposes	\$11,378	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444
Interest & Investment Revenue	\$3,165	\$3,353	\$3,753	\$3,987	\$4,048	\$4,251	\$4,500	\$4,945	\$5,464	\$6,053	\$6,708
Other Income	\$5,887	\$6,814	\$7,053	\$7,299	\$7,555	\$7,819	\$8,093	\$8,376	\$8,669	\$8,973	\$9,287
<b>Total Income from Continuing Operations</b>	\$149,528	\$202,188	\$209,822	\$217,488	\$224,483	\$231,990	\$239,971	\$248,648	\$257,991	\$268,115	\$279,168
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	\$54,406	\$60,373	\$62,939	\$65,614	\$68,402	\$71,309	\$74,340	\$77,499	\$80,793	\$84,227	\$87,806
Materials & Services	\$53,986	\$57,221	\$58,937	\$60,705	\$62,526	\$64,402	\$66,334	\$68,324	\$70,374	\$72,485	\$74,660
Materials & Services- Strategy		\$6,603	\$7,818	\$6,861	\$6,651	\$5,934	\$6,132	\$5,910	\$6,163	\$5,943	\$6,057
Borrowing Costs	\$2,382	\$2,233	\$2,052	\$1,862	\$1,678	\$1,523	\$1,354	\$1,177	\$993	\$798	\$642
Depreciation & Amortisation	\$28,795	\$32,476	\$33,993	\$35,942	\$37,772	\$39,823	\$41,469	\$42,962	\$44,531	\$46,015	\$47,671
Other Expenses	\$4,783	\$4,926	\$5,074	\$5,227	\$5,383	\$5,545	\$5,711	\$5,882	\$6,059	\$6,241	\$6,428
Net Losses from the Disposal of Assets	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277
<b>Total Expenses from Continuing Operations</b>	\$144,629	\$164,108	\$171,090	\$176,488	\$182,689	\$188,814	\$195,617	\$202,032	\$209,190	\$215,986	\$223,542
<b>Operating Result from Continuing Operations</b>	\$4,899	\$38,080	\$38,732	\$41,000	\$41,794	\$43,176	\$44,354	\$46,616	\$48,801	\$52,129	\$55,626
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	(\$6,479)	\$30,636	\$31,288	\$33,556	\$34,350	\$35,732	\$36,910	\$39,172	\$41,357	\$44,685	\$48,182

Table 19. Option 2B – Cashflow Statement

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Rates	61,383	109,359	112,476	116,240	120,234	124,500	129,092	134,079	139,549	145,618	152,434
Annual Charges	18,016	18,556	19,113	19,686	20,277	20,885	21,512	22,157	22,822	23,506	24,211
User Charges & Fees	33,803	41,394	43,726	46,108	47,722	49,392	51,121	52,910	54,762	56,679	58,662
Investment & Interest Revenue Received	3,165	3,353	3,753	3,987	4,048	4,251	4,500	4,945	5,464	6,053	6,708
Grants & Contributions	12,471	12,546	12,623	12,701	12,779	12,860	12,941	13,023	13,107	13,192	13,278
Bonds & Deposits Received	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Other	16,179	17,518	18,131	18,765	19,422	20,102	20,806	21,534	22,287	23,067	23,875
<b>Payments</b>											
Employee Benefits & On-Costs	(54,406)	(60,373)	(62,939)	(65,614)	(68,402)	(71,309)	(74,340)	(77,499)	(80,793)	(84,227)	(87,806)
Materials & Contracts	(53,986)	(63,823)	(66,755)	(67,567)	(69,177)	(70,337)	(72,466)	(74,234)	(76,537)	(78,429)	(80,717)
Borrowing Costs	(2,382)	(2,233)	(2,052)	(1,862)	(1,678)	(1,523)	(1,354)	(1,177)	(993)	(798)	(642)
Bonds & Deposits Refunded	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)
Other	(4,783)	(4,926)	(5,074)	(5,227)	(5,383)	(5,545)	(5,711)	(5,882)	(6,059)	(6,241)	(6,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>29,459</b>	<b>71,371</b>	<b>73,002</b>	<b>77,219</b>	<b>79,842</b>	<b>83,276</b>	<b>86,100</b>	<b>89,855</b>	<b>93,610</b>	<b>98,421</b>	<b>103,575</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Sale of Investment Securities											
Redemption of term deposits											
Sale of Infrastructure, Property, Plant & Equipment											
<b>Payments</b>											
Purchase of Investment Securities											
Purchase of Investment Property											
Purchase of Infrastructure, Property, Plant & Equipment	(92,444)	(36,811)	(43,825)	(69,534)	(68,246)	(74,106)	(66,879)	(64,817)	(67,540)	(66,884)	(71,632)
Contributions paid to joint ventures and associates	–	–	–	–	–	–	–	–	–	–	–
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(92,444)</b>	<b>(36,811)</b>	<b>(43,825)</b>	<b>(69,534)</b>	<b>(68,246)</b>	<b>(74,106)</b>	<b>(66,879)</b>	<b>(64,817)</b>	<b>(67,540)</b>	<b>(66,884)</b>	<b>(71,632)</b>

	2024/25 (\$'000)	2025/26 (\$'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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
<b>Proceeds from Borrowings &amp; Advances</b>	20,000										
<b>Payments</b>											
Repayment of Borrowings & Advances	(2,863)	(3,784)	(3,961)	(4,147)	(3,464)	(3,333)	(3,497)	(3,670)	(3,851)	(4,040)	(2,939)
Repayment of lease liabilities (principal repayments)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)
<b>Net Cash Flow provided (used in) Financing Activities</b>	16,834	(4,087)	(4,264)	(4,450)	(3,767)	(3,636)	(3,800)	(3,973)	(4,154)	(4,343)	(3,242)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(46,151)</b>	<b>30,474</b>	<b>24,913</b>	<b>3,235</b>	<b>7,830</b>	<b>5,533</b>	<b>15,421</b>	<b>21,066</b>	<b>21,916</b>	<b>27,194</b>	<b>28,701</b>
<b>plus: Cash &amp; Cash Equivalents – beginning of year</b>	<b>22,849</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Cash &amp; Cash Equivalents – end of the year</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Investments – end of the year</b>	<b>59,599</b>	<b>90,073</b>	<b>114,986</b>	<b>118,221</b>	<b>126,051</b>	<b>131,584</b>	<b>147,005</b>	<b>168,071</b>	<b>189,987</b>	<b>217,181</b>	<b>245,881</b>
<b>Cash, Cash Equivalents &amp; Investments – end of the year</b>	<b>80,599</b>	<b>111,073</b>	<b>135,986</b>	<b>139,221</b>	<b>147,051</b>	<b>152,584</b>	<b>168,005</b>	<b>189,071</b>	<b>210,987</b>	<b>238,181</b>	<b>266,881</b>

Table 19. Option 2B – Balance Sheet

	2024/25 (\$'000)	2025/26 (\$'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)
<b>Current Assets</b>											
Cash & Cash Equivalents	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Investments	\$59,599	\$90,073	\$114,986	\$118,221	\$126,051	\$131,584	\$147,005	\$168,071	\$189,987	\$217,181	\$245,881
Receivables	\$10,547	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009	\$10,009
Inventories	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Other	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626
<b>Total Current Assets</b>	<b>\$91,832</b>	<b>\$121,768</b>	<b>\$146,681</b>	<b>\$149,916</b>	<b>\$157,746</b>	<b>\$163,279</b>	<b>\$178,700</b>	<b>\$199,766</b>	<b>\$221,682</b>	<b>\$248,876</b>	<b>\$277,576</b>
<b>Non-Current Assets</b>											
Receivables	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
\$1,752,868	\$1,752,868	\$1,756,926	\$1,766,481	\$1,799,796	\$2,009,973	\$2,043,979	\$2,069,112	\$2,090,690	\$2,113,422	\$2,345,354	\$2,369,038
\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698
\$1,258	\$1,258	\$1,202	\$1,146	\$3,930	\$3,874	\$3,818	\$3,762	\$3,706	\$3,650	\$2,328	\$3,739
\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
<b>\$1,808,628</b>	<b>\$1,808,628</b>	<b>\$1,812,630</b>	<b>\$1,822,129</b>	<b>\$1,858,228</b>	<b>\$2,068,349</b>	<b>\$2,102,299</b>	<b>\$2,127,376</b>	<b>\$2,148,898</b>	<b>\$2,171,574</b>	<b>\$2,402,184</b>	<b>\$2,427,279</b>
<b>\$1,900,461</b>	<b>\$1,900,461</b>	<b>\$1,934,398</b>	<b>\$1,968,810</b>	<b>\$2,008,144</b>	<b>\$2,226,095</b>	<b>\$2,265,578</b>	<b>\$2,306,076</b>	<b>\$2,348,664</b>	<b>\$2,393,255</b>	<b>\$2,651,060</b>	<b>\$2,704,855</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832
Contract Liabilities	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099
Lease Liabilities	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
Borrowings	\$3,784	\$3,961	\$4,147	\$3,464	\$3,333	\$3,497	\$3,670	\$3,851	\$4,040	\$1,672	\$1,872
Employee Benefit Provisions	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100
<b>Total Current Liabilities</b>	<b>\$54,118</b>	<b>\$54,296</b>	<b>\$54,481</b>	<b>\$53,798</b>	<b>\$53,668</b>	<b>\$53,832</b>	<b>\$54,004</b>	<b>\$54,185</b>	<b>\$54,375</b>	<b>\$52,007</b>	<b>\$52,207</b>
<b>Non-Current Liabilities</b>											
Lease Liabilities	\$750	\$391	\$32	\$2,513	\$2,154	\$1,795	\$1,436	\$1,077	\$718	\$359	\$0
Borrowings	\$46,794	\$42,833	\$38,686	\$35,222	\$31,889	\$28,392	\$24,722	\$20,871	\$16,831	\$13,892	\$12,220
Employee Benefit Provisions	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154
<b>Total Non-Current Liabilities</b>	<b>\$48,698</b>	<b>\$44,378</b>	<b>\$39,872</b>	<b>\$38,889</b>	<b>\$35,197</b>	<b>\$31,341</b>	<b>\$27,312</b>	<b>\$23,102</b>	<b>\$18,703</b>	<b>\$15,405</b>	<b>\$13,374</b>
<b>TOTAL LIABILITIES</b>	<b>\$102,816</b>	<b>\$98,673</b>	<b>\$94,353</b>	<b>\$92,687</b>	<b>\$88,865</b>	<b>\$85,172</b>	<b>\$81,316</b>	<b>\$77,287</b>	<b>\$73,078</b>	<b>\$67,411</b>	<b>\$65,580</b>
<b>Net Assets</b>	<b>\$1,797,645</b>	<b>\$1,835,725</b>	<b>\$1,874,457</b>	<b>\$1,915,457</b>	<b>\$2,137,230</b>	<b>\$2,180,406</b>	<b>\$2,224,760</b>	<b>\$2,271,376</b>	<b>\$2,320,177</b>	<b>\$2,583,649</b>	<b>\$2,639,275</b>
<b>EQUITY</b>											
Accumulated Surplus	\$981,215	\$1,019,296	\$1,058,027	\$1,099,028	\$1,140,821	\$1,183,997	\$1,228,351	\$1,274,967	\$1,323,769	\$1,375,898	\$1,431,524
IPPE Revaluation Reserve	\$816,429	\$816,429	\$816,429	\$816,429	\$996,409	\$996,409	\$996,409	\$996,409	\$996,409	\$1,207,751	\$1,207,751
<b>Total Equity</b>	<b>\$1,797,645</b>	<b>\$1,835,725</b>	<b>\$1,874,457</b>	<b>\$1,915,457</b>	<b>\$2,137,230</b>	<b>\$2,180,406</b>	<b>\$2,224,760</b>	<b>\$2,271,376</b>	<b>\$2,320,177</b>	<b>\$2,583,649</b>	<b>\$2,639,275</b>

## OPTION 3

This option is future focused, and includes improvement of Council's financial position, along with funding for planning and delivery of new and upgraded infrastructure, and increases to services and initiatives to achieve the desired outcomes within the Draft Ten-year Informing Strategies, including governance improvements. This option includes:

- Rates revenue is increased by 60% in the first year, 20% in the second year and 10% in the third year (inclusive of rate peg).
- From year 4, rate revenue is increased in line with rate peg.
- 'Minimum Residential Rates' are increased to \$1,300 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- 'Minimum Business Rates' are increased to \$1,400 per annum, the with ad valorem rate adjusted to achieve the permissible income based upon the above increases.
- Internal borrowings are repaid
- External borrowings are reduced by 70%
- Initiatives outlined in the Draft Informing Strategies are included, including new and upgraded infrastructure.
- 80% infrastructure renewal rate in Years 1 and 2, with 100% renewal rate from Years 3 to 10 to bring infrastructure to a 'satisfactory' condition over a ten-year period.
- Critical backlog infrastructure is addressed in Years 1 and 2.
- Level 3 infrastructure backlog is reduced by \$15m per year (indexed) from Years 3 to 10.
- From year 4, an additional \$15.5m per year (indexed) has been allocated to bring building infrastructure to a 'good' condition over a ten-year period.

Under this option, the average ordinary rates would be as follows:

Financial Year	Average residential rate	Financial Year	Average business rate
Year 1	\$1,611	Year 1	\$11,307
Year 2	\$1,933	Year 2	\$13,569
Year 3	\$2,127	Year 3	\$14,926

**Table 20.** Option 3: Financial Performance Indicators

Indicator	Benchmark	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34	2034/35	2035/36
Operating performance ratio	>0%	11.17%	18.11%	21.64%	21.60%	21.78%	21.83%	22.26%	22.58%	23.23%	23.83%
Own source operating revenue ratio	>60%	93.49%	94.18%	94.56%	94.70%	94.85%	94.99%	95.14%	95.29%	95.45%	95.60%
Unrestricted current ratio	>1.5	0.96	1.55	1.84	1.85	1.78	1.99	2.36	2.75	3.52	4.15
Debt service current ratio	>2	10.26	12.05	14.15	14.68	17.79	19.56	20.53	21.49	22.70	23.76
Cash expense cover ratio	> 3 months	6.91	8.29	10.63	11.83	12.18	12.26	13.10	14.25	15.44	17.00
Buildings and infrastructure renewal ratio	>100%	82%	97%	142%	182%	180%	179%	179%	178%	178%	178 %
Infrastructure backlog ratio – condition 3	<2%	8.84%	8.72%	7.99%	6.55%	5.81%	5.10%	4.37%	3.63%	2.62%	1.91%
Infrastructure backlog ratio – condition 2	<2%	33.82%	34.31%	33.86%	29.46%	28.08%	26.80%	25.54%	24.24%	20.88%	19.66%
Asset maintenance ratio	>100%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Table 21. Option 3 – Income Statement

	2024/25 Budget (\$'000)	2025/26 (\$'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)
<b>Income from Continuing Operations</b>											
Rates	\$61,961	\$99,527	\$119,823	\$132,195	\$136,668	\$141,427	\$146,526	\$152,036	\$158,045	\$164,669	\$172,056
Annual Charges	\$18,016	\$18,556	\$19,113	\$19,686	\$20,277	\$20,885	\$21,512	\$22,157	\$22,822	\$23,506	\$24,211
User Charges & Fees	\$33,803	\$41,394	\$43,726	\$46,108	\$47,722	\$49,392	\$51,121	\$52,910	\$54,762	\$56,679	\$58,662
Other Revenue	\$10,292	\$10,704	\$11,078	\$11,466	\$11,867	\$12,283	\$12,713	\$13,158	\$13,618	\$14,095	\$14,588
Grants & Contributions provided for Operating Purposes	\$5,027	\$5,102	\$5,179	\$5,257	\$5,335	\$5,416	\$5,497	\$5,579	\$5,663	\$5,748	\$5,834
Grants & Contributions provided for Capital Purposes	\$11,378	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444	\$7,444
Interest & Investment Revenue	\$3,165	\$3,224	\$3,614	\$3,932	\$4,356	\$4,947	\$5,615	\$6,508	\$7,509	\$8,613	\$9,817
Other Income	\$5,887	\$6,814	\$7,053	\$7,299	\$7,555	\$7,819	\$8,093	\$8,376	\$8,669	\$8,973	\$9,287
<b>Total Income from Continuing Operations</b>	<b>\$149,528</b>	<b>\$192,766</b>	<b>\$217,029</b>	<b>\$233,387</b>	<b>\$241,224</b>	<b>\$249,613</b>	<b>\$258,520</b>	<b>\$268,168</b>	<b>\$278,532</b>	<b>\$289,726</b>	<b>\$301,900</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	\$54,406	\$60,893	\$63,481	\$66,179	\$68,991	\$71,924	\$74,980	\$78,167	\$81,489	\$84,952	\$88,563
Materials & Services	\$53,986	\$57,221	\$58,937	\$60,705	\$62,526	\$64,402	\$66,334	\$68,324	\$70,374	\$72,485	\$74,660
Materials & Services – Strategies		\$6,603	\$7,818	\$6,861	\$6,651	\$5,934	\$6,132	\$5,910	\$6,163	\$5,943	\$6,057
Borrowing Costs	\$2,382	\$2,233	\$2,052	\$1,862	\$1,678	\$1,523	\$1,354	\$1,177	\$993	\$798	\$642
Depreciation & Amortisation	\$28,795	\$32,476	\$33,993	\$35,942	\$37,772	\$39,823	\$41,469	\$42,962	\$44,531	\$46,015	\$47,671
Other Expenses	\$4,783	\$4,926	\$5,074	\$5,227	\$5,383	\$5,545	\$5,711	\$5,882	\$6,059	\$6,241	\$6,428
Net Losses from the Disposal of Assets	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277
<b>Total Expenses from Continuing Operations</b>	<b>\$144,629</b>	<b>\$164,628</b>	<b>\$171,632</b>	<b>\$177,053</b>	<b>\$183,278</b>	<b>\$189,428</b>	<b>\$196,258</b>	<b>\$202,699</b>	<b>\$209,886</b>	<b>\$216,712</b>	<b>\$224,298</b>
<b>Operating Result from Continuing Operations</b>	<b>\$4,899</b>	<b>\$28,138</b>	<b>\$45,397</b>	<b>\$56,334</b>	<b>\$57,946</b>	<b>\$60,185</b>	<b>\$62,262</b>	<b>\$65,469</b>	<b>\$68,646</b>	<b>\$73,014</b>	<b>\$77,601</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(\$6,479)</b>	<b>\$20,694</b>	<b>\$37,953</b>	<b>\$48,890</b>	<b>\$50,502</b>	<b>\$52,741</b>	<b>\$54,818</b>	<b>\$58,025</b>	<b>\$61,202</b>	<b>\$65,570</b>	<b>\$70,157</b>

Table 22. Option 3 – Cashflow Statement

	2024/25 (\$'000)	2025/26 (\$'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)
<b>Cashflow from Operating Activities</b>											
<b>Receipts</b>											
Rates	61,383	99,527	119,823	132,195	136,668	141,427	146,526	152,036	158,045	164,669	172,056
Annual Charges	18,016	18,556	19,113	19,686	20,277	20,885	21,512	22,157	22,822	23,506	24,211
User Charges & Fees	33,803	41,394	43,726	46,108	47,722	49,392	51,121	52,910	54,762	56,679	58,662
Investment & Interest Revenue Received	3,165	3,224	3,614	3,932	4,356	4,947	5,615	6,508	7,509	8,613	9,817
Grants & Contributions	12,471	12,546	12,623	12,701	12,779	12,860	12,941	13,023	13,107	13,192	13,278
Bonds & Deposits Received	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Other	16,179	17,518	18,131	18,765	19,422	20,102	20,806	21,534	22,287	23,067	23,875
<b>Payments</b>											
Employee Benefits & On-Costs	(54,406)	(60,893)	(63,481)	(66,179)	(68,991)	(71,924)	(74,980)	(78,167)	(81,489)	(84,952)	(88,563)
Materials & Contracts	(53,986)	(63,823)	(66,755)	(67,567)	(69,177)	(70,337)	(72,466)	(74,234)	(76,537)	(78,429)	(80,717)
Borrowing Costs	(2,382)	(2,233)	(2,052)	(1,862)	(1,678)	(1,523)	(1,354)	(1,177)	(993)	(798)	(642)
Bonds & Deposits Refunded	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)
Other	(4,783)	(4,926)	(5,074)	(5,227)	(5,383)	(5,545)	(5,711)	(5,882)	(6,059)	(6,241)	(6,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>29,459</b>	<b>60,891</b>	<b>79,667</b>	<b>92,553</b>	<b>95,994</b>	<b>100,285</b>	<b>104,008</b>	<b>108,707</b>	<b>113,454</b>	<b>119,306</b>	<b>125,549</b>
<b>Cashflow from Investing Activities</b>											
<b>Receipts</b>											
Sale of Investment Securities											
Redemption of term deposits											
Sale of Infrastructure, Property, Plant & Equipment											
<b>Payments</b>											
Purchase of Investment Securities											
Purchase of Investment Property											
Purchase of Infrastructure, Property, Plant & Equipment	(92,444)	(36,811)	(43,825)	(69,534)	(83,746)	(90,071)	(83,323)	(81,754)	(84,986)	(84,852)	(90,140)
Contributions paid to joint ventures and associates	–	–	–	–	–	–	–	–	–	–	–
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(92,444)</b>	<b>(36,811)</b>	<b>(43,825)</b>	<b>(69,534)</b>	<b>(83,746)</b>	<b>(90,071)</b>	<b>(83,323)</b>	<b>(81,754)</b>	<b>(84,986)</b>	<b>(84,852)</b>	<b>(90,140)</b>

	2024/25 (\$'000)	2025/26 (\$'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)
<b>Cashflow from Financing Activities</b>											
<b>Receipts</b>											
<b>Proceeds from Borrowings &amp; Advances</b>	20,000										
<b>Payments</b>											
Repayment of Borrowings & Advances	(2,863)	(3,784)	(3,961)	(4,147)	(3,464)	(3,333)	(3,497)	(3,670)	(3,851)	(4,040)	(2,939)
Repayment of lease liabilities (principal repayments)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)	(303)
<b>Net Cash Flow provided (used in) Financing Activities</b>	16,834	(4,087)	(4,264)	(4,450)	(3,767)	(3,636)	(3,800)	(3,973)	(4,154)	(4,343)	(3,242)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(46,151)</b>	<b>19,993</b>	<b>31,578</b>	<b>18,569</b>	<b>8,482</b>	<b>6,577</b>	<b>16,885</b>	<b>22,981</b>	<b>24,315</b>	<b>30,110</b>	<b>32,168</b>
<b>plus: Cash &amp; Cash Equivalents – beginning of year</b>	<b>22,849</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Cash &amp; Cash Equivalents – end of the year</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Investments – end of the year</b>	<b>59,599</b>	<b>79,593</b>	<b>111,171</b>	<b>129,740</b>	<b>138,222</b>	<b>144,799</b>	<b>161,685</b>	<b>184,665</b>	<b>208,980</b>	<b>239,090</b>	<b>271,258</b>
<b>Cash, Cash Equivalents &amp; Investments – end of the year</b>	<b>80,599</b>	<b>100,593</b>	<b>132,171</b>	<b>150,740</b>	<b>159,222</b>	<b>165,799</b>	<b>182,685</b>	<b>205,665</b>	<b>229,980</b>	<b>260,090</b>	<b>292,258</b>

Table 23. Option 3 – Balance Sheet

	2024/25 (\$'000) - FY2025 Approved Budget	2025/26 (\$'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)
<b>Current Assets</b>											
Cash & Cash Equivalents	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Investments	\$59,599	\$79,593	\$111,171	\$129,740	\$138,222	\$144,799	\$161,685	\$184,665	\$208,980	\$239,090	\$271,258
Receivables	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547	\$10,547
Inventories	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Other	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626	\$626
<b>Total Current Assets</b>	<b>\$91,832</b>	<b>\$111,826</b>	<b>\$143,404</b>	<b>\$161,973</b>	<b>\$170,455</b>	<b>\$177,032</b>	<b>\$193,918</b>	<b>\$216,898</b>	<b>\$241,213</b>	<b>\$271,323</b>	<b>\$303,491</b>
<b>Non-Current Assets</b>											
Receivables	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
Infrastructure, Property, Plant & Equipment	\$1,752,868	\$1,756,926	\$1,766,481	\$1,799,796	\$2,025,473	\$2,075,444	\$2,117,021	\$2,155,536	\$2,195,713	\$2,453,844	\$2,496,035
Investment Property	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698	\$53,698
Right of Use Assets	\$1,258	\$1,202	\$1,146	\$3,930	\$3,874	\$3,818	\$3,762	\$3,706	\$3,650	\$2,328	\$3,739
Investments Accounted for Using the Equity Method	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
<b>Total Non-Current Assets</b>	<b>\$1,808,628</b>	<b>\$1,812,630</b>	<b>\$1,822,129</b>	<b>\$1,858,228</b>	<b>\$2,083,849</b>	<b>\$2,133,764</b>	<b>\$2,175,285</b>	<b>\$2,213,744</b>	<b>\$2,253,865</b>	<b>\$2,510,674</b>	<b>\$2,554,276</b>
<b>TOTAL ASSETS</b>	<b>\$1,900,461</b>	<b>\$1,924,456</b>	<b>\$1,965,533</b>	<b>\$2,020,201</b>	<b>\$2,254,304</b>	<b>\$2,310,796</b>	<b>\$2,369,202</b>	<b>\$2,430,642</b>	<b>\$2,495,078</b>	<b>\$2,781,997</b>	<b>\$2,857,767</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832	\$32,832
Contract Liabilities	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099	\$4,099
Lease Liabilities	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303	\$303
Borrowings	\$3,784	\$3,961	\$4,147	\$3,464	\$3,333	\$3,497	\$3,670	\$3,851	\$4,040	\$1,672	\$1,872
Employee Benefit Provisions	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100	\$13,100
<b>Total Current Liabilities</b>	<b>\$54,118</b>	<b>\$54,296</b>	<b>\$54,481</b>	<b>\$53,798</b>	<b>\$53,668</b>	<b>\$53,832</b>	<b>\$54,004</b>	<b>\$54,185</b>	<b>\$54,375</b>	<b>\$52,007</b>	<b>\$52,207</b>
<b>Non-Current Liabilities</b>											
Lease Liabilities	\$750	\$391	\$32	\$2,513	\$2,154	\$1,795	\$1,436	\$1,077	\$718	\$359	\$0
Borrowings	\$46,794	\$42,833	\$38,686	\$35,222	\$31,889	\$28,392	\$24,722	\$20,871	\$16,831	\$13,892	\$12,220
Employee Benefit Provisions	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154	\$1,154
<b>Total Non-Current Liabilities</b>	<b>\$48,698</b>	<b>\$44,378</b>	<b>\$39,872</b>	<b>\$38,889</b>	<b>\$35,197</b>	<b>\$31,341</b>	<b>\$27,312</b>	<b>\$23,102</b>	<b>\$18,703</b>	<b>\$15,405</b>	<b>\$13,374</b>
<b>TOTAL LIABILITIES</b>	<b>\$102,816</b>	<b>\$98,673</b>	<b>\$94,353</b>	<b>\$92,687</b>	<b>\$88,865</b>	<b>\$85,172</b>	<b>\$81,316</b>	<b>\$77,287</b>	<b>\$73,078</b>	<b>\$67,411</b>	<b>\$65,580</b>
<b>Net Assets</b>	<b>\$1,797,645</b>	<b>\$1,825,782</b>	<b>\$1,871,180</b>	<b>\$1,927,514</b>	<b>\$2,165,439</b>	<b>\$2,225,624</b>	<b>\$2,287,886</b>	<b>\$2,353,355</b>	<b>\$2,422,000</b>	<b>\$2,714,586</b>	<b>\$2,792,187</b>
<b>EQUITY</b>											
Accumulated Surplus	\$981,215	\$1,009,353	\$1,054,750	\$1,111,084	\$1,169,030	\$1,229,215	\$1,291,477	\$1,356,946	\$1,425,592	\$1,498,606	\$1,576,207
IPPE Revaluation Reserve	\$816,429	\$816,429	\$816,429	\$816,429	\$996,409	\$996,409	\$996,409	\$996,409	\$996,409	\$1,215,980	\$1,215,980
<b>Total Equity</b>	<b>\$1,797,645</b>	<b>\$1,825,782</b>	<b>\$1,871,180</b>	<b>\$1,927,514</b>	<b>\$2,165,439</b>	<b>\$2,225,624</b>	<b>\$2,287,886</b>	<b>\$2,353,355</b>	<b>\$2,422,000</b>	<b>\$2,714,586</b>	<b>\$2,792,187</b>

# PART 06

## Sensitivity analysis

### 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.

The sensitivity analysis includes a risk assessment for each item based upon Council's enterprise risk management framework.

As part of its governance framework, the Council will proactively monitor both existing and emerging risks through a variety of key initiatives, including internal audit programs, business continuity risk assessments, and oversight by the Audit, Risk, and Improvement Committee (ARIC), along with continuous financial performance reporting.

The Council's Risk Analysis framework comprehensively identifies, evaluates, and categorises risks based on their potential impact and severity using a detailed risk matrix. This process serves several critical functions:

- **Enhancing Risk Awareness:** Ensures a thorough understanding of potential risks across the organisation.
- **Determining Acceptable Risk Levels:** Clarifies the level of risk the Council is willing to accept, both individually and collectively.
- **Evaluating Risk Mitigation Capacity:** Assesses the Council's ability to control, manage, and reduce identified risks.

- **Supporting Risk Framework Reviews:** Provides a crucial tool for ongoing evaluations and improvements to the Council's Enterprise Risk Management Framework.

Through this robust approach, the Council strengthens its ability to manage uncertainty and safeguard its strategic objectives.

Figure 6. Risk matrix

		CONSEQUENCE LEVEL			
		Low	Medium	High	Critical
LIKELIHOOD LEVEL	Almost certain	10	11	15	16
	Likely	4	9	13	14
	Possible	3	7	8	12
	Rare	1	2	5	6

Risk levels	
12-16	Extreme
5-11	Moderate
1-4	Low

Council's financial position and forecasts are subject to the following risks. Council's current financial position is not able to mitigate these risks. Each of the three scenarios within this Long-term Financial Plan strengthen Council's financial position and allow some flexibility in managing risks.

## Special rate variation

Risk: That SRV application is not approved by IPART  
Current risk rating: Extreme

As outlined in this Long-Term Financial Plan, Council's financial position is unsustainable in the short-term. Additional loan borrowings would need to be taken and/or strategically held properties needing sale to pay short-term liabilities as and when they fall due.

Service levels require substantial cuts and over time, and infrastructure would be subject to failure due to lack of maintenance or renewal.

## North Sydney Olympic Pool Operations

Risk: That target operational results are not achieved.  
Current risk rating: Extreme  
Future risk rating: Low

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

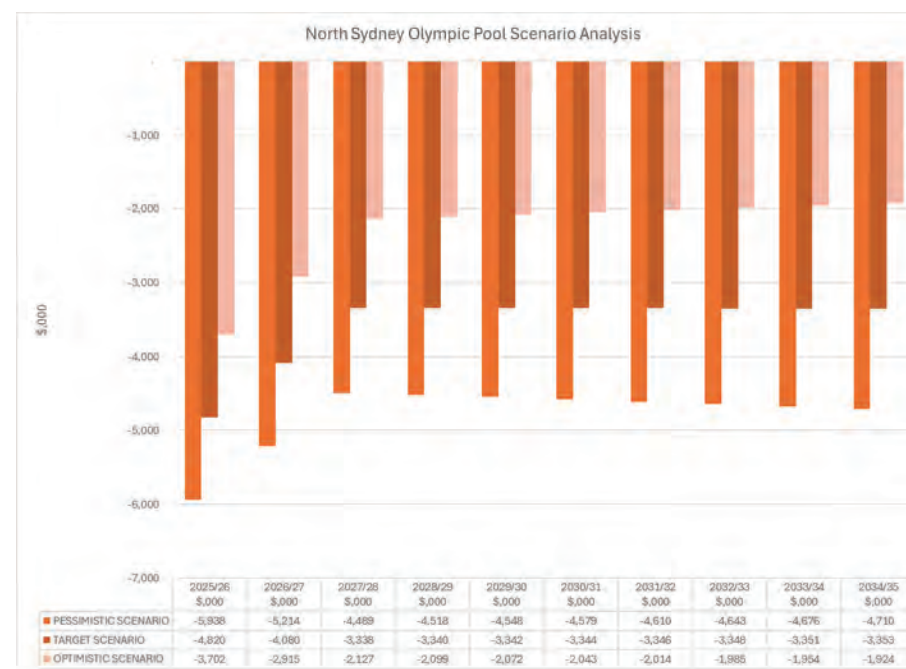
The target scenario included within Council's long-term financial plan is based upon attendance of 500,000 persons in Year 1, expanding to 520,000 by Year 3. This scenario also assumes 1,700 registered learn to swim participants and 1,200 gym users within Year 1 expanding to 2,250 learn to swim participant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

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. As these opportunities are uncertain, they have not been included within the financial modelling.

Should risks associated with less than forecast attendance and memberships eventuate, Council would have to reduce its expenditure on services or asset backlogs accordingly.

Based upon Council's current financial position and projections, this would create an extreme risk. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk.

Figure 7. North Sydney Olympic Pool scenario analysis



Scenario	2025/26 (\$'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)
Pessimistic	-5,938	-5,214	-4,489	-4,518	-4,548	-4,579	-4,610	-4,643	-4,676	-4,710
Target	-4,820	-4,080	-3,338	-3,340	-3,342	-3,344	-3,346	-3,348	-3,351	-3,353
Optimistic	-3,702	-2,915	-2,127	-2,099	-2,072	-2,043	-2,014	-1,985	-1,954	-1,924

## Car parking revenue

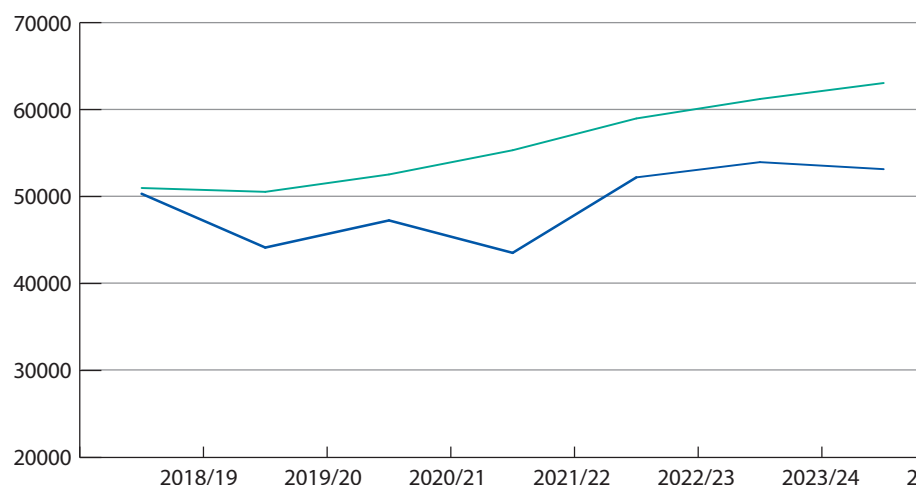
Risk: That car parking revenue continues to decline.

Current risk rating: Extreme

Future risk rating: Moderate

The following chart demonstrates the volatility in on street car-parking revenue following the 2020 COVID pandemic.

Figure 8. On-street car parking



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

1. Changes to societal behaviours following the pandemic, with increased prevalence of work-from-home arrangements reducing car ownership;
2. TfNSW major road projects have reduced the availability of on-street car parks which have previously been subject to car parking user charges;
3. The opening of the new Sydney Metro has reduced travel time for public transport to North Sydney, thereby reducing car travel to the area;
4. 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.

A review of car-parking income expected within 2024/25 has been undertaken and it is expected that it will reduce by a minimum of \$1 million as a result of the factors above. For the purposes of modelling the Long-Term Financial Plan, estimated income from 2024/25 of \$7.3m has been included. No further reduction in on-street car parking included in the projections as this is difficult to predict at this time.

Should the usage of on-street car parking reduce by a further 20%, this would result in a further loss of approximately \$1.46m in revenue.

Should risks associated with reduced on-street car-parking eventuate, Council would have to reduce its expenditure on services or asset backlogs accordingly.

Based upon Council's current financial position and projections, this would create an extreme risk. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk.

## Infringement Income – sensitivity of changes to fine delivery

Risk: That infringement income declines or costs increase.

Current risk rating: Extreme

Future risk rating: Moderate

After volatility in this income stream since the 2020 COVID pandemic, income levels have recently returned to pre-pandemic levels. In 2024/25, Council has budgeted to receive \$9m in revenue from infringements. Most of these infringements are parking related.

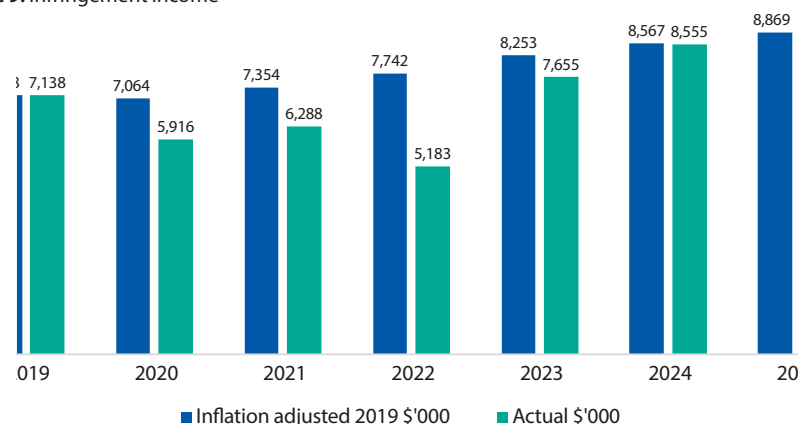
The NSW Government has recently introduced changes to the method of delivery for parking fines, and it is anticipated that this will impact Council's overall revenue. Instead of electronic delivery of parking fines, as is the practice with other vehicle related fines such as speeding, mobile phone use, changes will require council parking rangers to issue paper-based fines manually.

There is a risk that this change could result in either a drop in revenue, with less parking tickets issued, or increased expenses associated with the increased cost of safety measures required.

A 15% reduction in infringement revenue would result in a reduction in income of \$1.35m.

Should risks associated with reduced infringement revenue eventuate, Council would have to reduce its expenditure on services or asset backlogs accordingly. Based upon Council's current financial position and projections, this would create an extreme risk. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk.

Figure 9. Infringement income



## Reduction of Financial Assistance Grants

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

Current risk rating: Moderate

Future risk rating: Low

Council currently receives \$2.4m 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. Based upon Council's current financial position and projections, the risk is measured at moderate as the likelihood is low. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk further.

## Development – housing increases

Risk: That annual dwelling increases fall below 300.

Current risk rating: Moderate

Future risk rating: Low

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, and an increase in minimum rates from \$715 to \$1,300 in Year 1.

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.

A moderate risk is assessed that housing completions do not meet the 300 new dwellings per year including within the assumptions of this plan. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk to low.

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

## Capital works costs

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

Current risk rating: Extreme

Future risk rating: Moderate

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 3%. 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.

Based upon Council's current financial position, increased costs of construction will place pressure on already low funds available for critical renewals. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk.



## Skills shortages

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

Current risk rating: Extreme

Future risk rating: Low

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.

Current risk rating: Critical

Future risk rating: Moderate

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.

Current risk rating: Extreme

Future risk rating: Moderate

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.

Council is aware of three applications for 'Build to Rent' developments within the Local Government Area.

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.

Based upon Council's current financial position, any reduction in revenue is considered a critical risk. Based upon the three scenarios provided within this plan, the strengthened overall position of Council would reduce this risk.

## Monitoring and reporting

The financial forecasts presented in the Long-Term Financial Plan (LTFP) are based on a set of assumptions that may change due to shifts in economic conditions or Council priorities. As such, the LTFP will be reviewed annually during the development of the Operational Plan and Budget.

Each review will assess the accuracy of previous year's projections by comparing the plan's forecasts with actual results. This evaluation will inform updates to estimates and scenarios, helping to refine the accuracy of the plan for the long term.

Throughout the year, the Quarterly Budget Review Statement (QBRs) will monitor year-to-date performance against budgeted figures and forecasts. Additionally, Council will conduct a comprehensive review of the LTFP as part of the periodic review of the Community Strategic Plan, in accordance with the Integrated Planning and Reporting (IP&R) process. This review will take place within nine months of each local government election.

## APPENDIX

The following table outlines capital works identified within the Draft Informing Strategies for 2024/25 to 2034/35, along with proposed funding sources. All other infrastructure renewals will be determined through Council's asset management planning process taking a risk based approach.

PROJECT DESCRIPTION	ESTIMATED TOTAL PROJECT COST		CLASSIFICATION			
		Rates funding – New and Upgraded infrastructure	Rates funding – Backlog and Depreciation	Reserve movements	Developer Contribution funded	Grant funded (not guaranteed)
OPEN SPACE AND RECREATION						
Prepare and deliver a modified version of the adopted Hume Street Park expansion project that includes retaining and refurbishing the existing indoor sports centre	\$10,000,000	\$-	\$-	\$-	\$5,000,000	\$5,000,000
Work with NSW Government to convert the under-utilised deck of the tramway viaduct near North Sydney Train Station into a 4,650m² active recreation space.	\$14,000,000	\$-	\$-	\$-	\$-	\$14,000,000
Deliver new public space through completion of the Balls Head Quarantine Depot site redevelopment project.	\$3,000,000	\$3,000,000	\$-	\$-	\$-	\$-
Renew and upgrade the North Sydney Indoor Sports Centre to increase capacity and useability.	\$5,500,000	\$2,361,832	\$3,138,168	\$-	\$-	\$-
Upgrade the tennis courts and associated amenities in Green Park to create a multi-use facility	\$500,000	\$500,000	\$-	\$-	\$-	\$-
Increase the capacity of sportsfields through the installation of alternative playing surfaces such as hybrid or synthetic turf.	\$2,500,000	\$2,500,000	\$-	\$-	\$-	\$-
Increase the capacity and utilisation of existing sportsfields and courts through a program of infrastructure improvements.	\$5,300,000	\$4,364,706	\$-	\$-	\$935,294	\$-
Implement projects to improve the accessibility of parks and playgrounds across the LGA	\$1,800,000	\$1,800,000	\$-	\$-	\$-	\$-
Deliver gender-neutral player facilities at North Sydney Oval to encourage and cater for the growth in female participation.	\$3,150,000	\$3,150,000	\$-	\$-	\$-	\$-
Refurbish the existing facilities building at Primrose Park and incorporate gender neutral amenities and change rooms.	\$1,150,000	\$1,114,410	\$35,590	\$-	\$-	\$-
Deliver a new public amenities and facilities building at Tunks Park that incorporates gender neutral facilities.	\$3,150,000	\$2,574,807	\$575,193	\$-	\$-	\$-

PROJECT DESCRIPTION	ESTIMATED TOTAL PROJECT COST	CLASSIFICATION				
		Rates funding – New and Upgraded infrastructure	Rates funding – Backlog and Depreciation	Reserve movements	Developer Contribution funded	Grant funded (not guaranteed)
Renew the following playgrounds in accordance with the Neighbourhood Parks Plan of Management 2022 and the Playgrounds Plan of Management 2022: <ul style="list-style-type: none"> <li>• Phillips Street Playground</li> <li>• Euroka Street Playground</li> <li>• Victoria Street Playground</li> <li>• Refurbish Mary French Reserve Playground</li> <li>• W H Brothers Memorial Reserve Playground</li> <li>• Cremorne Reserve Playground</li> <li>• Milson Park Playground</li> <li>• Bradfield Park Playground*</li> <li>• Cahill Playground</li> <li>• Blues Point Reserve Playground</li> <li>• Tunks Park Playground</li> <li>• Berrys Island Playground</li> <li>• Ilbery Playground</li> <li>• Hodgsons Reserve Playground</li> <li>• Brightmore Reserve Playground*</li> <li>• Grassmere Reserve Playground</li> </ul> *Potential inclusion of adventure and challenge equipment for older children.	\$4,700,000	\$-	\$4,700,000	\$-	\$-	\$-
Upgrade Cammeray Skate Park	\$350,000	\$350,000	\$-	\$-	\$-	\$-
Deliver a park enhancement program for provision of infrastructure to improve the amenity of parks such as shelter, shade, water fountains, and seating.	\$1,000,000	\$1,000,000	\$-	\$-	\$-	\$-
Deliver additional active recreation facilities such as basketball ½ courts, outdoor table tennis tables and multi-use games areas in selected larger parks, such as Forsyth Park, Waverton Park, Bradfield Park and Brightmore Reserve	\$550,000	\$550,000	\$-	\$-	\$-	\$-
Design and construct new public amenities in St Leonards Park.	\$3,200,000	\$-	\$197,364	\$-	\$3,002,636	\$-
Renew and upgrade the public amenities at the following parks: <ul style="list-style-type: none"> <li>• Kesterton Park</li> <li>• Brennan Park</li> <li>• Forsyth Park</li> <li>• Waverton Park</li> </ul>	\$2,500,000	\$1,894,330	\$605,670	\$-	\$-	\$-
Explore opportunities to enhance outdoor fitness equipment in North Sydney.	\$180,000	\$180,000	\$-	\$-	\$-	\$-

PROJECT DESCRIPTION	ESTIMATED TOTAL PROJECT COST	CLASSIFICATION				
		Rates funding – New and Upgraded infrastructure	Rates funding – Backlog and Depreciation	Reserve movements	Developer Contribution funded	Grant funded (not guaranteed)
Review and upgrade the North Sydney LGA foreshore walk (identified as a priority project in the North District Green Grid strategy), with a view to improving accessibility.	\$4,415,252	\$–	\$–	\$–	\$–	\$4,415,252
Deliver improved drainage in St Leonards Park to increase the resilience of this highly used park.	\$1,100,000	\$1,100,000	\$–	\$–	\$–	\$–
Deliver landscape and lighting upgrades in Blue Point Reserve	\$1,050,000	\$1,050,000	\$–	\$–	\$–	\$–
Renew the Walker Street Steps (linking Lavender St with Quibaree Reserve)	\$2,500,000	\$–	\$2,500,000	\$–	\$–	\$–
Renew and upgrade the footpath and associated lighting in Watt Park	\$700,000	\$200,000	\$500,000	\$–	\$–	\$–
Construct perimeter path around Waverton Oval suitable for recreational cycling, jogging etc	\$250,000	\$250,000	\$–	\$–	\$–	\$–
Upgrade Dowling Street Reserve	\$350,000	\$350,000	\$–	\$–	\$–	\$–
Restore Lady Gowrie Lookout	\$500,000	\$–	\$–	\$–	\$–	\$500,000
Complete the Cremorne Reserve Pathway Improvements project	\$1,200,000	\$1,200,000	\$–	\$–	\$–	\$–
Replace the synthetic turf at Cammeray Park	\$1,200,000	\$1,086,000	\$114,000	\$–	\$–	\$–
Reconstruct the Tunks Park turf cricket wicket table	\$150,000	\$–	\$150,000	\$–	\$–	\$–
Renew and upgrade the North Sydney Oval complex.	\$32,000,000	\$6,906,102	\$9,093,899	\$–	\$–	\$16,000,000
Repair the retaining wall in Wendy's Secret Garden below Harbourview Crescent and undertake drainage improvements.	\$300,000	\$300,000	\$–	\$–	\$–	\$–
Replace brick ties at the North Sydney Olympic Swimming Pool	\$1,000,000	\$–	\$1,000,000	\$–	\$–	\$–
<b>INTEGRATED TRANSPORT</b>						
Deliver walking infrastructure projects identified in the North Sydney Walking Action Plan	\$4,000,000	\$2,000,000	\$–	\$–	\$–	\$2,000,000
Provide wayfinding signage across the LGA to increase awareness of safe, convenient and accessible walking and cycling routes between key destinations.	\$2,040,676	\$2,040,676	\$–	\$–	\$–	\$–
Review and implement the Local Area Transport Management (LATM) projects, focusing on highly walkable areas to widen footpaths, enhance the place experience, and install 40 raised pedestrian crossings by 2035.	\$6,722,029	\$3,361,015	\$–	\$–	\$–	\$3,361,015
Deliver cycling infrastructure projects identified in the North Sydney Cycling Plan.	\$18,000,000	\$4,500,000	\$–	\$–	\$–	\$13,500,000
Rebuild and repair heritage style bus shelters	\$3,300,000	\$43,985	\$3,256,015	\$–	\$–	\$–

PROJECT DESCRIPTION	ESTIMATED TOTAL PROJECT COST		CLASSIFICATION			
		Rates funding – New and Upgraded infrastructure	Rates funding – Backlog and Depreciation	Reserve movements	Developer Contribution funded	Grant funded (not guaranteed)
ENVIRONMENT STRATEGY						
Undertake bushland walking track upgrades in Badangi Reserve.	\$212,995	\$137,678	\$40,897	\$–	\$34,420	\$–
Undertake bushland walking track upgrades in Balls Head Reserve.	\$246,000	\$196,800	\$–	\$–	\$49,200	\$–
Undertake bushland walking track upgrades in Brightmore Reserve.	\$100,000	\$80,000	\$–	\$–	\$20,000	\$–
Undertake bushland walking track upgrades in Primrose Park.	\$222,630	\$178,104	\$–	\$–	\$44,526	\$–
Undertake bushland walking track upgrades in Gore Cove/Smoothey Park.	\$227,550	\$182,040	\$–	\$–	\$45,510	\$–
Undertake bushland walking track upgrades in Tunks Park.	\$70,000	\$56,000	\$–	\$–	\$14,000	\$–
Undertake bushland walking track upgrades in Berry Island Reserve.	\$210,000	\$168,000	\$–	\$–	\$42,000	\$–
Increase Council's renewable energy capacity (panels and batteries) on new and existing council infrastructure, to help achieve 100% real time renewable energy for all Council's operations.	\$720,000	\$720,000	\$–	\$–	\$–	\$–
Replace the gas boiler at the Stanton Library with an electric heat pump with integrated heating and cooling.	\$200,000	\$–	\$200,000	\$–	\$–	\$–
Replace the gas boiler at the Council Chambers with an electric heat pump with integrated heating and cooling.	\$200,000	\$–	\$200,000	\$–	\$–	\$–
Transition all Council plant and fleet to electric by 2035.	\$3,257,500	\$3,257,500	\$–	\$–	\$–	\$–
Expand existing stormwater harvesting and water reuse systems at Primrose Park.	\$120,000	\$120,000	\$–	\$–	\$–	\$–
Expand existing stormwater harvesting and water reuse systems at Bon Andrews Park.	\$145,000	\$145,000	\$–	\$–	\$–	\$–
Expand existing stormwater harvesting and water reuse systems at Tunks Park.	\$120,000	\$120,000	\$–	\$–	\$–	\$–
Develop a reserve for delivery of priorities identified in the Coal loader Strategic plan	\$4,000,000	\$–	\$–	\$4,000,000	\$–	\$–
Reduce the amount pollution/debris entering the harbour by expanding the Gross Pollutant Trap (GPT) network though the installation of at least three new GPTs by 2035.	\$1,500,000	\$–	\$–	\$–	\$–	\$1,500,000
SOCIAL INCLUSION STRATEGY						
Deliver a pilot in Ted Mack Civic Park for replacement of existing physical noticeboards with digital community information screens.	\$100,000	\$100,000	\$–	\$–	\$–	\$–
Work with Transport for NSW to deliver new public space through the Berrys Bay project. This project includes fit out of Woodleys Shed as a community facility.	\$1,000,000	\$1,000,000	\$–	\$–	\$–	\$–
Work with Neutral Bay Village land owners to deliver a new Neutral Bay Community Centre.	\$1,200,000	\$–	\$–	\$–	\$1,200,000	\$–
Upgrade the existing library and expand the floorspace into the adjoining James Place development.	\$24,741,181	\$12,000,000	\$12,741,181	\$–	\$–	\$–

PROJECT DESCRIPTION	ESTIMATED TOTAL PROJECT COST		CLASSIFICATION			
		Rates funding – New and Upgraded infrastructure	Rates funding – Backlog and Depreciation	Reserve movements	Developer Contribution funded	Grant funded (not guaranteed)
CULTURE AND CREATIVITY STRATEGY						
Develop and deliver a program of dual signage and place naming for key public spaces such as Stanton Library, North Sydney Council offices, the Coal Loader and major walkways such as Miller Street.	\$150,000	\$150,000	\$–	\$–	\$–	\$–
Replace existing BP site signage and include links to First Nations heritage on site	\$100,000	\$100,000	\$–	\$–	\$–	\$–
Commission First Nations artists to create First Nations public art	\$400,000	\$400,000	\$–	\$–	\$–	\$–
Deliver a new sign for the entry point to the Waverton Peninsula Parklands, and provide interpretive signage celebrating 100 years of community action on the peninsula.	\$200,000	\$200,000	\$–	\$–	\$–	\$–
Improve the War Memorial surrounds at St Leonards Park as detailed in the St Leonards Park Plan of Management	\$500,000	\$–	\$–	\$–	\$500,000	\$–
Refurbish the Brothers Memorial in Brothers Park, Cremorne	\$30,000	\$–	\$30,000	\$–	\$–	\$–
Deliver a variety of public art installations across the LGA.	\$800,000	\$800,000	\$–	\$–	\$–	\$–
Deliver public art in Little Walker Street and Gas Lane in accordance with the North Sydney CBD Public Domain Strategy.	\$200,000	\$200,000	\$–	\$–	\$–	\$–
Develop and implement a street art program to create vibrant public places	\$1,500,000	\$1,500,000	\$–	\$–	\$–	\$–
Develop a reserve to implement projects identified through the cultural infrastructure study.	\$2,000,000	\$–	\$–	\$2,000,000	\$–	\$–
ECONOMIC DEVELOPMENT STRATEGY						
Work with NSW Government agencies to deliver the Miller Place project including a major public plaza, recreation and entertainment space for the North Sydney CBD.	\$9,000,000	\$–	\$–	\$–	\$9,000,000	\$–
Design and deliver new 1,675m² plaza outside the iconic North Sydney Post Office.	\$5,000,000	\$–	\$–	\$–	\$5,000,000	\$–
Deliver North Sydney CBD laneway upgrades to improve walkability in Little Spring, Spring, Mount and Dension Streets.	\$8,750,000	\$–	\$–	\$–	\$8,750,000	\$–
Deliver a program of public domain improvement projects across town centres, including undergrounding of power lines.	\$11,003,000	\$8,151,000	\$2,852,000	\$–	\$–	\$–
Deliver the Cremorne Plaza and Langley Place upgrade project in accordance with the Neutral Bay and Cremorne Public Domain Upgrade Masterplan 2015	\$5,200,000	\$5,200,000	\$–	\$–	\$–	\$–
Provide a visible entrance to the LGA through clear signage.	\$500,000	\$500,000	\$–	\$–	\$–	\$–
GOVERNANCE STRATEGY						
Review Council accommodation and technology to ensure an effective workplace environment and alignment with new ways of working following the COVID pandemic	\$900,000	\$900,000	\$–	\$–	\$–	\$-





# ORGANISATIONAL IMPROVEMENT PLAN





## Organisational Improvement Plan

Council's current financial position will not support the level of service and infrastructure enjoyed by the community in past decades. The costs associated with the North Sydney Olympic Pool Redevelopment Project have placed significant pressure on Council's reserves and infrastructure renewals. Ongoing operating costs, including the repayment of over \$50 million in debt will result in ongoing operating deficits. Other factors such as declining revenue streams associated with car parking, fines and advertising, along with cost shifting from other levels of government further exacerbate forecast deficits. This position is not sustainable and requires structural change.

This organisational improvement plan forms one of the key elements to support a proposed special rate variation (SRV) application. Council has undertaken a review of the organisation to identify and implement savings initiatives. Council is also undertaking service reviews to identify further improvement opportunities that will deliver further cost savings and/or revenue increases.

Council has been on an improvement journey and remains committed to continuing with savings, productivity and revenue generation initiatives. This improvement plan and the ongoing service reviews focus on cost containment and productivity improvements that have been implemented by Council in the past or presently, as well as further opportunities for improvement in the future.

The objectives of this organisational improvement plan and ongoing service reviews are:

- long-term financial sustainability for Council
- a range of productivity improvements
- demonstrate to the Independent Pricing and Regulatory Tribunal (IPART) and the community that Council has considered a range of productivity improvements, cost savings and revenue increase measures
- demonstrate to IPART and the Office of Local Government (OLG) that Council has a prioritised program of ongoing service reviews aimed at continuous improvement and optimisation of its services
- productivity improvements as a means of reducing the amount of any SRV affecting the community.

This report outlines the initiatives that have been undertaken or are being considered by Council. It specifies what the cost saving is likely to be and whether this is a recurring or one-off saving.

Some initiatives may not lead to a cost saving but provide productivity or efficiency gains for the organisation.

## Service Review Framework

The service review framework is a structured approach used by Council to assess and improve the efficiency, effectiveness and relevance of the services we provide to the community.

This framework guides regular evaluations of our operations, ensuring they align with community expectations, statutory obligations and strategic priorities.

Each review assesses current performance, explores cost-saving opportunities, and considers alternative delivery options to enhance service quality.

Benchmarking with similar councils, conducting cost-benefit analyses, and engaging stakeholders are integral to the process.

Through this framework, we are committed to optimising resources and delivering value as we pursue continuous improvement.

As part of our Integrated Planning and Reporting framework, these are reported through our four-year Delivery Program and one-year Operational Plan.

Over time, all Council services will be reviewed. We are initially targeting a review of three services each financial year.

In 2025/26 we are planning to review:

- Legal Services
- Procurement
- Tree Management

## Improvement Plan

The below tables outline improvements initiatives. They are grouped into:

- past improvements, largely implemented in the last two years
- current improvements, in progress to be implemented in the next year
- future improvements, under evaluation to be implemented in next two years

Further details on each initiative are provided below in each table.

### Past Improvements

Past improvement	Efficiency gains / productivity improvements	Cost saving / revenue gain prior to 2024/25	Cost saving / revenue gain post 2024/25
Organisational realignment		\$2,300,000	
Solar power		\$117,000	\$100,000
Digital rates notices		\$25,000	
Digital business papers		\$5,000	
Internal borrowing to reduce ongoing borrowing costs		\$835,725	
Excess leave management		\$101,000	
Heat pump upgrades		\$50,000	
Cybersecurity system consolidation		\$101,000	
Mobile telephone network provision		\$60,000	
TOTAL		\$3,594,725	\$100,000

The above costs all represent ongoing annual savings.

### Organisational realignment

Starting in early 2023, Council reviewed its operating model with a view to implementing a new structure that streamlined leadership and created more positions in areas where they were needed.

In total, over 17% or \$6.39m of the total salaries and wages budget for the Council was refocused. Reducing the spend on management-level salaries has allowed \$2.3m for new resources in areas of need including compliance, parks and gardens, sustainability, community development, organisational improvement, risk management, information technology and customer experience.

### Solar power

Council has implemented 560kw of solar panels across its sites with a plan to implement a further 260kw, resulting in savings to our electricity expense.

### Digital rates notices

Council currently delivers 35% of rates notices digitally. We anticipate this will increase to 50% with the introduction of improved online systems and a general societal trend towards digital. This results in a cost saving to Council with the printing and posting of rates notices.

### Digital business papers

Council no longer physically prints Council meeting business papers, saving on printing expenses, staff time and petrol costs for driving and delivering the papers to Councillors. Business papers are now available digitally online.

### Internal borrowing to reduce ongoing borrowing costs

Where Council requires funds to pay for projects or other costs, responsible borrowing from internal reserves is used first before other forms of debt to reduce the cost of borrowing to the community.

### Excess leave management

Council is currently reviewing excess leave across the organisation and ensuring staff are taking this leave. Reducing excess leave reduces the financial burden of high leave liabilities, particularly excess leave being indexed with the Local Government Award salary increase each financial year, and encourages staff wellbeing.

### Heat pump upgrades

Council is progressively upgrading heat pumps to more efficient models, resulting in operational savings from the increase in energy efficiency.

### Cybersecurity system consolidation

In early 2024, Council moved several cybersecurity systems to a single vendor through a managed detection and response (MDR) service. MDR provides continuous monitoring, threat detection and incident response to protect organisations from advanced cyber threats.

The consolidation of services and systems to a single vendor provided a cost saving to Council.

### Mobile telephone network provision

In August 2022, Council switched its mobile phone and data services to a new vendor at a lower price. This included a review of accounts and a deactivation of those no longer in use.

### Present Improvements

Present improvement	Efficiency gains / productivity improvements	Cost saving / revenue gain prior to 2024/25	Cost saving / revenue gain post 2024/25
North Sydney Olympic Pool business plan			\$1,080,000
LED streetlights			\$80,000
Process mapping	✓		
Development Services process improvements	✓		
Process improvements – onboarding	✓		
Rangers and Parking – electronic reporting	✓		
Greater use of Local Government Procurement and State contracts	✓		
Review of Community Transport service	✓		
<b>TOTAL</b>			<b>\$1,160,000</b>

The above costs all represent ongoing annual savings or increases to revenue.

### North Sydney Olympic Pool business plan

The new North Sydney Olympic Pool management team has reviewed operations of the pool before it was closed for redevelopment. The newly proposed business plan for the redeveloped facility forecasts an increase in revenue through increasing the number of learn to swim spaces, as well as a larger gym and improved facility.

### LED streetlights

North Sydney Council has been working with Ausgrid to upgrade all streetlights across the LGA to more energy efficient lights which, following an upfront cost, will deliver substantial ongoing annual savings.

### Process mapping

Council is capturing high-priority processes across all service areas in a process mapping system to enable knowledge transfer between staff, consistency, quality of processes, and improved communication and collaboration. In the future, identification of process bottlenecks and redundancies will lead to opportunities for improvement and increased efficiencies.

### Development Services process improvements

Initial enhancements have been made to the lodgement and preliminary assessment processes. A major project is currently underway to review and map all processes within Development Services, with the aim of improving productivity, development application (DA) processing times and enhancing the customer experience.

### Process improvements – onboarding

A gap analysis identified bottlenecks in the onboarding workflow leading to delays in recruiting and finalising the onboarding of staff. Mapping of the process into our process mapping system has allowed gaps to be addressed and the workflow streamlined.

### Rangers and Parking – electronic reporting

The introduction of a new application has provided an effective way to report on various service responsibilities, such as park patrols, unattended vehicles and dumped rubbish. This e-reporting system has led to increased transparency and accountability, consistent reporting, reduced need for printing, and enhanced productivity.

### Greater use of Local Government Procurement and State contracts

Council currently runs tenders for many of its procurement activities. This includes high value but low complexity areas such as the hiring of infrastructure for New Year's Eve, and ongoing Microsoft licensing. Tender preparation and evaluation take Council staff significant time to prepare, organise and assess. The contract development and negotiation take additional time after the tender review.

By using Local Government Procurement, NSW Buy or Procurement Australia contracts, Council can procure services from pre-qualified vendors without tendering. This will save staff significant time each year.

### Review of Community Transport service

Council funds the delivery of a Community Transport service via contracted services. The current contract is due for renewal on 1 July 2025. This service uses three Council-owned buses and provides free or heavily subsidised transport services to community members.

Council's current community transport arrangement is unique among similarly sized and located councils. Given changes in ridership since the pandemic and the upcoming contract renewal, Council proposes reviewing the operations of this service to determine if it represents maximum value to the community.

## Future Improvements

Future improvement	Efficiency gains / productivity improvements	Cost saving / revenue gain prior to 2024/25	Cost saving / revenue gain post 2024/25
Continuous Improvement Framework Development	✓		
Service reviews	✓		
Property review	✓		
Systems review	✓		\$1,000,000
Advertising			\$400,000
Sponsorships and commercial partnerships			\$500,000
Fleet review	✓		\$500,000
Events review	✓		
Consider sales of land			\$5,000,000 (one off)
Corporate overheads	✓		
TOTAL			\$2,400,000 (ongoing) \$5,000,000 (one off)

The above costs represent ongoing annual savings or increases to revenue, unless indicated otherwise.

### Continuous Improvement Framework Development

The Framework, encompassing service reviews and targeted process improvements, will enhance Council's operational effectiveness and efficiency by systematically ensuring that resources are used, processes are streamlined, and services remain aligned to community needs.

We are working towards benefit realisation of \$20m through continuous improvement initiatives by 2035.

### Service reviews

Council has drafted a service review framework that guides systematic reviews of services as part of the continuous improvement cycle to ensure quality and cost effectiveness of services continue to meet community needs.

This will iteratively go through each section of the organisation to recommend and implement improvement initiatives.

### Property review

Council has approximately \$53.7m of investment properties that, in the 2023/24 financial year, produced revenue of \$4.6m. Council proposes to review this investment property with the intent of increasing revenue. This may involve the sale of some property or the acquisition of new investment property.

### System review

Council currently uses several business systems to support our operations. The systems in use are not contemporary and do not enable the organisation to be efficient and offer a high-quality customer or user experience.

Several processes are done manually, limiting staff ability to increase productivity. Data quality is limited with manual entry across multiple systems, and customer experience is challenged with limited self-service and no customer relationship management (CRM) system.

Implementing a modern business system and CRM will enable Council to be more productive and provide a better-quality experience to our employees and customers. There will be an implementation cost to doing this, but the system will enable several ongoing benefits to the organisation.

### Advertising

Council currently generates limited revenue through advertising on its assets (primarily bus shelters). There is potential to increase this revenue by implementing digital signage, but this requires development applications and has had mixed support from the community.

Council will consult with the community on the potential to increase revenue gained from advertising.

### Sponsorships and commercial partnerships

Council will consider sponsorships and commercial partnerships where appropriate to generate additional revenue. This could help to pay for the cost of community events or awards, or to offset some of the expenses of running parks and other facilities.

### Fleet review

The fleet review will help improve fleet efficiency by optimising vehicle usage, reducing maintenance costs, and minimising environmental impact.

Streamlining operations, upgrading to electric vehicles, and ensuring an appropriate fleet size will improve service delivery and reduce operational expenses. Having switched several vehicles to electric, Council is already saving money on petrol expenses.

To date, Council has reduced its light fleet by 10 vehicles. It is proposed to further reduce our fleet of pool cars as we encourage greater use of active and public transport options.

### Events review

Council will review its events program to ensure events are contemporary and reflective of our community, while improving the strategic approach to ensure that the event program creates meaningful connections and engagement and enhances the public space.

Council will consider discontinuing events that provide low value to the community.

### Consider sales of land

Council holds some parcels of land with limited community value. To fund renewal of Council's asset backlog and projects, some of this land will be considered for sale.

### Corporate Overheads

The Long-Term Financial Plan assumes no additional corporate administration costs associated with increased services (including North Sydney Olympic Pool) and increased capital works programs. The plan assumes efficiency gains will be achieved through improved governance and administration measures to absorb these costs.

### Improvement Plan Summary

Time horizon	Value
Past	\$3,694,725
Present	\$1,160,000
Future	\$2,400,000 (ongoing) \$5,000,000 (one off)
<b>Total</b>	<b>\$7,254,725/year plus \$5,000,000 (one off)</b>

Council will continue to maintain this organisational improvement plan as additional improvement initiatives are identified.



North Sydney Council  
**DELIVERY PROGRAM**  
2022-2026



**DRAFT FOR EXHIBITION**



#### **November 2024 updates**

This Delivery Program was updated in November 2024 to consider the revised 2025-35 Long-Term Financial Plan (LTFP) and address Council's declining financial situation. Refer to the updated 'Resourcing the Plan' section on page 63 for details.

The financial information in the revised LTFP supersedes financial details included in this Delivery Program.

---

This plan reflects our intentions at the time of publication. As with any plan or budget, the actual results may vary from that forecast.

Adopted June 2022

NORTH SYDNEY COUNCIL Delivery Program 2022-2026

# CONTENTS

Recognition of the Cammeraygal People	1
Mayor's Message	2
Acting General Manager's Foreword	3
Our Elected Representatives	4
Our North Sydney	5
Our Community Vision, Mission and Values	7
Organisational Chart	8
Introduction	9
Budgeted Income Statement	13
Financial Estimates	14
Our Strategic Directions	
Our Living Environment	15
Our Built Infrastructure	23
Our Innovative City	32
Our Social Vitality	39
Our Civic Leadership	47
Community Engagement	58
Service Reviews	62
Resourcing the Plan	63
Reporting Progress	65
Appendix 1. Capital Works Program	66
Appendix 2. Supporting Plans and Strategies	70









## RECOGNITION OF THE CAMMERAYGAL PEOPLE

*We respectfully acknowledge the Traditional Custodians of the land and waters of North Sydney local government area (LGA), the Cammeraygal people*

We recognise the Cammeraygal as the first owners of the area known today as North Sydney. We acknowledge that the alienation of their country occurred with a land grant in 1794 without consultation, treaty or compensation.

We are committed to showing respect for Cammeraygal and all First Nations Peoples through the acknowledgement of country at ceremonies, meetings, functions and events.

Archaeological evidence shows that Aboriginal people have been in North Sydney at least 5,800 years, probably for thousands more. We treasure and seek to preserve the evidence of their presence here.

In 1890, when North Sydney Council was formed through the merging of three boroughs, the word Cammeraygal was included on its coat of arms. Today it holds a central position in the Council's logo as a reminder of the long indigenous heritage of this place.

In recent years the spelling of Cammeraygal has varied to include Gammaraigal and Gai-maragal as our community has sought to more accurately reflect and honour the heritage of our First Nations people.



## MAYOR'S MESSAGE

Since the start of the COVID pandemic in 2020, Council's open space has had a significant increase in use. Even as we have returned to more normal patterns of life, this increased use has continued, with residents and visitors using our parks and reserves for exercise, family activities and social catch ups. As the North Sydney Council area has significantly less open space per person than any other northern Sydney council, our open space is feeling the impact of this additional use.

Not surprisingly, open space is a focus for this Delivery Program, with expenditure directed to upgrading our parks and playgrounds to ensure they can cope with community demands. Where possible, we seek to increase our open space and sporting facilities and with this in mind we are allocating \$1.47m to reconfigure Primrose Park and construct an additional full-sized playing field. Another \$1m has been allocated to the Quarantine Launch Depot, so that we can improve access to the site and open it to public use and \$1.4m will be spent to convert 1 Henry Lawson Avenue to parkland.

I believe we have reached a good balance between progressing our long-term priorities, investment in premium parks and new open space, with improvements to the local facilities that we know you use and love. I hope you enjoy the improvements we have planned. I encourage you to get involved and have your say on the projects that matter to you when they go on exhibition.

Our focus in the coming years also includes implementing some of the excellent strategies we have recently developed including the Visitor Economy Strategy, the Ward Street Masterplan and the North Sydney Oval Plan of Management. We are also committed to ambitious environmental targets, including increasing our tree canopy, moving all of Council's property to renewable energy and progressing our cycling and pedestrian infrastructure.

We will do all of this with an eye to being sustainable - environmentally, financially, socially and in our governance. We will consider inclusivity in all our projects and we undertake to do everything with integrity and transparency. I am confident the projects and directions we have set will stand North Sydney in good stead for the years to come.

Cr Zoë Baker  
Mayor of North Sydney

## ACTING GENERAL MANAGER'S FOREWORD



It is always challenging for Council to determine the priorities in our Delivery Program. All the projects put up for consideration are worthy and it is not only difficult to choose one over another, but sometimes even to place one project ahead of another.

In allocating our scarce resources for this Delivery Program, we have aimed to progress work across a wide range of strategic areas. We're continuing our commitment to upgrade essential infrastructure such as seawalls and footpaths and will progress public domain upgrades in the CBD and improved lighting in our village centres.

Council's largest project for Year 1 of the Program will be the redevelopment of the North Sydney Olympic Pool which is currently under construction. With open space at a premium, we're also investing in improvements to parks and sporting facilities.

We've earmarked \$1.2m in Year 2 to continue the improvements to St Leonards Park and \$2.5m in Year 4 to upgrade the Bradfield Park foreshore. At the same time, we've allocated funding for the smaller improvements that can make a real difference, such as outdoor fitness equipment for Brennan Park, kayak storage in Milson Park and additional public toilets at the Coal Loader.

Over the next four years, Council will also be looking to the future. We will develop Masterplans for Cammeray Park and Public Art, undertake a comprehensive heritage review and develop a new planning framework for the Military Road corridor.

This Delivery Program also lays a strong foundation for maintaining and improving our existing services. Council is committed to delivering high quality outcomes and customer service, to finding innovative ways to deliver these services more efficiently and effectively and to using our resources wisely.

We are entering a challenging time. External factors such as the pandemic, climate change and world unrest have had unexpected impacts on everything from interest rates, to labour shortages and changes in community attitudes and behaviours. Council has proved itself to be flexible and innovative over the past few years and I am confident that we will continue to adapt to meet changing circumstances and maintain our services to the community.

Rob Emerson  
Acting General Manager

## OUR ELECTED REPRESENTATIVES

We look forward to working alongside our community to bring this plan to fruition.

### ST LEONARDS WARD



Mayor  
Cr Zoë Baker



Deputy Mayor  
Cr William Bourke



Cr Dr Alanya Drummond



Cr Godfrey Santer



Cr James Spenceley

### CAMMERAYGAL WARD



Cr MaryAnn Beregi



Cr Jilly Gibson



Cr Georgia Lamb



Cr Ian Mutton



Cr Shannon Welch



## OUR NORTH SYDNEY



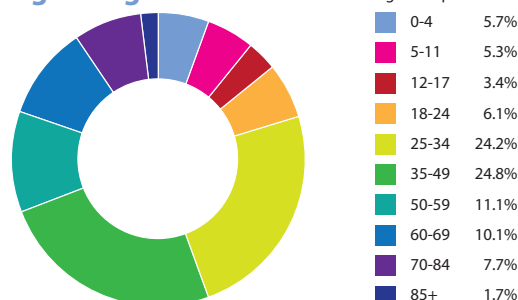
### Population Growth (ERP)

2016	72,037
2021	79,094
2036	84,422
2041	89,900

### Population Density - People per hectare (PPH)

North Sydney LGA	64.50
NSROC	9.35
Greater Sydney	3.90

### Age Range



### Family Structure

	18%	28.5%	5.3%	32.4%
North Sydney LGA				
NSROC	36.7%	24.5%	7.8%	21.5%
Greater Sydney	35.3%	22.4%	10.4%	20.4%

### Housing

	18%	89.2%	23.3%	19.9%	47.4%
North Sydney LGA					
NSROC	36.7%	49.5%	32%	30.7%	30.6%
Greater Sydney	35.3%	43.8%	27.7%	31.5%	32.6%

Source: Australian Bureau of Statistics, Census of Population and Housing 2016 and National Economics (NEIR) - compiled by .id (informed decisions). Correct as at 6 April 2021  
Note: the 2021 ABS Census data is not available until late 2022



**Transport to Work**

North Sydney LGA	32.6%	39.8%	12%	5.9%
NSROC	47.1%	30.5%	5.5%	6.2%
Greater Sydney	56.6%	22.7%	4.8%	4.4%

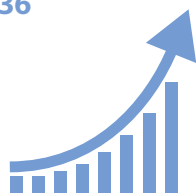
**Median Household Income \$**

North Sydney LGA	2,356
NSROC	2,218
Greater Sydney	1,745

0.3% ATSI origin

411 Homeless Persons (No.)

115,376 Local Jobs (NEIR 2021)

**Job Targets by 2036**+15,600 to 21,000  
North Sydney+6,900 to 16,400  
St Leonards/Crows Nest**Gross Regional Product (GRP) (NEIR 2021)**

\$22.87 billion

15,382 Local Businesses (ABS 2021)

**Top 5 Industries**

27.3%

Professional, Scientific and Technical Services

14.7%

Rental, Hiring and Real Estate Services

13.9%

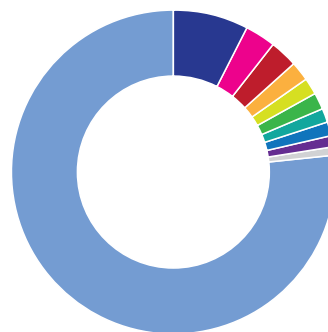
Financial and Insurance Services

6.9%

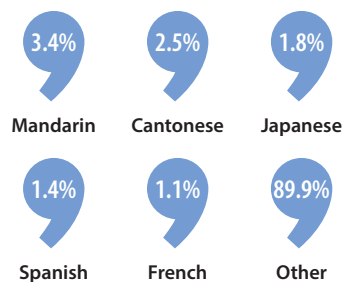
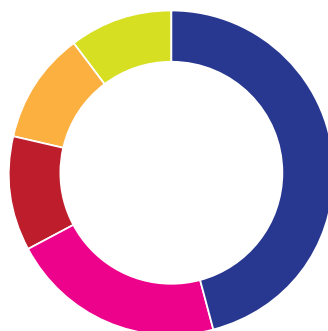
Construction

6.8%

Health Care and Social Assistance

**Born Overseas (Country of Origin)**

United Kingdom	7.6%
New Zealand	3%
China	2.9%
India	2%
South Africa	1.6%
United States of America	1.6%
Japan	1.5%
Hong Kong	1.4%
Philippines	1%
Malaysia	0.8%
Other	76.6%

**Languages Spoken other than English**22%  
of residents  
speak a language  
other than English**Qualifications**

Bachelor or Higher degree	25.8%
Advance Diploma or Diploma	11.9%
Information, Media and Telecommunications	6.4%
Accommodation and Food Services	6.2%
Education and Training	5.7%

**Schools**

11 primary schools

10 secondary schools

2 tertiary institutions

**Volunteering**

21.5%

of the North Sydney LGA population engage in some form of voluntary work



## OUR COMMUNITY VISION

North Sydney is a welcoming, connected and resourceful community which acknowledges its past, enjoys the present and plans for our future. We respect our beautiful harbourside locale, its unique villages and much valued bushland and open spaces. We lead the way in sustainability.

## OUR MISSION

To be leading edge in serving the community of North Sydney by caring for its assets, improving its appearance and delivering services to people in a financially, socially and environmentally responsible manner.

## OUR CORPORATE VALUES

**Sustainability**

equity, preservation, justice and precaution

**Community service**

efficiency, effectiveness and responsiveness

**Open government**

transparency and accountability

**Community participation**

consultation and involvement

**Ethical conduct**

honesty and integrity

**Justice**

fairness and equity

**Quality**

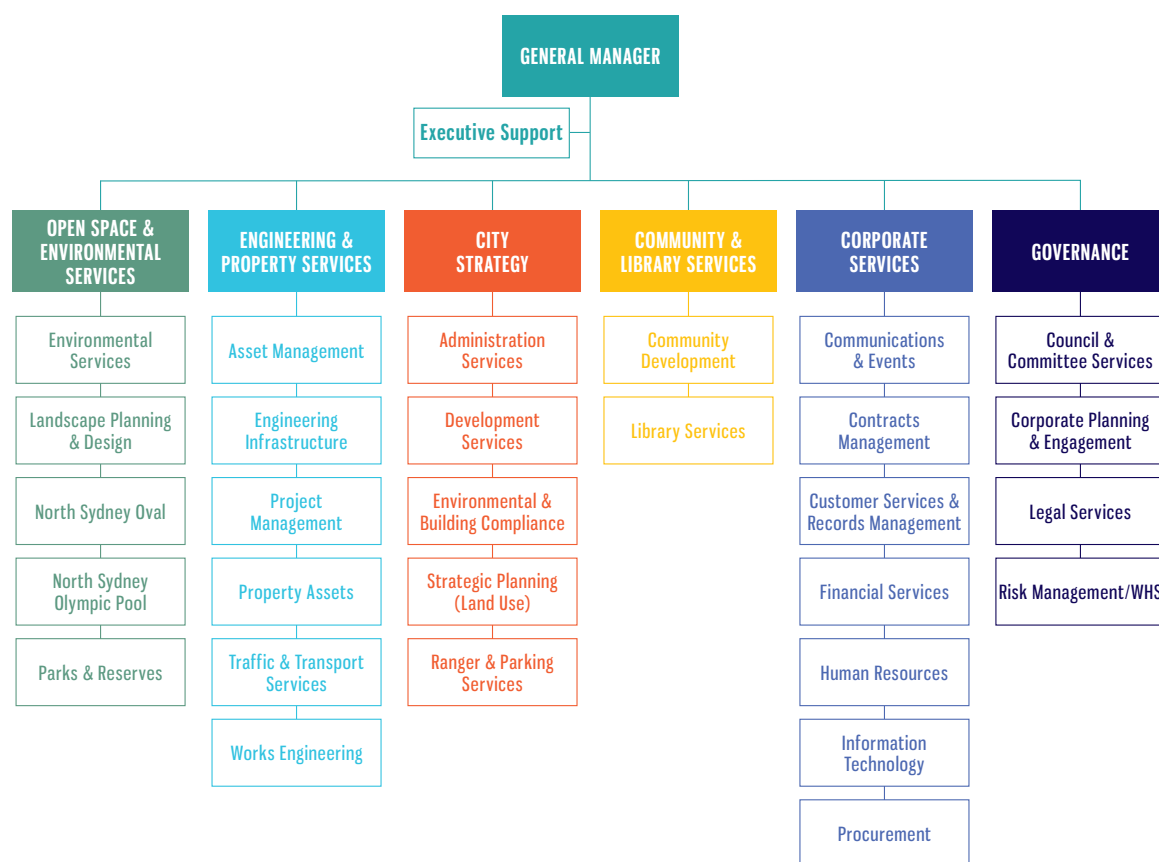
innovation and excellence

**Teamwork**

cooperation and respect

## ORGANISATIONAL CHART

The organisational structure consists of six directorates (known as Divisions) and has seven senior staff including the General Manager.

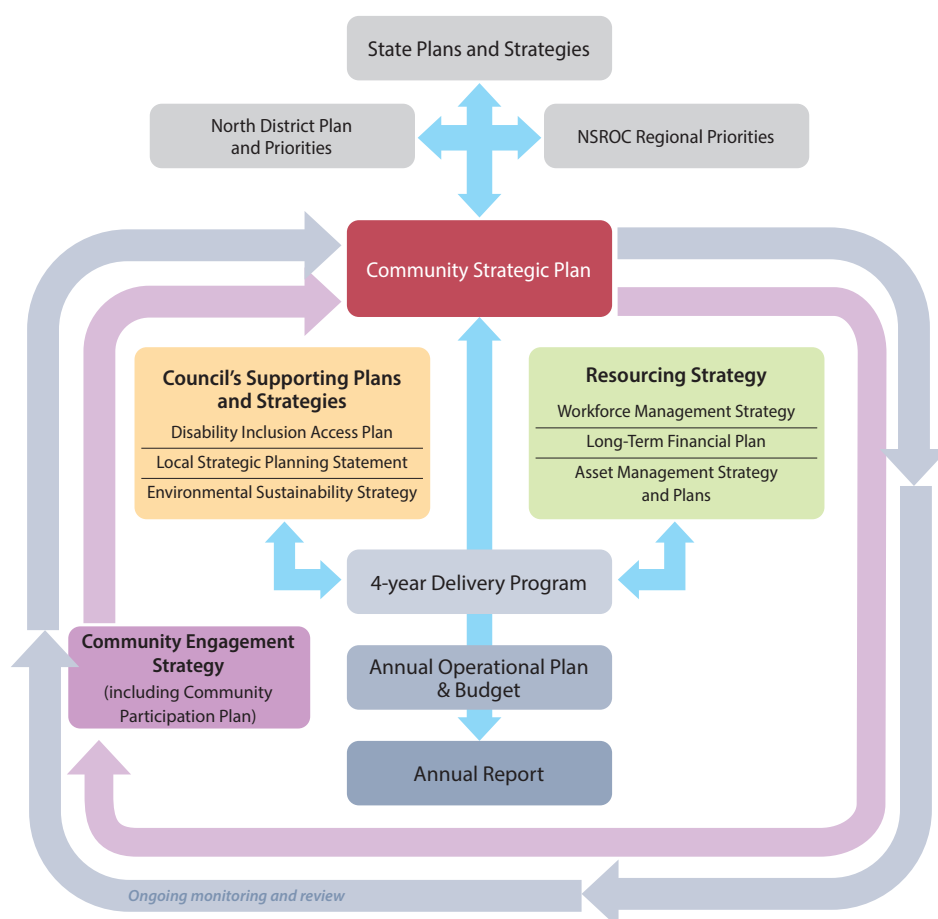


## INTRODUCTION

The North Sydney Community Strategic Plan - *North Sydney Vision 2040* - is Council's most important strategic document, and part of its suite of Integrated Planning and Reporting (IP&R) documents. Council uses the Community Strategic Plan to guide and inform its planning and decision making for the next ten years.

While Council is the key driver of the Community Strategic Plan, its implementation is the shared responsibility of all

community stakeholders. Council does not have full responsibility for implementing or resourcing all the community's aspirations. Other stakeholders, including government agencies, non-government organisations, community groups and individuals also have a role to play in delivering these outcomes. All supporting plans, activities and funding allocations are directly linked to the Community Strategic Plan as outlined in the following diagram.



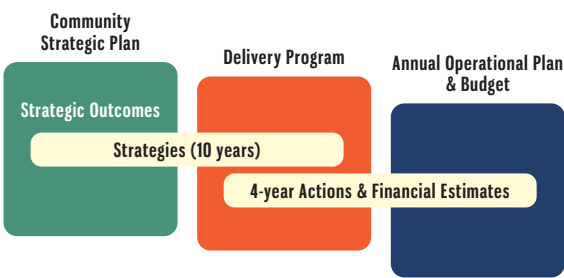


## About the Delivery Program

Council outlines the actions it will undertake during its electoral term to contribute to the long-term strategies and desired outcomes of the Community Strategic Plan in the *Delivery Program 2022-2026*.

The Delivery Program covers the period 1 July 2022 to 30 June 2026 detailing the projects and services Council plans to undertake and the required budget and expenditure. It has been prepared by Council in accordance with Section 404 of the *Local Government Act 1993*. Council has drawn from stakeholder feedback in the preparation of the Community Strategic Plan including the *2020 Customer Satisfaction Survey* and project-based community consultation. The Delivery Program is also informed by Council's ten-year Resourcing Strategy.

The Resourcing Strategy focuses on long-term financial planning, long-term asset management planning and medium-term workforce management planning. It is the critical link between the Community Strategic Plan and the Delivery Program, detailing the provision of resources required to implement strategies established by the Community Strategic Plan for which Council is responsible.

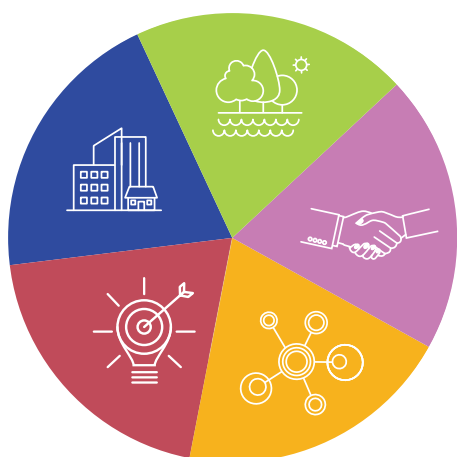


## STRATEGIC DIRECTIONS

The Delivery Program follows the same structure as the Community Strategic Plan. It includes five interrelated key themes known as Strategic Directions. Each Strategic Direction details the desired outcomes, and strategies that will be implemented to address the community's aspirations for its future. The Strategic Directions (not listed in any priority order) are:

1. Our Living Environment
2. Our Built Infrastructure
3. Our Innovative City
4. Our Social Vitality
5. Our Civic Leadership

The majority of activities contribute to a number of directions, however for the purpose of the Delivery Program activities have been allocated to the direction they contribute to the most. Each project and service is linked to one of the elements of the quadruple bottom line (QBL).



### DIRECTION 1

#### OUR LIVING ENVIRONMENT

Climate change is recognised as a threat to the future of our community, requiring action by all levels of government. Our community minimises waste, maximises use of renewable energy and increases tree canopy to mitigate the impact.

Our natural environment supports biodiversity, through our bushland reserves, wildlife corridors and innovative foreshore management. Recreational facilities including parks, sporting fields and playgrounds support an active lifestyle for residents and visitors.



### DIRECTION 2

#### OUR BUILT INFRASTRUCTURE

North Sydney's public spaces and village centres promote their unique character and provide vibrant and safe places for the community to gather and connect. Our built infrastructure and community assets follow sustainable design principles and meet the needs of our growing population.

Our community prioritises walking, cycling and public transport and people of all ages are comfortable riding in the area. Vehicle transport is supported by an effective and integrated transport and parking system.



### DIRECTION 3

#### OUR INNOVATIVE CITY

Global investment and businesses are drawn to North Sydney because it is a centre of innovation, entrepreneurship and tourism. North Sydney CBD and St Leonards an important part of the Eastern Economic Corridor. The character of our local centres are enhanced to maximise vitality and tourism are balanced with maintaining residential amenity.

Land use planning and contemporary planning controls ensure the protection of historic buildings and places, and that new development respects North Sydney's distinct identity, heritage character and natural environment. Housing is accessible and affordable for all individuals and families.



### DIRECTION 4

#### OUR SOCIAL VITALITY

Our community enjoys a healthy and active lifestyle, improved accessibility, wellbeing and safety, safety, and a life free from violence and crime. North Sydney is known for its vibrancy and cultural diversity, with markets, festivals, art and culture, events that connect the community.

Residents have access to the best health care and support services. Education opportunities are many and varied. Service providers, including Stanton Library deliver facilities that meet the community's changing cultural and educational needs. Local heritage and our First Nations history and culture is preserved, respected and celebrated.



### DIRECTION 5

#### OUR CIVIC LEADERSHIP

Our community has confidence in North Sydney's strategic direction and trusts Council, along with partner organisations, to lead with integrity and demonstrate good governance. Council provides what the community needs now and plans for the needs of future generations. The community is actively engaged in the future direction of North Sydney in accordance with our long-standing commitment to "open government".

Council demonstrates transparency and leadership in its decision making, is accountable to the community, and respectful in its interactions. Council is the employer of first choice, attracting and retaining highly motivated and skilled employees, committed to providing the community with quality service.

## Linking the Vision to Action

**Strategic Directions** - these are the big picture results that the community would like to achieve.

**Outcomes** - desired outcomes for each Direction. They are specific, focusing on the end result rather than how to get there i.e. they are the realisation of the Direction.

**Strategies** - guide the specific actions related to this plan, defining how to achieve the Outcomes. All stakeholders, including Council, are responsible for working towards the vision by achieving the long-term strategies. For its part, Council outlines what its responsible for and how it will achieve the vision through the provision of projects and services, as outlined in our Delivery Program and Resourcing Strategy.

**Projects** - are specific initiatives that Council proposes to implement to achieve each Strategy. Projects have a short-term focus, generally within a set budget and finite duration defined by planned start and finish dates.

**Services** - are the functions that Council carries out on an ongoing basis.

**Financial Estimates** - are the budget forecasts for the period of the plan. These are subject to review each year in accordance with preparation of each Operational Plan.

## How to read the Plan

**Each project is identified in a table as demonstrated below:**

Code	4-digit number showing linkage to the strategies (3-digit) and outcomes (2-digit) of the Community Strategic Plan
Project	Description of each project
QBL Link	The quadruple bottom line (QBL) element the project relates to
Department	The Department (business unit) responsible for implementation of the project
Timing	The year the project will commence/continue and conclude

**Each service is identified in a table as demonstrated below:**

Code	Each service has been assigned a number (listed consecutively) and allocated under the outcomes (2-digit) of the Community Strategic Plan they most relate
Service	Name of each service
Description	Description of each service

## BUDGETED INCOME STATEMENT

The information below shows the overall budget allocated to delivery of the plan. Over the page, the financial estimates are summarised by Direction.

	2022/23 Budget (\$,000)	2023/24 Budget (\$,000)	2024/25 Budget (\$,000)	2025/26 Budget (\$,000)
<b>Income from continuing operations</b>				
<b>Revenue</b>				
Rates and annual charges	72,409	73,800	75,226	76,688
Users fees and charges	29,592	33,996	34,847	35,718
Other revenue	9,087	9,810	10,118	10,356
Grants and contributions provided for operating purposes	5,457	5,462	4,955	5,061
Grants and contributions provided for capital purposes	8,024	3,058	14,659	3,060
Interest and investment income	1,384	1,339	1,289	1,289
Other income	5,881	6,714	6,883	7,056
<b>Total income from continuing operations</b>	<b>131,834</b>	<b>134,179</b>	<b>147,977</b>	<b>139,228</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	49,083	51,704	52,686	54,004
Materials and services	45,225	47,615	48,502	49,124
Borrowing costs	1,533	1,452	1,367	1,279
Depreciation and amortisation	23,937	25,387	25,588	25,790
Other expenses	3,475	3,560	3,648	3,740
Net losses from the disposal of assets	547	547	547	547
<b>Total expenses from continuing operations</b>	<b>123,800</b>	<b>130,265</b>	<b>132,338</b>	<b>134,484</b>
<b>Net operating result</b>	<b>8,034</b>	<b>3,914</b>	<b>15,639</b>	<b>4,744</b>
<b>Net operating result before grants and contributions provided for capital purposes<sup>1</sup></b>	<b>10</b>	<b>856</b>	<b>980</b>	<b>1,684</b>



# FINANCIAL ESTIMATES

	2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
<b>Direction 1: Our Living Environment</b>				
Capital expenditure	6,447,500	3,850,000	5,253,000	4,246,000
Operating expenditure	33,230,178	36,638,858	37,555,500	38,496,102
<b>Expenditure total</b>	<b>39,677,678</b>	<b>40,488,858</b>	<b>42,808,500</b>	<b>42,742,102</b>
Capital income	-1,967,110	-	-	-
Operating income	-21,755,300	-25,481,300	-25,726,300	-25,975,800
<b>Income total</b>	<b>-23,722,410</b>	<b>-25,481,300</b>	<b>-25,726,300</b>	<b>-25,975,800</b>
<b>Net income/Expenditure</b>	<b>15,955,268</b>	<b>15,007,558</b>	<b>17,082,200</b>	<b>16,766,302</b>
<b>Direction 2: Our Built Infrastructure</b>				
Capital expenditure	61,897,972	20,246,078	18,922,000	18,913,900
Operating expenditure	16,559,978	16,938,541	17,227,978	17,658,632
<b>Expenditure total</b>	<b>78,457,950</b>	<b>37,184,619</b>	<b>36,149,978</b>	<b>36,572,532</b>
Capital income	-4,000,000	-	-	-
Operating income	-33,995,361	-35,826,735	-36,297,200	-37,143,500
<b>Income total</b>	<b>-37,995,361</b>	<b>-35,826,735</b>	<b>-36,297,200</b>	<b>-37,143,500</b>
<b>Net income/Expenditure</b>	<b>40,462,589</b>	<b>1,357,884</b>	<b>-147,222</b>	<b>-570,968</b>
<b>Direction 3: Our Innovative City</b>				
Capital expenditure	30,000	15,000	30,000	16,000
Operating expenditure	15,880,180	16,264,883	15,805,352	16,024,548
<b>Expenditure total</b>	<b>15,910,180</b>	<b>16,279,883</b>	<b>15,835,352</b>	<b>16,040,548</b>
Capital income	-	-	-	-
Operating income	-11,367,723	-11,779,477	-11,891,600	-12,189,100
<b>Income total</b>	<b>-11,367,723</b>	<b>-11,779,477</b>	<b>-11,891,600</b>	<b>-12,189,100</b>
<b>Net income/Expenditure</b>	<b>4,542,457</b>	<b>4,500,406</b>	<b>3,943,752</b>	<b>3,851,448</b>
<b>Direction 4: Our Social Vitality</b>				
Capital expenditure	628,500	641,100	673,700	689,700
Operating expenditure	9,011,151	9,338,121	9,469,304	9,812,642
<b>Expenditure total</b>	<b>9,639,651</b>	<b>9,979,221</b>	<b>10,143,004</b>	<b>10,502,342</b>
Capital income	-56,700	-58,000	-59,000	-60,000
Operating income	-1,176,786	-1,205,959	-1,235,259	-1,265,759
<b>Income total</b>	<b>-1,233,486</b>	<b>-1,263,959</b>	<b>-1,294,259</b>	<b>-1,325,759</b>
<b>Net income/Expenditure</b>	<b>8,406,165</b>	<b>8,715,262</b>	<b>8,848,745</b>	<b>9,176,583</b>
<b>Direction 5: Our Civic Leadership</b>				
Capital expenditure	1,439,198	594,200	608,700	624,100
Operating expenditure	22,463,246	23,015,669	23,955,885	23,909,776
<b>Expenditure total</b>	<b>23,902,444</b>	<b>23,609,869</b>	<b>24,564,585</b>	<b>24,533,876</b>
Capital income	-	-	-	-
Operating income	-55,515,110	-56,827,400	-58,168,000	-59,593,900
<b>Income total</b>	<b>-55,515,110</b>	<b>-56,827,400</b>	<b>-58,168,000</b>	<b>-59,593,900</b>
<b>Net income/Expenditure</b>	<b>-31,612,666</b>	<b>-33,217,531</b>	<b>-33,603,415</b>	<b>-35,060,024</b>



# DIRECTION 1: OUR LIVING ENVIRONMENT

## WHERE DO WE WANT TO BE IN 2040?

Climate change is recognised as a threat to the future of our community, requiring action by all levels of government. Our community minimises waste, maximises use of renewable energy and increases tree canopy to mitigate the impact.

Our natural environment supports biodiversity, through our bushland reserves, wildlife corridors and innovative foreshore management. Recreational facilities including parks, sporting fields and playgrounds support an active lifestyle for residents and visitors.



## FINANCIAL SUMMARY

Direction 1: Our Living Environment					
		2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
<b>1.1 Protected, enhanced and biodiverse natural environment</b>					
Expenditure	Capital	-	-	-	-
	Operating	1,547,425	1,586,676	1,626,576	1,667,435
<b>Expenditure Total</b>		<b>1,547,425</b>	<b>1,586,676</b>	<b>1,626,576</b>	<b>1,667,435</b>
Income	Capital	-	-	-	-
	Operating	-4,830	-5,000	-5,100	-5,200
<b>Income Total</b>		<b>-4,830</b>	<b>-5,000</b>	<b>-5,100</b>	<b>-5,200</b>
<b>Total</b>		<b>1,542,595</b>	<b>1,581,676</b>	<b>1,621,476</b>	<b>1,662,235</b>
<b>1.2 Environmentally sustainable community</b>					
Expenditure	Capital	-	-	-	-
	Operating	20,304,771	20,761,502	21,281,138	21,814,719
<b>Expenditure Total</b>		<b>20,304,771</b>	<b>20,761,502</b>	<b>21,281,138</b>	<b>21,814,719</b>
Income	Capital	-	-	-	-
	Operating	-20,328,922	-20,441,800	-20,558,200	-20,678,000
<b>Income Total</b>		<b>-20,328,922</b>	<b>-20,441,800</b>	<b>-20,558,200</b>	<b>-20,678,000</b>
<b>Total</b>		<b>-24,151</b>	<b>319,702</b>	<b>722,938</b>	<b>1,136,719</b>
<b>1.3 Clean and green places</b>					
Expenditure	Capital	200,000	-	-	-
	Operating	1,927,980	1,976,313	2,026,086	2,077,003
<b>Expenditure Total</b>		<b>2,127,980</b>	<b>1,976,313</b>	<b>2,026,086</b>	<b>2,077,003</b>
Income	Capital	-	-	-	-
	Operating	-	-	-	-
<b>Income Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>2,127,980</b>	<b>1,976,313</b>	<b>2,026,086</b>	<b>2,077,003</b>
<b>1.4 Well utilised open space and recreational facilities</b>					
Expenditure	Capital	6,247,500	3,850,000	5,253,000	4,246,000
	Operating	9,450,002	12,314,367	12,621,700	12,936,945
<b>Expenditure Total</b>		<b>15,697,502</b>	<b>16,164,367</b>	<b>17,874,700</b>	<b>17,182,945</b>
Income	Capital	-1,967,110	-	-	-
	Operating	-1,421,548	-5,034,500	-5,163,000	-5,292,600
<b>Income Total</b>		<b>-3,388,658</b>	<b>-5,034,500</b>	<b>-5,163,000</b>	<b>-5,292,600</b>
<b>Total</b>		<b>12,308,844</b>	<b>11,129,867</b>	<b>12,711,700</b>	<b>11,890,345</b>
<b>Grand Total</b>					
Total Expenditure	Capital	6,447,500	3,850,000	5,253,000	4,246,000
	Operating	33,230,178	36,638,858	37,555,500	38,496,102
<b>Expenditure Total</b>		<b>39,677,678</b>	<b>40,488,858</b>	<b>42,808,500</b>	<b>42,742,102</b>
Income	Capital	-1,967,110	-	-	-
	Operating	-21,755,300	-25,481,300	-25,726,300	-25,975,800
<b>Income Total</b>		<b>-23,722,410</b>	<b>-25,481,300</b>	<b>-25,726,300</b>	<b>-25,975,800</b>
<b>Total</b>		<b>15,955,268</b>	<b>15,007,558</b>	<b>17,082,200</b>	<b>16,766,302</b>

## OUTCOME 11: PROTECTED, ENHANCED AND BIODIVERSE NATURAL ENVIRONMENT

### Strategy 1.1.1: Rehabilitate native bushland areas and fauna habitats to enhance biodiversity

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.1.1.01	Implement the Native Havens, Wildlife Watch and Adopt a Plot community participation programs	ENV	Environmental Services	●	●	●	●
1.1.1.02	Implement the Bushcare community workshops and events program	ENV	Environmental Services	●	●	●	●
1.1.1.03	Implement the Bushland Plan of Management	ENV	Environmental Services	●	●	●	●
1.1.1.04	Implement the Bushland Rehabilitation Plans	ENV	Environmental Services	●	●	●	●
1.1.1.05	Review the Natural Area Survey	ENV	Environmental Services	●	●	●	●

### Strategy 1.1.2: Increase awareness of biodiversity conservation through education and community partnerships

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.1.2.01	Implement the Coal Loader Centre for Sustainability Business Plan	ENV	Environmental Services	●	●	●	●
1.1.2.02	Manage the Streets Alive Program	ENV	Environmental Services	●	●	●	●

### Strategy 1.1.3: Implement strategies that encourage healthy local waterways

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.1.3.01	Support the HarbourCare volunteer program	ENV	Environmental Services	●	●	●	●
1.1.3.02	Implement water quality improvement programs	ENV	Environmental Services	●	●	●	●

Code	Service	Description
S1	Bushland Program	Management of the Bushcare Program, e-newsletter and tree planting events
S2	Environment community news	Production of a Green, Streets Alive and Bushcare newsletter



## OUTCOME 1.2: ENVIRONMENTALLY SUSTAINABLE COMMUNITY

### 1.2.1 Reduce strain on natural resources through sustainable energy, water and waste reduction practices

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.2.1.01	Explore options for improved resource recovery and alternative waste treatment	ENV	Environmental Services	●	●	●	●
1.2.1.02	Implement the Green Events and Community Workshops Program	ENV	Environmental Services	●	●	●	●
1.2.1.03	Trial and assess the viability of the community tool library at the Coal Loader Sustainability Centre	ENV	Environmental Services	●			
1.2.1.04	Implement energy and water conservation community and business education programs	ENV	Environmental Services	●	●	●	●
1.2.1.05	Implement the Community Waste Education Program	ENV	Environmental Services	●	●	●	●
1.2.1.06	Reduce energy and water use to reach reduction goals	ENV	Environmental Services	●	●	●	●
1.2.1.07	Increase Council's renewable energy capacity	ENV	Environmental Services	●	●	●	●
1.2.1.08	Participate in the NSROC Waste Strategy	ENV	Environmental Services	●	●	●	●
1.2.1.09	Support the Fire Service in the management of bushfire risk	ENV	Environmental Services	●	●	●	●
1.2.1.10	Contribute to the development of the Mosman-North Sydney Local Emergency Management Plan	ENV	Environmental Services	●	●	●	●

### Strategy 1.2.2: Deliver the declaration to reduce the drivers of climate change and to prepare for the inevitable impacts to come

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.2.2.01	Implement the Environmental Sustainability Strategy Action Plan	ENV	Environmental Services	●	●	●	●
1.2.2.02	Coordinate a Sustainability Festival at the Coal Loader	ENV	Environmental Services	●			

Code	Service	Description
S3	Environmental grant program administration	Administer and project manage the environmental grant programs to local schools
S4	Waste management	Removal of dumped rubbish, emptying public bins, managing clean up bookings and subsequent removal
S5	Pest management	Management of pest animals through appropriate control measures
S6	Street cleaning	Cleaning streets in accordance with the approved schedule, service level agreements and budgets



## OUTCOME 1.3: CLEAN & GREEN PLACES

### Strategy 1.3.1: Expand urban tree canopy incorporating sustainable native management

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.3.1.01	Implement the Street Tree Strategy	ENV	Parks & Reserves	●	●	●	●
1.3.1.02	Implement the Urban Forest Strategy	ENV	Parks & Reserves	●	●	●	●

### Strategy 1.3.2: Encourage community gardening and hard surface greening, including rooftop gardens

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.3.2.01	Support the development of community gardens, rooftop and hard surface greening	ENV	Environmental Services	●	●	●	●

### Strategy 1.3.3: Advocate for infrastructure that assists with greening initiatives, including powerline undergrounding

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.3.3.01	Underground overhead powerlines as opportunities arise	ENV	Environmental Services	●	●	●	●

Code	Service	Description
S7	Tree preservation order administration	Assessment of pruning and tree removal applications in accordance with policy and service level agreements



## OUTCOME 1.4: WELL UTILISED OPEN SPACE AND RECREATIONAL FACILITIES

### Strategy 1.4.1: Protect, enhance and expand public open space and foreshore access

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.4.1.01	Install additional public toilets at the Coal Loader	SOC	Environmental Services	●	●	●	
1.4.1.02	Finalise Plans of Management in line with the new Department of Crown Lands process	ENV	Landscape Planning & Design	●	●	●	●
1.4.1.03	Install a pop-up bar, shade system and resurface tunnel number 2 at the Coal Loader	SOC	Landscape Planning & Design	●			
1.4.1.04	Review the St Leonards Park Plan of Management	ENV	Landscape Planning & Design	●	●	●	●
1.4.1.05	Upgrade the amenities block at Berry Island	SOC	Landscape Planning & Design	●	●	●	●
1.4.1.06	Upgrade the Prior Avenue Playground	SOC	Landscape Planning & Design	●			
1.4.1.07	Implement the Hume Street Park Expansion Project	SOC	Landscape Planning & Design	●			
1.4.1.08	Convert 1 Henry Lawson Ave to community parkland	SOC	Landscape Planning & Design	●	●		
1.4.1.09	Replace existing step tower in Sawmillers Reserve	SOC	Parks & Reserves		●		
1.4.1.10	Install a new irrigation system at Bon Andrews Oval	ENV	Parks & Reserves		●		
1.4.1.11	Install drainage improvements to all sports fields at Primrose Park	ENV	Landscape Planning & Design		●		
1.4.1.12	Upgrade Dowling Street Reserve	SOC	Landscape Planning & Design			●	
1.4.1.13	Restore Lady Gowrie Lookout	SOC	Landscape Planning & Design		●		
1.4.1.14	Upgrade Bradfield Park foreshore	SOC	Landscape Planning & Design			●	
1.4.1.15	Renovate the Waverton Park amenities building	SOC	Landscape Planning & Design			●	
1.4.1.16	Implement the St Leonards Park Masterplan	SOC	Landscape Planning & Design	●	●		
1.4.1.17	Upgrade Grasmere Reserve Playground	SOC	Landscape Planning & Design			●	
1.4.1.18	Upgrade Lodge Road Cremorne playground	SOC	Landscape Planning & Design		●		
1.4.1.19	Upgrade St Leonards Park Playground	SOC	Landscape Planning & Design	●			
1.4.1.20	Upgrade parks pathways, fences, furniture and signs	SOC	Parks & Reserves	●	●	●	●
1.4.1.21	Prepare the Cammeray Park Masterplan	SOC	Landscape Planning & Design	●			



**Strategy 1.4.2: Provide infrastructure to encourage and support participation in healthy, physical activity and recreation for all**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.4.2.01	Install outdoor fitness equipment in Brennan Park	SOC	Parks & Reserves	●			
1.4.2.02	Install kayak storage facilities in Milson Park	SOC	Parks & Reserves	●			
1.4.2.03	Install kayak storage facilities and associated access in John St open space	SOC	Parks & Reserves		●		
1.4.2.04	Install kayak storage facilities and associated access at Tunk's Park	SOC	Parks & Reserves		●		
1.4.2.05	Install small watercraft storage facilities and associated access at Anderson Park	SOC	Parks & Reserves			●	
1.4.2.06	Install a new cricket wicket at Forsyth Park	SOC	Parks & Reserves	●			
1.4.2.07	Install outdoor fitness equipment in Berry Island Reserve	SOC	Parks & Reserves		●		
1.4.2.08	Install outdoor fitness equipment in Bradfield Park	SOC	Parks & Reserves			●	
1.4.2.09	Upgrade the senior playground in Green Park	SOC	Parks & Reserves		●		
1.4.2.10	Upgrade synthetic surface in Bradfield Park	SOC	Parks & Reserves		●		
1.4.2.11	Reconstruct the Tunks Park turf cricket wicket table	SOC	Parks & Reserves			●	
1.4.2.12	Replace synthetic turf at Cammeray Park	SOC	Parks & Reserves			●	
1.4.2.13	Undertake community consultation and install an additional full-size playing field at Primrose Park	SOC	Parks & Reserves	●	●		
1.4.2.14	Recommence operations at North Sydney Olympic Pool	SOC	North Sydney Olympic Pool	●	●		

**Strategy 1.4.3: Attract a variety of sporting and community events to North Sydney, including North Sydney Oval**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.4.3.01	Identify major regional and sporting events suited to North Sydney and prepare bids to secure them	SOC	North Sydney Oval	●	●	●	●
1.4.3.02	Implement the North Sydney Oval Business Plan	SOC	North Sydney Oval	●	●	●	●
1.4.3.03	Improve media equipment at the Mollie Dive Centre for conferences and events	SOC	North Sydney Oval	●			
1.4.3.04	Refurbish public toilets at North Sydney Oval	SOC	North Sydney Oval			●	
1.4.3.05	Replace seats at North Sydney Oval	SOC	North Sydney Oval			●	

Code	Service	Description
S8	Recreation and sport facilities and programs	Administration and project management of capital works programs. Provision of recreational, and sporting facilities
S9	Recreation planning	Provision of planning and advice on the management of Council's open space
S10	North Sydney Pool fitness centre and swim school programs	Provision of health and fitness programs; Learn to Swim and swimming development programs at North Sydney Olympic Pool
S11	Mollie Dive Function Centre	Management of the Mollie Dive Function Centre
S12	MacCallum Pool	Provision of outdoor ocean pool for public recreational and fitness use
S13	Open space, facilities and streetscape maintenance	Maintenance of open space, recreation facilities and streetscapes
S14	Weed control	Monthly treatment of weeds in footpaths and roundabouts across the LGA

**Strategy 1.4.4: Advocate for new visionary and quality open and green spaces**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.4.4.01	Improve access to the Quarantine Boat Depot site and prepare for public use	SOC	Landscape Planning & Design	●			
1.4.4.02	Reintegrate the former Waverton Bowling Club site into Waverton Park (subject to land claim)	SOC	Landscape Planning & Design	●	●		

**Strategy 1.4.5: Advocate on behalf of the community at all levels of government against negative impacts on our environment arising from development and major infrastructure projects**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
1.4.5.01	Work with TfNSW to ensure the Western Harbour Tunnel Beaches Link project does not reduce open space at Cammeray Park	SOC	Landscape planning & Design	●	●	●	●



## DIRECTION 2: OUR BUILT INFRASTRUCTURE

### WHERE DO WE WANT TO BE IN 2040?

North Sydney's public spaces and village centres promote their unique character and provide vibrant and safe places for the community to gather and connect. Our built infrastructure and community assets follow sustainable design principles and meet the needs of our growing population.

Our community prioritises walking, cycling and public transport and people of all ages are comfortable riding in the area. Vehicle transport is supported by an effective and integrated transport and parking system.



## FINANCIAL SUMMARY

Direction 2: Our Built Infrastructure					
		2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
2.1 Infrastructure and assets meet diverse community needs					
Expenditure	Capital	57,292,972	16,243,478	15,315,000	15,684,500
	Operating	12,856,912	13,144,565	13,469,768	13,807,219
<b>Expenditure Total</b>		<b>70,149,884</b>	<b>29,388,043</b>	<b>28,784,768</b>	<b>29,491,719</b>
Income	Capital	-4,000,000	-	-	-
	Operating	-25,044,586	-26,866,910	-27,256,900	-27,891,500
<b>Income Total</b>		<b>-29,044,586</b>	<b>-26,866,910</b>	<b>-27,256,900</b>	<b>-27,891,500</b>
<b>Total</b>		<b>41,105,298</b>	<b>2,521,133</b>	<b>1,527,868</b>	<b>1,600,219</b>
2.2 Vibrant public domains and villages					
Expenditure	Capital	3,180,000	2,577,600	2,182,000	1,921,400
	Operating	1,114,500	1,141,100	1,168,800	1,197,500
<b>Expenditure Total</b>		<b>4,294,500</b>	<b>3,718,700</b>	<b>3,350,800</b>	<b>3,118,900</b>
Income	Capital	-	-	-	-
	Operating	-763,000	-769,600	-776,300	-783,000
<b>Income Total</b>		<b>-763,000</b>	<b>-769,600</b>	<b>-776,300</b>	<b>-783,000</b>
<b>Total</b>		<b>3,531,500</b>	<b>2,949,100</b>	<b>2,574,500</b>	<b>2,335,900</b>
2.3 Prioritise sustainable and active transport					
Expenditure	Capital	300,000	300,000	300,000	154,000
	Operating	113,719	116,649	119,560	122,544
<b>Expenditure Total</b>		<b>413,719</b>	<b>416,649</b>	<b>419,560</b>	<b>276,544</b>
Income	Capital	-	-	-	-
	Operating	-64,000	-64,000	-64,000	-64,000
<b>Income Total</b>		<b>-64,000</b>	<b>-64,000</b>	<b>-64,000</b>	<b>-64,000</b>
<b>Total</b>		<b>349,719</b>	<b>352,649</b>	<b>355,560</b>	<b>212,544</b>
2.4 Efficient traffic mobility and parking					
Expenditure	Capital	1,125,000	1,125,000	1,125,000	1,154,000
	Operating	2,474,847	2,536,227	2,469,850	2,531,369
<b>Expenditure Total</b>		<b>3,599,847</b>	<b>3,661,227</b>	<b>3,594,850</b>	<b>3,685,369</b>
Income	Capital	-	-	-	-
	Operating	-8,123,775	-8,126,225	-8,200,000	-8,405,000
<b>Income Total</b>		<b>-8,123,775</b>	<b>-8,126,225</b>	<b>-8,200,000</b>	<b>-8,405,000</b>
<b>Total</b>		<b>-4,523,928</b>	<b>-4,464,998</b>	<b>-4,605,150</b>	<b>-4,719,631</b>
Grand Total					
Total Expenditure	Capital	61,897,972	20,246,078	18,922,000	18,913,900
	Operating	16,559,978	16,938,541	17,227,978	17,658,632
<b>Expenditure Total</b>		<b>78,457,950</b>	<b>37,184,619</b>	<b>36,149,978</b>	<b>36,572,532</b>
Income	Capital	-4,000,000	-	-	-
	Operating	-33,995,361	-35,826,735	-36,297,200	-37,143,500
<b>Income Total</b>		<b>-37,995,361</b>	<b>-35,826,735</b>	<b>-36,297,200</b>	<b>-37,143,500</b>
<b>Total</b>		<b>40,462,589</b>	<b>1,357,884</b>	<b>-147,222</b>	<b>-570,968</b>

## OUTCOME 2.1: INFRASTRUCTURE AND ASSETS MEET DIVERSE COMMUNITY NEEDS

### Strategy 2.1.1 Expand and adapt our community's infrastructure to meet future needs

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.1.1.01	Review the Asset Management Plans per asset class	SOC	Asset Management	●	●	●	●
2.1.1.02	Implement the Asset Management Plans per asset class	SOC	Asset Management	●	●	●	●
2.1.1.03	Review the Asset Management Strategy	SOC	Asset Management			●	
2.1.1.04	Implement the Asset Management Strategy	SOC	Asset Management	●	●	●	●
2.1.1.05	Redevelop the North Sydney Olympic Pool complex	SOC	Project Management	●			
2.1.1.06	Identify commercial opportunities on Council's land and building assets	SOC	Property Assets	●	●	●	●
2.1.1.07	Undertake property renewal projects	SOC	Property Assets	●	●	●	●
2.1.1.08	Implement transport and traffic infrastructure capital works program	SOC	Works Engineering	●	●	●	●

### Strategy 2.1.2: Promote resilience and plan for and respond to large scale emergencies

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.1.2.01	Prepare the Flood Study	SOC	Engineering Infrastructure	●	●	●	●
2.1.2.02	Review the Joint Emergency Plans	SOC	Property Assets	●	●	●	●

Code	Service	Description
S15	Local Emergency Management Committee	Chairing the Local Emergency Management Committee.
S16	SES facilities management	Maintenance of SES headquarters and equipment in an operational condition.
S17	Respond to emergencies	Respond to emergencies as they arise

### Strategy 2.1.3: Advocate for and increase community access to public and private infrastructure

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.1.3.01	Advocate for improved state infrastructure and funding for maintenance and improvement of community assets	SOC	Asset Management	●	●	●	●

Code	Service	Description
S18	Asset management system management and maintenance	Maintain Council's asset management system, and all asset reporting through Council's fully integrated Corporate Asset Management System (CAMs).
S19	Banner program	Management of seasonal banners and event banners and installation of banner poles

Code	Service	Description
S20	Bus shelters	Provision of bus shelters
S21	Capital Renewal Program - building construction	Overseeing the resourcing, budgeting, staff skill sets, planning, project management and contract management services for Council's Engineering Infrastructure assets
S22	Car parking stations maintenance and management	Maintenance and management of Council's car parks including capital works projects, equipment, contract management and revenue in accordance with the adopted fees and charges
S23	Community facilities management	Provision and maintenance of community facilities
S24	Council building cleaning and maintenance	Cleaning and Maintenance of Council owned buildings and facilities in accordance with contract cleaning arrangements
S25	Council buildings lease management	Management of Council's commercial property portfolio through a third party service provider to maximise return with minimum risk to Council. Oversee the management of revenue raised through the property portfolio in accordance with the adopted fees and charges
S26	Footpaths, stairs and cycleways maintenance	Inspection, maintenance and renewal of Council's Footpaths, Stairs and Cycleways
S27	Gateway treatments	Investigation and renewal of gateway treatments
S28	Graffiti removal	Removal of reported graffiti from public and private property and identified priority sites in accordance with Council's Graffiti Removal Policy
S29	Infrastructure levy program administration	Administration and project management of all capital works programs that are funded through the infrastructure levy
S30	Infrastructure maintenance	Implementation of the infrastructure maintenance program in accordance with Council's Asset Management Plans
S31	Infrastructure management and construction	Planning, project management and renewal of infrastructure in accordance with Council's Asset Management Plans and the adopted Delivery Program and capital works budgets
S32	Infrastructure requests	Investigation and response to infrastructure requests in line with service level agreements
S33	Kerb and Gutter	Inspection, maintenance and renewal of Council's kerb and gutter infrastructure in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets



Code	Service	Description
S34	Marine Structures	Inspection, maintenance and renewal of Council's Marine Structures (timber boardwalks, jetties, boat ramps and seawalls) in accordance with Asset Management Plans, adopted Delivery Program and capital works budgets
S35	Outdoor dining and trading	Assessment of outdoor dining applications in accordance with Council's Outdoor Dining Policy and Council's Outdoor Licence Agreements
S36	Plant and fleet management	Management of Council's plant, equipment and fleet
S37	Pollution control device cleaning and maintenance	Inspection, cleaning, maintenance and renewal of Council's GPTs network in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets
S38	Project Management	Coordinate preparation of concept design briefs and plans in the program. Management of internal staff, stakeholders, consultants and contractors responsible for project delivery
S39	Retaining Walls	Inspection, maintenance and renewal of Council's Retaining Walls in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets
S40	Roads construction and maintenance	Planning, building and maintenance of local roads in accordance with Council's Asset Management Plans, the Delivery Program and capital works budgets
S41	Safety Barriers	Inspection, maintenance and renewal of Council's safety barriers in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets
S42	Signage and street sign and lines replacement	Maintenance of street and traffic lines and signs in accordance with the LATMs and Council's Asset Management Plans, Delivery Program and capital works budgets
S43	Stormwater/drainage management	Inspection, cleaning, maintenance and renewal of Council's stormwater and drainage network in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets
S44	Street furniture and Road infrastructure cleaning, maintenance and replacement	Cleaning, maintenance and replacement of Council owned street furniture and road infrastructure in accordance with Council's Asset Management Plans, Delivery Program and capital works budgets
S45	Vehicle and plant replacement and maintenance	Servicing and replacement of all Council vehicles and items of plant in accordance with the Asset Management Plans. Managing Council's Fleet and Plant Replacement Program



## OUTCOME 2.2: VIBRANT PUBLIC DOMAINS AND VILLAGES

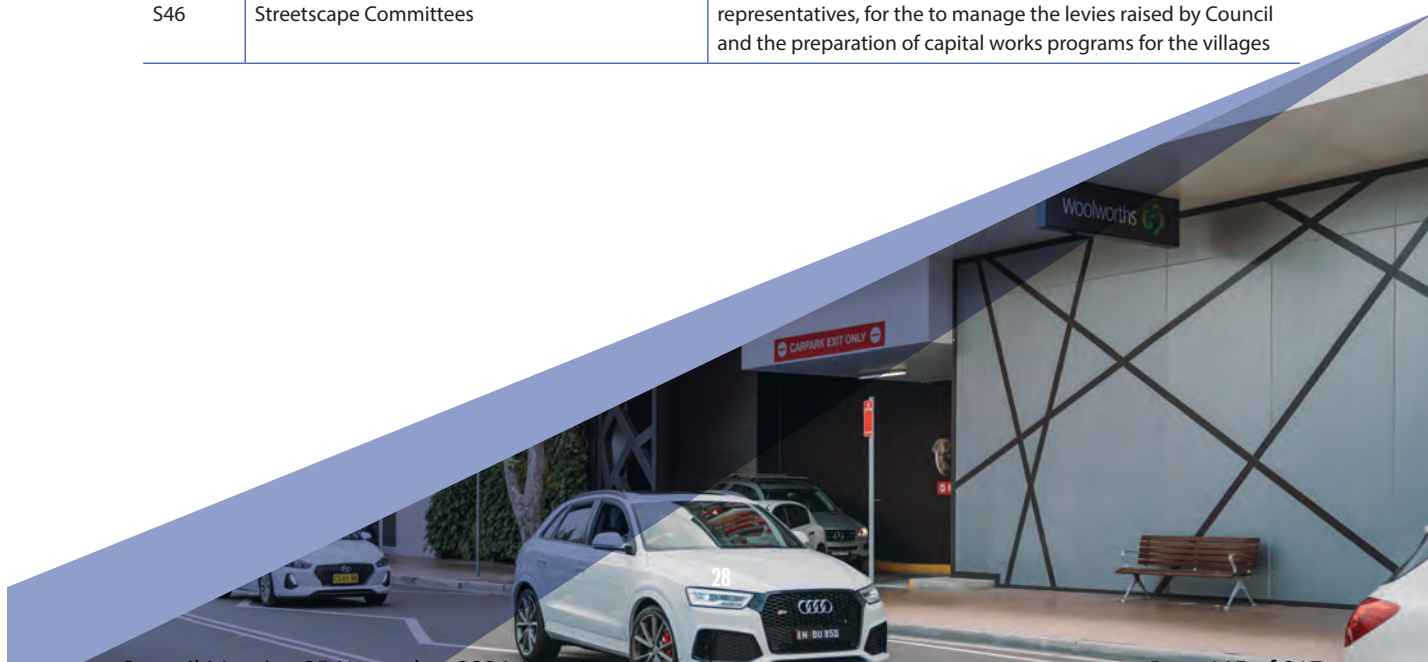
### Strategy 2.2.1: Enhance public domains and village streetscapes

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.2.1.01	Implement the Crows Nest Public Domain Masterplan	SOC	Engineering Infrastructure	●	●	●	●
2.2.1.02	Implement the Neutral Bay and Cremorne Public Domain Masterplan	SOC	Engineering Infrastructure	●	●	●	●
2.2.1.03	Implement the Kirribilli Village Centre Public Domain Masterplan	SOC	Engineering Infrastructure	●	●		
2.2.1.04	Implement the Blues Point Road McMahons Point Public Domain Masterplan	SOC	Engineering Infrastructure	●	●	●	●
2.2.1.05	Implement the St Leonards Public Domain Masterplan	SOC	Engineering Infrastructure	●	●	●	●
2.2.1.06	Implement the Public Amenities Strategy	SOC	Engineering Infrastructure	●	●	●	●

### Strategy 2.2.2: Improve lighting and surveillance to make our public spaces safer

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.2.2.01	Prepare the Lighting Strategy	SOC	Engineering Infrastructure	●	●	●	●
2.2.2.02	Upgrade streetscape lighting in North Sydney CBD	SOC	Engineering Infrastructure	●	●	●	●
2.2.2.03	Upgrade lighting in village centres	SOC	Engineering Infrastructure	●	●	●	●
2.2.2.04	Upgrade lighting at pedestrian crossings	SOC	Traffic & Transport Operations	●	●	●	●

Code	Service	Description
S46	Streetscape Committees	Engagement with local businesses and Mainstreet Committee representatives, for the to manage the levies raised by Council and the preparation of capital works programs for the villages



## OUTCOME 2.3: PRIORITISE SUSTAINABLE AND ACTIVE TRANSPORT

### Strategy 2.3.1: Incentivise use of sustainable and innovative public transport

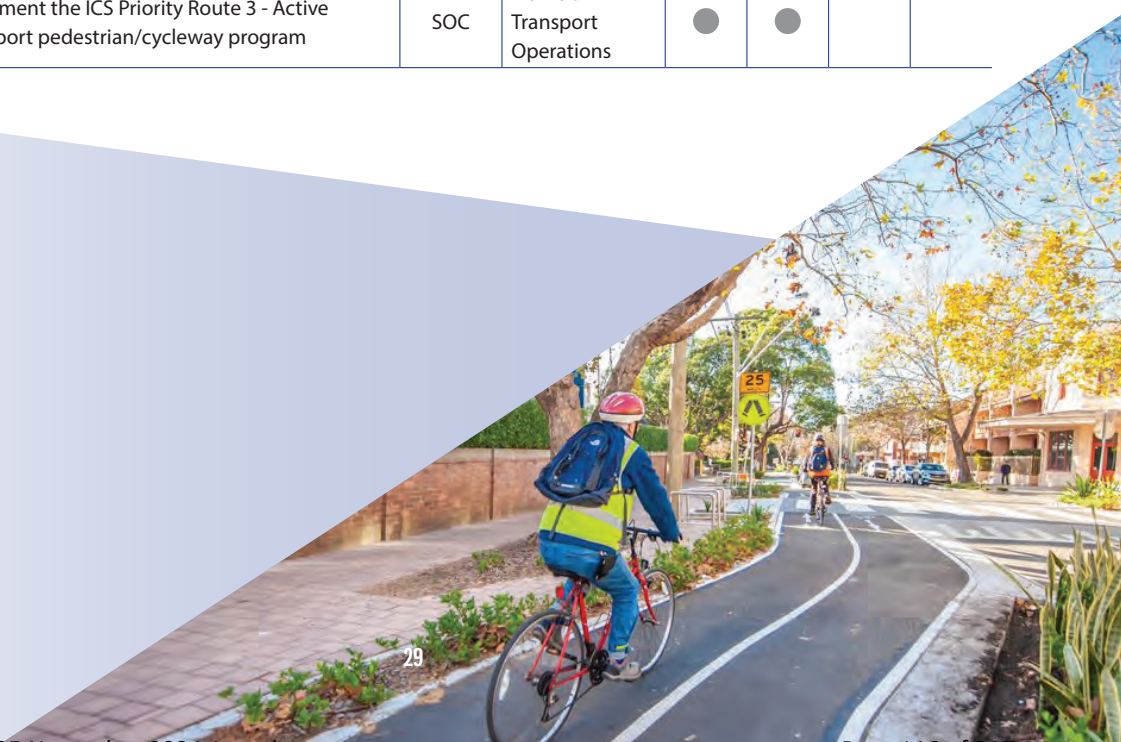
Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.3.1.01	Implement the Road Safety Action Plan including education and awareness programs	SOC	Traffic & Transport Operations	●	●	●	●
2.3.1.02	Participate in TfNSW Travel Choices Program	SOC	Traffic & Transport Operations	●	●	●	●

### Strategy 2.3.2: Provide infrastructure to support sustainable, innovative and active transport

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.3.2.01	Investigate and apply for grant funding for new and upgraded traffic, pedestrian and cycling facilities	SOC	Traffic & Transport Operations	●	●	●	●
2.3.2.02	Implement community education campaigns that encourage use of active, public and other alternative modes of transport	SOC	Traffic & Transport Operations	●	●	●	●

### Strategy 2.3.3: Provide a connected walking and cycling network for people of all ages and abilities

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.3.3.01	Review the Integrated Cycling Strategy (ICS)	SOC	Traffic & Transport Operations	●			
2.3.3.02	Implement the ICS Priority Route 2 - Active Transport at Young Street	SOC	Traffic & Transport Operations	●			
2.3.3.03	Implement the ICS Priority Route 3 - Active Transport pedestrian/cycleway program	SOC	Traffic & Transport Operations	●	●		



## OUTCOME 2.4: EFFICIENT TRAFFIC MOBILITY AND PARKING

### Strategy 2.4.1: Reduce traffic through improved active and public transport

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.4.1.01	Implement the Local Area Traffic Management Action Plans	SOC	Traffic & Transport Operations	●	●	●	●

### Strategy 2.4.2: Integrate on-street and off-street parking options in residential and commercial areas

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.4.2.01	Manage car share parking	SOC	Traffic & Transport Operations	●	●	●	●
2.4.2.02	Review the Council's Residents Parking Scheme	SOC	Traffic & Transport Operations	●	●		
2.4.2.03	Expand the parking meter network	SOC	Traffic & Transport Operations	●	●	●	●
2.4.2.04	Replace parking meters	SOC	Traffic & Transport Operations	●	●	●	●
2.4.2.05	Prepare the Parking Strategy	SOC	Strategic Planning			●	

### Strategy 2.4.3: Better integrate major transport infrastructure into the local built environment

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
2.4.3.01	Partner with TfNSW and other agencies on the North Sydney Integrated Transport Program	SOC	Strategic Planning	●	●	●	●
2.4.3.02	Liaise with State Government Agencies to deliver Miller Place	SOC	Strategic Planning	●	●	●	●

Code	Service	Description
S47	Parking management	Oversee the management of on-street parking provisions in the North Sydney LGA
S48	Road and traffic permits	Assess, issue and regulate road and traffic permits for temporary third-party works. Manage road and traffic permit revenue in accordance with adopted fees and charges
S49	Street Lighting Improvement Program (SSROC)	Pursuit of improvements to North Sydney's street lighting network through the SSROC Street Lighting Improvement Program

Code	Service	Description
S50	Traffic Committee	Management and facilitation of North Sydney Council's Traffic Committee meetings, agendas and reports to Council
S51	Traffic Facilities - LATMs	Inspection, maintenance and renewal of Council's traffic facilities identified in LATMs and Council's Asset Management Plans for Traffic Facilities, adopted Delivery Program and capital works budgets
S52	Traffic grant applications	Preparation of funding grant submissions to TfNSW and federal government agencies for traffic and road safety projects
S53	Traffic investigations	Undertaking traffic investigations in accordance with the Traffic Committee and projects in Council's adopted LATMs
S54	Traffic management designs	Preparation of traffic management designs and documentation in accordance with the resolutions of Council's Traffic Committee and with the projects identified in Council's adopted LATMs





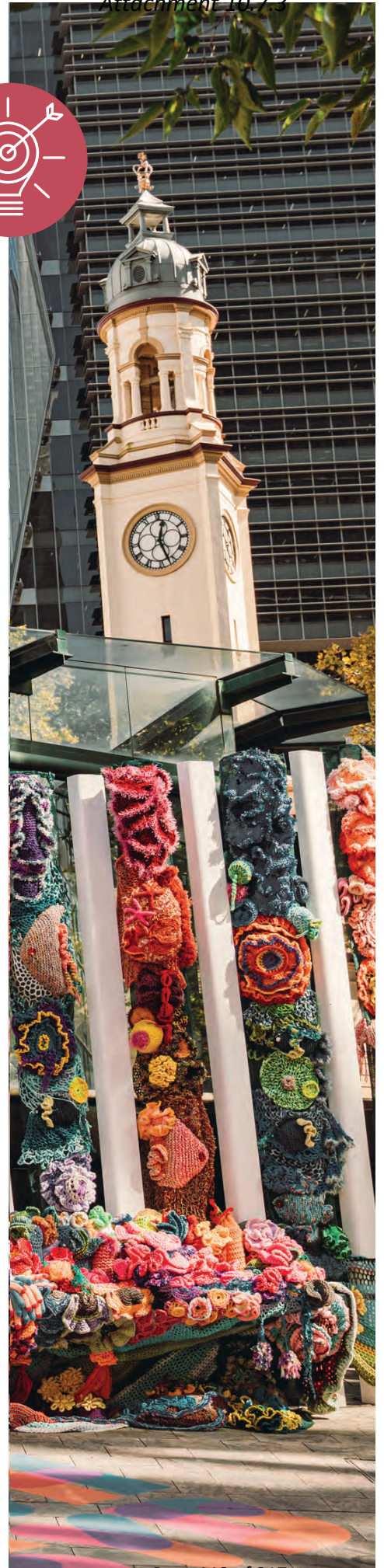


## DIRECTION 3: OUR INNOVATIVE CITY

### WHERE DO WE WANT TO BE IN 2040?

Global investment and businesses are drawn to North Sydney because it is a centre of innovation, entrepreneurship and tourism. North Sydney CBD and St Leonards are an important part of the Eastern Economic Corridor. The character of our local centres are enhanced to maximise vitality and tourism are balanced with maintaining residential amenity.

Land use planning and contemporary planning controls ensure the protection of historic buildings and places, and that new development respects North Sydney's distinct identity, heritage character and natural environment. Housing is accessible and affordable for all individuals and families.



## FINANCIAL SUMMARY

Direction 3: Our Innovative City					
		2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
3.1 Our commercial centres are prosperous and vibrant					
Expenditure	Capital	-	-	-	-
	Operating	121,917	215,040	148,236	131,507
<b>Expenditure Total</b>		<b>121,917</b>	<b>215,040</b>	<b>148,236</b>	<b>131,507</b>
Income	Capital	-	-	-	-
	Operating	-	-	-	-
<b>Income Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>121,917</b>	<b>215,040</b>	<b>148,236</b>	<b>131,507</b>
3.2 North Sydney is smart and innovative					
Expenditure	Capital	-	-	-	-
	Operating	-	-	-	-
<b>Expenditure Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income	Capital	-	-	-	-
	Operating	-	-	-	-
<b>Income Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.3 Distinctive sense of place and design excellence					
Expenditure	Capital	30,000	15,000	30,000	16,000
	Operating	15,758,263	16,049,843	15,657,116	15,893,041
<b>Expenditure Total</b>		<b>15,788,263</b>	<b>16,064,843</b>	<b>15,687,116</b>	<b>15,909,041</b>
Income	Capital	-	-	-	-
	Operating	-11,367,723	-11,779,477	-11,891,600	-12,189,100
<b>Income Total</b>		<b>-11,367,723</b>	<b>-11,779,477</b>	<b>-11,891,600</b>	<b>-12,189,100</b>
<b>Total</b>		<b>4,420,540</b>	<b>4,285,366</b>	<b>3,795,516</b>	<b>3,719,941</b>
Grand Total					
Total Expenditure	Capital	30,000	15,000	30,000	16,000
	Operating	15,880,180	16,264,883	15,805,352	16,024,548
<b>Expenditure Total</b>		<b>15,910,180</b>	<b>16,279,883</b>	<b>15,835,352</b>	<b>16,040,548</b>
Income	Capital	-	-	-	-
	Operating	-11,367,723	-11,779,477	-11,891,600	-12,189,100
<b>Income Total</b>		<b>-11,367,723</b>	<b>-11,779,477</b>	<b>-11,891,600</b>	<b>-12,189,100</b>
<b>Total</b>		<b>4,542,457</b>	<b>4,500,406</b>	<b>3,943,752</b>	<b>3,851,448</b>



## OUTCOME 3.1: OUR COMMERCIAL CENTRES ARE PROSPEROUS AND VIBRANT

### Strategy 3.1.1: Support existing and attract new and diverse businesses

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.1.1.01	Conduct the Business Network event series	ECO	Strategic Planning		●	●	●
3.1.1.02	Support the local Chambers of Commerce and peak bodies representing local businesses	ECO	Strategic Planning	●	●	●	●
3.1.1.03	Review the Economic Development Strategy	ECO	Strategic Planning		●		
3.1.1.04	Participate in the State Government's Easy to Do Business Program	ECO	Strategic Planning		●	●	●

### Strategy 3.1.2: Enhance the night time and weekend economy

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.1.2.01	Identify achievable measures and strategies to enhance after hours activity	ECO	Strategic Planning		●	●	●

### Strategy 3.1.3: Deliver sustainable tourism activity

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.1.3.01	Implement the Visitor Economy Strategy	ECO	Strategic Planning	●	●	●	●
3.1.3.02	Review the Visitor Economy Strategy	ECO	Strategic Planning		●		
3.1.3.03	Seek opportunities to engage in joint venture promotional initiatives with tourism industry operators	ECO	Strategic Planning	●	●	●	●

### Strategy 3.1.4: Strengthen the North Sydney CBD's competitiveness and identity

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.1.4.01	Promote commercial centre activity in Council publications	ECO	Strategic Planning		●	●	●
3.1.4.02	Develop and implement North Sydney CBD land use and infrastructure plans	SOC	Strategic Planning	●	●	●	●
3.1.4.03	Implement the North Sydney CBD marketing campaign through targeted events, activations and communications	SOC	Communications & Events	●	●	●	●
3.1.4.04	Implement the North Sydney CBD Upgrade Program	SOC	Engineering Infrastructure	●	●	●	●

Code	Service	Description
S55	Business support	Council develops business capability to aid economic development through information sharing
S56	Economic development	Promotion and management of economic development in the LGA

OUTCOME 3.2:  
NORTH SYDNEY IS SMART AND INNOVATIVE

Strategy 3.2.1: Deliver Smart City Strategies

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.2.1.01	Implement the Smart City Strategy	ECO	Information Technology	●	●	●	●

Strategy 3.2.2: Deliver and support smart, innovative services to the community

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.2.2.01	Trial free wifi in the CBD	ECO	Information Technology		●	●	●



## OUTCOME 3.3: DISTINCTIVE SENSE OF PLACE AND DESIGN EXCELLENCE

### Strategy: 3.3.1 Leading strategic land use planning

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.3.1.01	Implement the Transport Strategy	SOC	Strategic Planning	●	●	●	●
3.3.1.02	Liaise and coordinate with TfNSW on the Western Harbour Tunnel and Beaches Link project	SOC	Strategic Planning	●	●	●	●
3.3.1.03	Advance land use projects and proposals	SOC	Strategic Planning	●	●	●	●
3.3.1.04	Respond to reforms in planning process and advocate on behalf of community	SOC	Strategic Planning	●	●	●	●
3.3.1.05	Respond to NSW Government and Greater Cities Commission planning reforms and initiatives	SOC	Strategic Planning	●	●	●	●
3.3.1.06	Prepare a new development framework and strategy for the Military Road Corridor	SOC	Strategic Planning	●	●	●	●
3.3.1.07	Update planning instruments in response to Council led local planning studies and strategies	SOC	Strategic Planning	●	●	●	●

### Strategy 3.3.2: Improve urban design, amenity, accessibility, liveability and public domain

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.3.2.01	Monitor and review CBD and North Sydney Public Domain Strategies	SOC	Strategic Planning			●	
3.3.2.02	Undertake a Comprehensive Heritage Review	SOC	Strategic Planning		●	●	●
3.3.2.03	Implement the Ward Street Masterplan	SOC	Strategic Planning		●	●	●
3.3.2.04	Conduct the Design Excellence Panel	SOC	Development Services	●	●	●	●

### Strategy 3.3.3: Advocate for and provide affordable housing

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.3.3.01	Partner with other levels of government and developers to improve the policy basis to increase affordable housing in North Sydney	SOC	Strategic Planning		●	●	●

### Strategy 3.3.4: Manage and promote compliance

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
3.3.4.01	Manage the smoking ban in the CBD and the Chambers Precinct with education and enforcement	SOC	Ranger & Parking Services		●		

Code	Service	Description
S57	Abandoned trailers, trolleys and vehicles	Ensuring compliance with the compounding act, managing abandoned items in the LGA
S58	Acceptance of development applications	Acceptance and registration of development applications
S59	Companion animal management	Monitoring companion animal behaviours and action in accordance with the Companion Animal Act. Delivery of companion animal education. Resolving complaints about animals and inspection of premises with dangerous or restricted breed dogs
S60	Boarding house inspection program	Inspection of places for shared accommodation for occupant safety
S61	Building compliance investigations	Enforcement of building legislation. Investigating and monitoring development on private land to determine requirements for development approval, or legal action
S62	Building consents	Ensure building works meet approved building consents. Administering the occupancy provision of the Building Code of Australia. Issuing building certificates
S63	Commercial swimming pool inspection program	Commercial swimming pool inspection to ensure safety and hygiene
S64	Construction approvals	Issuing of construction certificates as a certifying authority as part of the building certification process including construction certificates, complying development certificates, occupation certificates, subdivision certificates, building certificates, swimming pool certificates
S65	Construction noise management program	Administering the provisions set out in Council's construction works management strategy
S66	Cooling tower inspection program	Inspection of all cooling towers and other warm water systems to ensure they are maintained appropriately
S67	Development assessment	Assessment and determination of applications for development consent. Administration of developer contributions
S68	Engineering approvals - driveway crossings	Assessment and determination of driveway crossing applications
S69	Environment and health investigations and audits	Responding to health or safety matters and unauthorised uses of land. Monitoring air and noise pollution compliance. Undertaking environmental audits and preparation of detailed reports on audits

Code	Service	Description
S70	Footpath approvals	Assessment and determination of footpaths and other works associated with development
S71	Heritage maintenance approvals	Assess and determine applications for heritage maintenance exemptions
S72	Hoarding permits	Issuing of hoarding permits on application
S73	North Sydney Local Planning Panel	State-mandated determining body authorised to determine development applications and other planning matters
S74	Parking enforcement	Provision of parking patrols and enforcement of laws relating to road rules. Education of public regarding road rules
S75	Compliance inspections	Inspection of public entertainment spaces and shared accommodation to ensure they are safe
S76	Planning codes and publications	Preparation of planning codes and publications
S77	Planning information and policy analysis	Provision of technical and strategic planning expertise to the public and councillors to support decision making
S78	Planning proposals	Consideration and preparation of planning proposals
S79	Pre-lodgement service	Provision of development application advice to development applicants prior to lodgement
S80	Regulatory approvals	Processing building, land use and subdivision consents in accordance with legislation
S81	Residential swimming pool inspection program	Inspection of residential swimming pools. Monitoring of compliance with legislation
S82	Section 10.7 planning certificates	Preparation and issuing of section 10.7 planning certificates on application
S83	Skin penetration premise inspection program	Inspection of all skin penetration premises
S84	Stormwater drainage connections	Assessment and determination of stormwater drainage connections with Council's system
S85	Strategic land use planning and advice	Development and implementation of strategies, policies and plans, such as the Local Environmental Plan, to guide land use and development. Preparation of strategic planning advice, plans and documents that control the use and development of land
S86	Transport planning	Advocacy and preparation of strategies and policies relating to transport
S87	urban design	preparation of urban design studies and review of significant proposals
S88	Wastewater on-site systems inspection program	Monitoring of compliance with legislation





## DIRECTION 4: OUR SOCIAL VITALITY

### WHERE DO WE WANT TO BE IN 2040?

Our community enjoys a healthy and active lifestyle, improved accessibility, wellbeing and safety, safety, and a life free from violence and crime. North Sydney is known for its vibrancy and cultural diversity, with markets, festivals, art and culture, events that connect the community.

Residents have access to the best health care and support services. Education opportunities are many and varied. Service providers, including Stanton Library deliver facilities that meet the community's changing cultural and educational needs. Local heritage and our First Nations history and culture is preserved, respected and celebrated.





## FINANCIAL SUMMARY

Direction 4: Our Social Vitality					
		2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
4.1 North Sydney is connected, inclusive, healthy and safe					
Expenditure	Capital	139,000	140,000	161,000	165,100
	Operating	3,433,288	3,520,061	3,607,090	3,698,254
<b>Expenditure Total</b>		<b>3,572,288</b>	<b>3,660,061</b>	<b>3,768,090</b>	<b>3,863,354</b>
Income	Capital	-	-	-	-
	Operating	-936,586	-960,159	-983,859	-1,008,759
<b>Income Total</b>		<b>-936,586</b>	<b>-960,159</b>	<b>-983,859</b>	<b>-1,008,759</b>
<b>Total</b>		<b>2,635,702</b>	<b>2,699,902</b>	<b>2,784,231</b>	<b>2,854,595</b>
4.2 A centre for creativity and learning					
Expenditure	Capital	489,500	501,100	512,700	524,600
	Operating	5,143,073	5,372,111	5,404,859	5,645,402
<b>Expenditure Total</b>		<b>5,632,573</b>	<b>5,873,211</b>	<b>5,917,559</b>	<b>6,170,002</b>
Income	Capital	-56,700	-58,000	-59,000	-60,000
	Operating	-237,000	-242,600	-248,200	-253,800
<b>Income Total</b>		<b>-293,700</b>	<b>-300,600</b>	<b>-307,200</b>	<b>-313,800</b>
<b>Total</b>		<b>5,338,873</b>	<b>5,572,611</b>	<b>5,610,359</b>	<b>5,856,202</b>
4.3 North Sydney's history is preserved and recognised					
Expenditure	Capital	-	-	-	-
	Operating	434,790	445,949	457,355	468,986
<b>Expenditure Total</b>		<b>434,790</b>	<b>445,949</b>	<b>457,355</b>	<b>468,986</b>
Income	Capital	-	-	-	-
	Operating	-3,200	-3,200	-3,200	-3,200
<b>Income Total</b>		<b>-3,200</b>	<b>-3,200</b>	<b>-3,200</b>	<b>-3,200</b>
<b>Total</b>		<b>431,590</b>	<b>442,749</b>	<b>454,155</b>	<b>465,786</b>
Grand Total					
Total Expenditure	Capital	628,500	641,100	673,700	689,700
	Operating	9,011,151	9,338,121	9,469,304	9,812,642
<b>Expenditure Total</b>		<b>9,639,651</b>	<b>9,979,221</b>	<b>10,143,004</b>	<b>10,502,342</b>
Income	Capital	-56,700	-58,000	-59,000	-60,000
	Operating	-1,176,786	-1,205,959	-1,235,259	-1,265,759
<b>Income Total</b>		<b>-1,233,486</b>	<b>-1,263,959</b>	<b>-1,294,259</b>	<b>-1,325,759</b>
<b>Total</b>		<b>8,406,165</b>	<b>8,715,262</b>	<b>8,848,745</b>	<b>9,176,583</b>

## OUTCOME 4.1: NORTH SYDNEY IS CONNECTED, INCLUSIVE, HEALTHY AND SAFE

**Strategy 4.1.1: Increase, celebrate and foster community connectedness, health, inclusivity and safety through services and programs**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.1.1.01	Review the Disability Inclusion Action Plan	SOC	Community Development	●			
4.1.1.02	Implement the Disability Inclusion Action Plan	SOC	Community Development	●	●	●	●
4.1.1.03	Explore partnership opportunities between Family Day Care and a local aged care facility	SOC	Community Development	●	●	●	●
4.1.1.04	Participate in Lower North Shore Child and Family Interagency	SOC	Community Development	●	●	●	●
4.1.1.05	Implement the Family and Children's Services Strategy	SOC	Community Development	●	●	●	●
4.1.1.06	Expand the Family Day Care service	SOC	Community Development	●	●	●	●
4.1.1.07	Support the local community centres	SOC	Community Development	●	●	●	●
4.1.1.08	Coordinate and promote multi-cultural activities	SOC	Community Development	●	●	●	●
4.1.1.09	Participate in the Lower North Shore Domestic Violence Network	SOC	Community Development	●	●	●	●
4.1.1.10	Provide access to translated information to the community	SOC	Community Development	●	●	●	●
4.1.1.11	Implement the Young People's Strategy	SOC	Community Development	●	●	●	●
4.1.1.12	Upgrade facilities and equipment at Planet X Youth Centre	SOC	Community Development	●	●	●	●
4.1.1.13	Provide services and activities to older people through community centres	SOC	Community Development	●	●	●	●
4.1.1.14	Implement the Older Persons Plan	SOC	Community Development	●	●	●	●
4.1.1.15	Provide social and affordable housing	SOC	Community Development	●	●	●	●
4.1.1.16	Promote health and wellbeing activities through arts programs	SOC	Community Development	●	●	●	●
4.1.1.17	Implement drug and alcohol minimisation strategies	SOC	Community Development	●	●	●	●
4.1.1.18	Participate in Local Liquor Accords	SOC	Community Development	●	●	●	●
4.1.1.19	Provide activities and resources to support wellbeing, mental health and community connection	SOC	Library Services	●	●	●	●

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.1.1.20	Implement the Stanton Library Masterplan	SOC	Library Services	●	●	●	●
4.1.1.21	Implement targeted promotional and marketing campaigns to increase awareness and engagement with library services	SOC	Library Services	●	●	●	●
4.1.1.22	Develop services, resources and activities that acknowledge and support cultural diversity in the community	SOC	Library Services	●	●	●	●
4.1.1.23	Implement initiatives that promote the library as a welcoming, diverse and inclusive space	SOC	Library Services	●	●	●	●
4.1.1.24	Increase the diversity of Stanton Library's collection	SOC	Library Services	●	●	●	●
4.1.1.25	Develop and review Joint Strategic Plans	SOC	Community Development	●	●	●	●
4.1.1.26	Review the North Sydney Community Awards program	SOC	Community Development	●			
4.1.1.27	Prepare the Community Development Strategy	SOC	Community Development	●			
4.1.1.28	Implement the Community Development Strategy	SOC	Community Development		●	●	●

**Strategy 4.1.2: Reduce housing stress and homelessness particularly for vulnerable people and communities at risk, including sexual, domestic and family violence**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.1.2.01	Review the Affordable Housing Strategy	SOC	Community Development	●			
4.1.2.02	Implement the Affordable Housing Strategy	SOC	Community Development	●	●	●	●
4.1.2.03	Review the Homeless Strategy	SOC	Community Development	●	●		
4.1.2.04	Implement the Homeless Strategy	SOC	Community Development	●	●	●	●
4.1.2.05	Manage squalor, hoarding and homelessness enquiries with appropriate referrals	SOC	Community Development	●	●	●	●

**Strategy 4.1.3: Utilise community skills and expertise through volunteering**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.1.3.01	Promote Volunteer Week	SOC	Community Development	●	●	●	●
4.1.3.02	Support annual events recognising volunteers	SOC	Community Development	●	●	●	●

Code	Service	Description
S89	Advice and referrals	Provision of advice and referrals in support of key target groups including young people, older people, people with a disability, Aboriginal and Torres Strait Islander people, multi-cultural communities, children and families
S90	Advice and Support	Provide advice and support to not-for-profit community groups and charities
S91	Alcohol free zones	Establishment and management of alcohol free zones and alcohol prohibited areas
S92	Art events	Art exhibitions including by local artists
S93	Arts and culture program	Implementation of annual arts and cultural events program. Implementation of Artists in Residence program
S94	Community grants	Provision of funding annually for non-profit community groups to support community projects. Determination of applications for community grants in accordance with policy
S95	Community information	Provision of accurate and up to date community information, including update of Community Information Directory Online, Community Directories and the Community Noticeboard Program
S96	Community safety programs	Facilitation of community safety elements with a wide range of programs
S97	James Milson Village	Contribute to strategic direction of James Milson Village
S98	Lower North Shore Multicultural Network meeting support	Co-convening of Lower North Shore Multicultural Network
S99	Public art	Commission and installation of public art
S100	Vacation care programs	Provision of recreational and leisure experiences for primary school aged children during school holidays



## OUTCOME 4.2: A CENTRE FOR CREATIVITY AND LEARNING

### Strategy 4.2.1: Foster, support and increase creative arts

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.2.1.01	Identify and apply for grants funding for community arts and cultural sector projects	SOC	Community Development	●	●	●	●
4.2.1.02	Prepare the Public Arts Masterplan	SOC	Community Development	●			
4.2.1.03	Implement the Public Arts Masterplan	SOC	Community Development	●	●	●	●
4.2.1.04	Implement the Arts and Cultural Strategic Plan	SOC	Community Development	●	●	●	●

### Strategy 4.2.2: Provide and support a diverse range of events and street life

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.2.2.01	Support local weekend markets	SOC	Community Development	●	●	●	●
4.2.2.02	Develop public programs and activities to support cultural celebrations and festivals in the community	SOC	Library Services	●	●	●	●
4.2.2.03	Coordinate and promote activities in Youth Week	SOC	Community Development	●	●	●	●
4.2.2.04	Coordinate and promote the annual North Sydney Seniors Festival	SOC	Community Development	●	●	●	●

### Strategy 4.2.3 Provide diverse education and learning choices that meet growing needs

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.2.3.01	Provide training and equipment to build digital literacy skills in the community	SOC	Library Services	●	●	●	●
4.2.3.02	Improve customer access to the libraries online services	SOC	Library Services	●	●	●	●
4.2.3.03	Increase access to library services for all members of the community	SOC	Library Services	●	●	●	●
4.2.3.04	Provide programs to support literacy, writing and literary engagement across all ages	SOC	Library Services	●	●	●	●
4.2.3.05	Develop a reader's advisory program	SOC	Library Services	●	●	●	●
4.2.3.06	Support educational outcomes and encourage reading by developing relationships with local schools and teachers	SOC	Library Services	●	●	●	●
4.2.3.07	Review collections based on consultation and statistical data	SOC	Library Services	●	●	●	●

## OUTCOME 4.3: NORTH SYDNEY'S HISTORY IS PRESERVED AND RECOGNISED

### Strategy 4.3.1: Celebrate North Sydney's history and heritage

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.3.1.01	Conduct public programs which increase awareness of local history and heritage	SOC	Library Services	●	●	●	●
4.3.1.02	Establish a specialist local history research and enquiry service	SOC	Library Services	●	●	●	●
4.3.1.03	Investigate a consolidated digital asset management system for heritage items	SOC	Library Services	●	●	●	●

### Strategy 4.3.2: Protect and maintain historical sites, items and records

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.3.2.01	Manage Don Bank Museum, Sextons Cottage Museum and St Thomas' Rest Park	SOC	Library Services	●	●	●	●
4.3.2.02	Provide interpretive information on signs and plaques at historical sites	SOC	Library Services	●	●	●	●

### Strategy 4.3.3: Promote awareness of North Sydney's First Nation's heritage

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
4.3.3.01	Coordinate and promote activities in Indigenous festivals	SOC	Community Development	●	●	●	●

Code	Service	Description
S101	Aboriginal heritage preservation and promotion	Maintenance, identification and preservation of Aboriginal heritage items and promotion of Aboriginal heritage in North Sydney through Council's partnership with the Aboriginal Heritage Office. Implementation of legislative requirements to ensure Aboriginal and archaeological heritage are conserved and valued
S102	Digital literacy program	Training for customers and staff in how to use a range of technologies
S103	Heritage preservation and promotion	Maintenance, identification, preservation and rehabilitation of heritage items and areas and promotion of heritage in North Sydney. Provision of information and advice for North Sydney heritage and heritage conservation
S104	Lending service	Provision of loans, inter branch delivery, and document delivery
S105	Library Information service	Provision of reference services, general enquiries and local history research
S106	Local heritage events	Holding of events to celebrate the history and heritage of the North Sydney area in conjunction with Heritage Week and History Week



Code	Service	Description
S107	North Sydney Heritage centre and museums	Provision of funding to Don Bank Museum to enable care of its heritage collection items, to provide lifelong learning and research. Collection, archiving and provision of primary and secondary material for historical research. Acquiring of items relevant to North Sydney for collections. Holding of events to celebrate the history and heritage of the North Sydney area. Provision of funding to the Nutcote Museum
S108	Special interest groups	Hosting of special interest groups at the library, including philosophy, English as a second language, book groups, knitting, Writer's and other discussion groups
S109	Stanton Library e-Bulletin	Production of a Stanton Library e-newsletter
S110	Writers@Stanton author talks	Provision of free talks by authors of popular interest, both fiction and non-fiction
S111	Home Library Service	Provide a selection and delivery service that enables access to library services for housebound and elderly residents and carers in the North Sydney LGA





## DIRECTION 5: OUR CIVIC LEADERSHIP

### WHERE DO WE WANT TO BE IN 2040?

Our community has confidence in North Sydney's strategic direction and trusts Council, along with partner organisations, to lead with integrity and demonstrate good governance. Council provides what the community needs now and plans for the needs of future generations. The community is actively engaged in the future direction of North Sydney in accordance with our long-standing commitment to "open government".

Council demonstrates transparency and leadership in its decision making, is accountable to the community, and respectful in its interactions. Council is the employer of first choice, attracting and retaining highly motivated and skilled employees, committed to providing the community with quality service.



## FINANCIAL SUMMARY

Direction 5: Our Civic Leadership					
		2022/23 Budget (\$)	2023/24 Budget (\$)	2024/25 Budget (\$)	2025/26 Budget (\$)
5.1 Lead North Sydney's strategic direction					
Expenditure	Capital	258,000	-	-	-
	Operating	6,952,808	7,027,953	7,606,855	7,138,712
<b>Expenditure Total</b>		<b>7,210,808</b>	<b>7,027,953</b>	<b>7,606,855</b>	<b>7,138,712</b>
Income	Capital	-	-	-	-
	Operating	-54,868,510	-56,164,600	-57,489,000	-58,897,600
<b>Income Total</b>		<b>-54,868,510</b>	<b>-56,164,600</b>	<b>-57,489,000</b>	<b>-58,897,600</b>
<b>Total</b>		<b>-47,657,702</b>	<b>-49,136,647</b>	<b>-49,882,145</b>	<b>-51,758,888</b>
5.2 Strong civic leadership and customer focussed services					
Expenditure	Capital	-	-	-	-
	Operating	7,061,534	7,246,440	7,453,069	7,614,008
<b>Expenditure Total</b>		<b>7,061,534</b>	<b>7,246,440</b>	<b>7,453,069</b>	<b>7,614,008</b>
Income	Capital	-	-	-	-
	Operating	-621,600	-637,200	-652,800	-669,500
<b>Income Total</b>		<b>-621,600</b>	<b>-637,200</b>	<b>-652,800</b>	<b>-669,500</b>
<b>Total</b>		<b>6,439,934</b>	<b>6,609,240</b>	<b>6,800,269</b>	<b>6,944,508</b>
5.3 Community is engaged in what Council does					
Expenditure	Capital	1,000	1,000	1,000	1,000
	Operating	1,245,110	1,275,952	1,307,341	1,340,069
<b>Expenditure Total</b>		<b>1,246,110</b>	<b>1,276,952</b>	<b>1,308,341</b>	<b>1,341,069</b>
Income	Capital	-	-	-	-
	Operating	-	-	-	-
<b>Income Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>1,246,110</b>	<b>1,276,952</b>	<b>1,308,341</b>	<b>1,341,069</b>
5.4 Council services are efficient and easy to access					
Expenditure	Capital	1,180,198	593,200	607,700	623,100
	Operating	7,203,794	7,465,324	7,588,620	7,816,987
<b>Expenditure Total</b>		<b>8,383,992</b>	<b>8,058,524</b>	<b>8,196,320</b>	<b>8,440,087</b>
Income	Capital	-	-	-	-
	Operating	-25,000	-25,600	-26,200	-26,800
<b>Income Total</b>		<b>-25,000</b>	<b>-25,600</b>	<b>-26,200</b>	<b>-26,800</b>
<b>Total</b>		<b>8,358,992</b>	<b>8,032,924</b>	<b>8,170,120</b>	<b>8,413,287</b>
Grand Total					
Total Expenditure	Capital	1,439,198	594,200	608,700	624,100
	Operating	22,463,246	23,015,669	23,955,885	23,909,776
<b>Expenditure Total</b>		<b>23,902,444</b>	<b>23,609,869</b>	<b>24,564,585</b>	<b>24,533,876</b>
Income	Capital	-	-	-	-
	Operating	-55,515,110	-56,827,400	-58,168,000	-59,593,900
<b>Income Total</b>		<b>-55,515,110</b>	<b>-56,827,400</b>	<b>-58,168,000</b>	<b>-59,593,900</b>
<b>Total</b>		<b>-31,612,666</b>	<b>-33,217,531</b>	<b>-33,603,415</b>	<b>-35,060,024</b>

## OUTCOME 5.1: LEAD NORTH SYDNEY'S STRATEGIC DIRECTION

### Strategy 5.1.1: Create effective working relationships between local, state and federal governments

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.1.1.01	Participate in regional partnerships through the NSROC	GOV	General Manager's Office	●	●	●	●
5.1.1.02	Develop and maintain links with government agencies and local members of state and federal parliament	GOV	General Manager's Office	●	●	●	●
5.1.1.03	Explore and or initiate partnerships when opportunities and funding present themselves	GOV	General Manager's Office	●	●	●	●
5.1.1.04	Following conduct of election request participation of Council on relevant external committees as required	GOV	Council & Committee Services		●		

### Strategy 5.1.2: Plan to deliver the aspirations of our community

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.1.2.01	Promote the Community Strategic Plan to the community and staff	GOV	Corporate Planning & Engagement	●	●	●	●
5.1.2.02	Prepare progress reports against implementation of the Delivery Program/Operational Plan	GOV	Corporate Planning & Engagement	●	●	●	●
5.1.2.03	Implement the corporate Project Management Framework	GOV	Corporate Planning & Engagement	●	●		
5.1.2.04	Prepare the annual Operational Plan	GOV	Corporate Planning & Engagement	●	●	●	●
5.1.2.05	Undertake the Customer Satisfaction Survey	GOV	Corporate Planning & Engagement		●		
5.1.2.06	Prepare the State of North Sydney Report	GOV	Corporate Planning & Engagement		●		
5.1.2.07	Plan for the next review of the Community Strategic Plan	GOV	Corporate Planning & Engagement		●	●	
5.1.2.08	Prepare Corporate Service Reviews Framework	GOV	Corporate Planning & Engagement		●	●	

**Strategy 5.1.3: Lead public debate on the future of local government**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.1.3.01	Advocate for changes as appropriate to advance local government in NSW, via submissions	GOV	General Managers Office	●	●	●	●
5.1.3.02	Work with NSROC to promote Council's position on matters of common interest	GOV	General Managers Office	●	●	●	●

**Strategy 5.1.4: Manage financial resources effectively and responsibly, including exploring new revenue streams**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.1.4.01	Review the rating structure	GOV	Financial Services	●			
5.1.4.02	Review the Long-Term Financial Plan in accordance with preparation of the annual Operational Plan	GOV	Financial Services	●	●	●	●
5.1.4.03	Undertake quarterly budget reviews to monitor financial performance	GOV	Financial Services	●	●	●	●
5.1.4.04	Implement the Payroll, Attendance and Leave Management Audit recommendations	GOV	Financial Services	●			
5.1.4.05	Deliver a Cloud based Long-Term Financial Model	GOV	Financial Services	●	●		
5.1.4.06	Redesign the Chart of Accounts to support improved cost centre reporting	GOV	Financial Services	●	●		

Code	Service	Description
S112	Accounting administration	Payments and records for all financial transactions
S113	Rating, Annual Charges and other Revenue	Preparation and issuing of rates account notices, maintenance of rates records, administration of concession applications, administration and collection of accounts receivable, administration of grants received
S114	Annual reporting	Compilation, proofing and production of Council's annual report
S115	Corporate planning and reporting	Preparation, implementation and monitoring of Council's IPR framework. Collation of information on status of projects and services and preparation of reports for the Management Executive, Council and the community
S116	Creditor and payment services	Payment for services provided to Council by suppliers
S117	Financial management and reporting	Preparation of monthly financial reports for managers and analysis for Management Executive; report development; preparation of annual and four yearly budgets; and administration and development of the financial accounting system
S118	Investment portfolio management	Management of Council's investment portfolio to achieve maximum return with minimum risk
S119	Payroll	Compilation of time worked records, and preparation of payroll
S120	Policy register maintenance	Coordination of policy review program, updating of, publishing and distribution of policy
S121	Statutory financial reporting	Preparation of statutory financial reports for compliance purposes. Includes recording loan payments, employee leave entitlements, maintenance of financial assets register, and implementation of the relevant reporting Codes



## OUTCOME 5.2: STRONG CIVIC LEADERSHIP AND CUSTOMER FOCUSSED SERVICES

### Strategy 5.2.1: Provide accountable, transparent, accessible and participatory decision making

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.2.1.01	Implement the Chambers IT upgrade project	GOV	Council & Committee Services	●			
5.2.1.02	Undertake the 2024 Local Government Election	GOV	Council & Committee Services		●	●	

### Strategy 5.2.2: Councillors meet their obligations and excel in their roles as community leaders

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.2.2.01	Deliver Councillor Professional Development Program	GOV	Council & Committee Services	●	●		
5.2.2.02	Prepare induction program for new term of Council	GOV	Council & Committee Services	●	●		
5.2.2.03	Deliver induction program for new term of Council	GOV	Council & Committee Services			●	●
5.2.2.04	Publish the annual disclosure of interest returns of Councillors and designated persons	GOV	Council & Committee Services	●	●	●	●
5.2.2.05	Review the Code of Conduct	GOV	Council & Committee Services		●		
5.2.2.06	Implement the Code of Conduct	GOV	Council & Committee Services	●	●	●	●

### Strategy 5.2.3: Implement best practice governance and risk management

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.2.3.01	Participate in the Resilient Sydney Program	GOV	Corporate Planning & Engagement	●	●	●	●
5.2.3.02	Implement the Continuous Improvement Program to support the Audit Risk and Improvement Committee	GOV	Corporate Planning & Engagement	●			
5.2.3.03	Prepare the quadrennial review of Corporate Policy Manual	GOV	Corporate Planning & Engagement		●		
5.2.3.04	Review Council's Committee and Reference Group meeting structure in line with the Community Strategic Plan structure	GOV	Council & Committee Services	●	●		
5.2.3.05	Update Committee and Reference Group Charters	GOV	Council & Committee Services	●		●	
5.2.3.06	Review the Delegations of Authority	GOV	Council & Committee Services	●	●	●	●



Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.2.3.07	Implement an Audit, Risk and Improvement Committee Charter and Structure compliant with and in accordance with OLG Guidelines	GOV	Risk Management/ WHS	●	●	●	●
5.2.3.08	Implement the Enterprise Risk Management Framework	GOV	Risk Management/ WHS	●	●		
5.2.3.09	Reduce lost time injuries	GOV	Risk Management/ WHS	●	●	●	●
5.2.3.10	Undertake leadership quarterly safety walks, and due diligence training	GOV	Risk Management/ WHS	●	●		
5.2.3.11	Review localised WHS training matrix and requirements	GOV	Risk Management/ WHS		●		
5.2.3.12	Review Council's Public Interest Disclosures Policy, processes and training in response to legislation changes	GOV	Risk Management/ WHS	●			
5.2.3.13	Review Council's Legal Panel structure to ensure ongoing provision of quality and value for money legal services	GOV	Legal Services	●	●		
5.2.3.14	Implement initiatives to manage legal matters and reduce legal costs	GOV	Legal Services	●	●		
5.2.3.15	Review Corporate Policy Manual	GOV	Corporate Planning & Engagement	●		●	

**Strategy 5.2.4: Provide best practice customer service**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.2.4.01	Implement a Customer Experience Feedback Forum	GOV	Customer Services & Records Management	●	●	●	●
5.2.4.02	Support the implementation of the Customer Relationship Management System	GOV	Customer Services & Records Management	●	●		
5.2.4.03	Support implementation of the new parking meter solution	GOV	Customer Services & Records Management	●	●	●	●

Code	Service	Description
S122	Administrative support	Scheduling of appointments and handling of correspondence for the Mayor and General Manager. Conference arrangements. Organise fortnightly Management Executive meetings
S123	Audit and Risk Committee management	Facilitation of the Audit and Risk Committee. Provision of support services for Audit and Risk Committee meetings

Code	Service	Description
S124	Call centre (telephone enquiry handling)	Timely service, information and referral provided on the Council call centre lines
S125	Citizenship ceremonies	Organisation of invitations, certificates, speakers, dignitaries, order of ceremonies, facilities and catering for citizenship ceremonies
S126	Civic education program	Provision of Mock Council program and Youth/Councillor Mentor Program. Provision of educational tours for school children
S127	Complaints reporting	Collation of information on complaints made to Council and preparation of reports for Management Executive and Council
S128	Council and Committee meetings	Compilation of agendas and business papers for Council and Committees. Venue set up. Minute taking. Distribution of resolutions to affected parties. Maintenance of Resolution Register
S129	Counter service (counter enquiry handling)	Timely response to enquiries at the front counter
S130	Crisis management program	Implementation, testing and maintenance of Crisis Management Plan
S131	Disclosure of interest returns	Distribution of disclosure of interest forms to Councillors and designated staff. Collection, checking and reporting of returns to Council
S132	Document storage, retention and disposal	Maintaining and manage physical records storage facilities in accordance with legislation, manage the digitisation of these records and the retention and disposal processes
S133	Execution of legal documents	Facilitation of the execution of legal documents, checking for compliance with requirements and seeking timely execution
S134	Hiring of community centres	Managing the booking of community activities
S135	Hiring of recreational facilities	Processing of seasonal and casual bookings for sportsgrounds, parks and facilities for sporting fixtures and training
S136	Insurance program	Maintain insurance cover appropriate to Council's risk profile and statutory obligations
S137	Internal auditing	Auditing of Council's internal functions through the Internal Audit Program shared with neighbouring councils
S138	Legal defence	Provision of legal defence of Council's application decisions and legal document processing. Review and monitoring of appeal matters and budget implications
S139	Mayor and Councillor support	Support elected members with policy guidance and background information. Arrange and support meetings and conferences
S140	Monitoring of government policy	Monitoring, research of and analysis of government policy issues as determined in consultation with Committees and then report to Council
S141	Public interest disclosures	Facilitate public interest disclosures and record and report disclosures made in accordance with the Public Interest Disclosures Act and Regulations. Undertake privacy training
S142	Residential parking permit scheme administration	Processing and assessment of residential parking permit applications in accordance with policy and service level agreements
S143	Risk management training and awareness	Delivery of risk management training and awareness program across Council
S144	Safety inspections	Inspections of Council's work practices for safety in accordance with approved schedule
S145	Site and activity risk assessments	Conducting of risk assessments on Council sites, for Council or Council sponsored activities such as events and festivals

## OUTCOME 5.3: COMMUNITY IS ENGAGED IN WHAT COUNCIL DOES

### Strategy 5.3.1: Promote Council's activities and achievements through use of enhanced communication methods

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.3.1.01	Review the External Communications Strategy	SOC	Communications & Events	●			
5.3.1.02	Implement the External Communications Strategy	SOC	Communications & Events	●	●	●	●
5.3.1.03	Upgrade the Council website and ensure continuous improvement of technology and content	SOC	Communications & Events	●	●	●	●
5.3.1.04	Review the Events Strategy	SOC	Communications & Events	●			
5.3.1.05	Implement the Events Strategy	SOC	Communications & Events	●	●	●	●

### Strategy 5.3.2 Provide best practice community engagement, including the Precinct System

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.3.2.01	Promote the Community Engagement Protocol	GOV	Corporate Planning & Engagement	●	●	●	●
5.3.2.02	Investigate new and complementary engagement mechanisms to meet the different needs of the community	GOV	Corporate Planning & Engagement	●	●	●	●
5.3.2.03	Provide training for Precinct Office Bearers	GOV	Corporate Planning & Engagement	●	●	●	●
5.3.2.04	Implement the recommendations of the Precinct System Review	GOV	Corporate Planning & Engagement	●	●		
5.3.2.05	Review Community Engagement Protocol in line with IP&R legislative amendments	GOV	Corporate Planning & Engagement	●			
5.3.2.06	Investigate feasibility of online panel program	GOV	Corporate Planning & Engagement		●		
5.3.2.07	Implement recommendations from the Precinct System Review	GOV	Corporate Planning & Engagement	●	●		

Code	Service	Description
S146	Community engagement	Facilitating opportunities for public participation in decision making. Receiving and processing the community's input. Provide internal support for major project-specific consultation projects
S147	Precinct System	Processing the Council related actions of the Precinct Committees in accordance with agreed service levels. Production and distribution of weekly e-Precinct newsletter
S148	Website and intranet maintenance	Publishing of up to date information in suitable format on website and intranet. Maintenance of navigation structure and links, and presentation styles

## OUTCOME 5.4: COUNCIL SERVICES ARE EFFICIENT AND EASY TO ACCESS

### Strategy 5.4.1: Enhance information management and communications technology assets and outcomes

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.4.1.01	Support the upgrade of the corporate Electronic Document Management System	GOV	Information Technology	●	●		
5.4.1.02	Implement new Enterprise integration architecture for Council information systems	GOV	Information Technology	●	●		
5.4.1.03	Manage the ongoing integration of the NSW Governments e-Planning Portal	GOV	Information Technology	●	●	●	●
5.4.1.04	Implement the Customer Relationship Management System, including the integration of the geographic information system	GOV	Information Technology	●	●		
5.4.1.05	Implement the Information and Communication Technology Strategy	GOV	Information Technology	●	●	●	●

### Strategy 5.4.2: Preserve and provide best practice access to Council records

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.4.2.01	Upgrade Council's corporate Electronic Document Management System	GOV	Customer Service & Records Management	●	●	●	●
5.4.2.02	Implement retention and disposal practices in response to legislative requirements	GOV	Customer Service & Records Management	●	●	●	●
5.4.2.03	Implement the Records Management Review recommendations	GOV	Customer Service & Records Management	●	●	●	●
5.4.2.04	Digitise all hard copy files	GOV	Customer Service & Records Management	●	●	●	●

### Strategy 5.4.3: Implement best practice procurement and contract management

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.4.3.01	Review standard contract documents and templates	GOV	Contracts Management	●			
5.4.3.02	Develop staff corporate contract management training	GOV	Contracts Management	●	●	●	●
5.4.3.03	Review the Tendering Manual	GOV	Procurement Services	●			
5.4.3.04	Review the Procurement Policy and Manual	GOV	Procurement Services	●			●
5.4.3.05	Achieve best value for goods and services purchased	GOV	Procurement Services	●	●	●	●

5.4.3.06	Deliver corporate wide procurement and tendering training	GOV	Procurement Services		●	●	●
5.4.3.07	Use Council's buying power and partner with other Council's to achieve best value for goods and services	GOV	Procurement Services	●	●	●	●
5.4.3.08	Ensure Council's procurement compliance with the modern slavery requirements	GOV	Procurement Services	●			

**Strategy 5.4.4: Council is an employer of first choice; attracting, developing, supporting and retaining highly skilled staff**

Code	Project	QBL Link	Department	Year 1	Year 2	Year 3	Year 4
5.4.4.01	Relaunch the corporate mission and values of the organisation and integrate into organisational culture	GOV	Human Resources	●			
5.4.4.02	Utilise e-recruitment to provide efficient and timely recruitment	GOV	Human Resources	●	●	●	●
5.4.4.03	Implement the Equal Employment Opportunity Management Plan	GOV	Human Resources	●	●	●	●
5.4.4.04	Review the Performance Planning and Assessment System	GOV	Human Resources		●	●	
5.4.4.05	Implement the Age Management Plan	GOV	Human Resources	●	●	●	●
5.4.4.06	Review the employee value proposition and protocols	GOV	Human Resources	●	●	●	●
5.4.4.07	Implement an action plan in response to the Employee Satisfaction Survey 2021 results	GOV	Human Resources	●	●		
5.4.4.08	Implement the Online Human Resources System	GOV	Human Resources	●	●	●	●
5.4.4.09	Ensure Council's compliance as a child safe organisation	GOV	Human Resources	●			

Code	Service	Description
S149	Access to public records	Provide access to public records, in accordance with GIPA legislation
S150	Administration of approved suppliers	Maintenance of approved suppliers to ensure cost effective and sustainable purchasing across the organisation
S151	After hours' response service	Provision of answering service outside the normal working hours during weekdays, weekends and public holidays
S152	Electronic document management system administration	Administering the electronic document management system, including maintaining indexes used to assist in searches, management and design of workflows, providing training and management of retention and disposal processes
S153	Filming applications	Processing of applications to conduct filming in North Sydney in accordance with policy. Implementation of Local Government Filming Protocol requirements

Code	Service	Description
S154	Formal and informal information requests	Responding to Formal Access for Information requests in accordance with GIPA legislation and informal requests in a timely manner
S155	ICT infrastructure development and maintenance	Development and maintenance of IT infrastructure. Delivery of all application development and IT Infrastructure projects. Management of Council's telecommunications
S156	ICT service, operations and support	Delivery of internal IT services including hardware and software and technical support. Resolving all IT help desk requests and service requests within service level agreements. Monitoring of performance for Council managed systems
S157	ICT systems administration	Maintenance and administration of network applications, databases and system backups
S158	Incoming document processing	Distribution of contact channels through appropriate systems and processes and any required responses as per agreed procedures
S159	Industrial relations	Negotiation on behalf of the organisation with all parties to create a productive engaged workforce
S160	Mapping, spatial and assets information maintenance	Provision of accurate maps, asset inventories and infrastructure information in a mapping format using GIS in a timely manner. Maintenance of the currency and accuracy of Council's spatial/property information system
S161	Permits and applications	Receipting and processing of permits and applications
S162	Personal performance appraisals	Coordination of biannual performance appraisals for all staff
S163	Purchasing	Ordering and delivery of materials and supplies for operations
S164	Recruitment and selection	Structured selection panels to ensure expertise, independence and diversity of background and appointment of the best person for each job. Delivery of induction sessions to provide new employees with an overview of Council's operations
S165	Staff training	Provision of training for staff
S166	Tender openings	Support staff with the retrieval of tender response documents from both digital and hard copy sources





## COMMUNITY ENGAGEMENT

A mix of representative and opt-in consultation methods were used to inform the Community Strategic Plan and the Delivery Program.

### Customer Satisfaction Survey 2020

Council conducts a periodic survey to measure satisfaction with our services and gather information what stakeholders see as the most important priorities for the next 10 years. This assists with prioritising funding of Council activities (services and projects) as well as informed this plan.

The 2020 survey, undertaken by Jetty Research, sought feedback from representative sample of 400 residents and 200 businesses. Key findings from the survey were:

75%	90%	87%	54%	68%
of residents agree North Sydney has a strong sense of community	of residents perceive their quality of life as very good to excellent	of businesses are satisfied with North Sydney as place to do business	of residents are satisfied with North Sydney's strategic direction	of businesses are satisfied with North Sydney's strategic direction

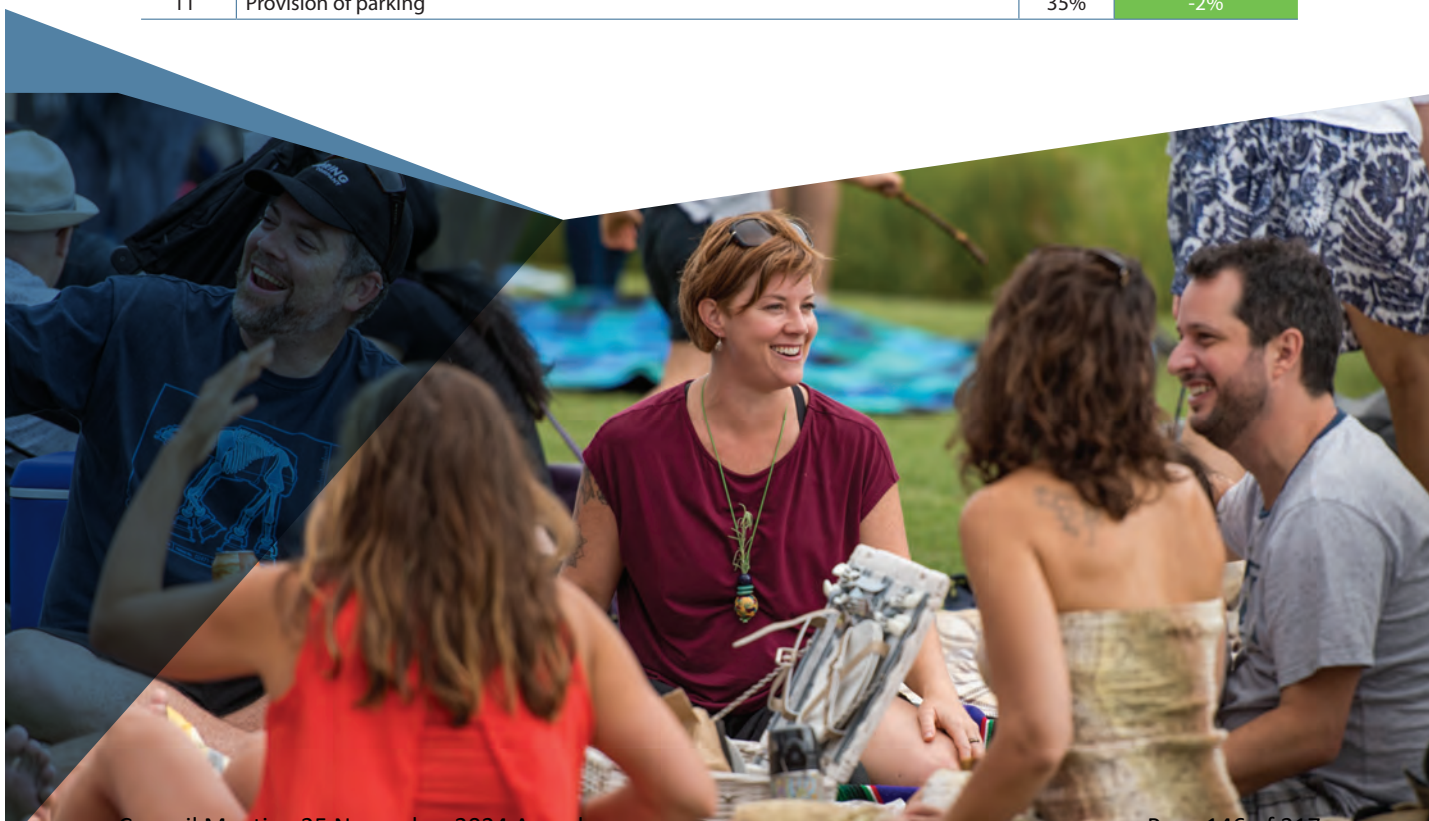
The following table details resident's satisfaction with key service areas:

Ranking	Service/Function	2020	2020 v 2016 (%)
1	Maintenance of parks, ovals and bushland areas	91%	1%
2	Feeling safe in North Sydney	90%	1%
3	Way North Sydney as a whole looks and feels	88%	68%
4	Cleanliness of local roads and footpaths	86%	5%
5	Waste and recycling collection services	84%	2%
6	Recreation facilities	82%	n/a
7	Appearance of local village centres	78%	2%
8	Appearance of public spaces in the North Sydney CBD	73%	-4%
9	Maintenance of malls and plazas in commercial areas	73%	2%
10	Maintenance of local roads and footpaths	73%	-2%
11	Stanton Library	69%	2%
12	Council run community events	69%	-5%
13	Customer service/information provided by Council staff	64%	-9%
14	Management of traffic flow on local roads	63%	17%
15	Quality of commercial and residential development	58%	-5%

Ranking	Service/Function	2020	2020 v 2016 (%)
16	Policing of parking	52%	-2%
17	Pedestrian and cycle paths	52%	-1%
18	Range of arts and cultural experiences in North Sydney	51%	-13%
19	Community centres and facilities	50%	-14%
20	North Sydney Olympic Pool	49%	-14%
21	Provision of parking	46%	11%
22	Range of public art in North Sydney	41%	-10%
23	Children's services	26%	-17%

The following table details business satisfaction with key service areas:

Satisfaction with Key Service Areas - Businesses			
Ranking	Service/Function	2020 Result	Change Compared to 2016 (%)
1	Cleanliness of local roads and footpaths	82%	1%
2	Way North Sydney as a whole looks and feels	79%	-1%
3	Look and feel of commercial areas and villages	74%	-2%
4	Maintenance of local roads and footpaths	73%	-3%
5	Maintenance of commercial areas	70%	-5%
6	Quality of commercial and residential development	61%	-10%
7	Managing traffic flow on local roads	60%	-7%
8	Customer service/information provided by Council staff	55%	-2%
9	Policing of parking	45%	-7%
10	Council's business processes	37%	n/a
11	Provision of parking	35%	-2%



## Liveability Census 2021

Place Score's 2021 *Liveability Census* is an independent opt-in survey revealing liveability strengths and best place attributes. 401 residents shared what matters most (care factor/community values) and 380 residents rated their suburb (performance). This achieved a 95% confidence level (+/- 5%) consistent with Council's Community Survey. However, the under 25 years age group was underrepresented and more females than males participated.

The top three liveability strengths (attributes of community importance) are:

connectivity	landscaping and natural elements	access to neighbourhood amenities
proximity to other neighbourhoods, employment centres, shops	street trees, planting, water features	cafes, shops, health and wellness services

The top three priorities for the North Sydney LGA are:

protection of the natural environment	quality of public space	access and safety of walking, cycling, public transport
	footpaths, verges, parks etc	signage, paths, lighting etc

The following table compares the best and worst performing place attributes (strengths and weaknesses) for the North Sydney LGA compared with the national average (shown in brackets):

Top 5 Strengths	Top 5 Weaknesses
Things to do in the evenings - bars, dining, cinema, live music etc (+17%)	Ease of driving and parking (-8%)
Evidence of community activity - volunteering, gardening, art, community organised events etc (+15%)	Range of housing prices and tenures - low to high \$, buy or rent etc (-6%)
Local history, historic buildings or features (+14%)	Child services - child care, early learning, after school care, medical etc (-2%)
Sense of personal safety - for all ages, genders, day or night (+12%)	Physical comfort - including noise, smells, temperature etc (0%)
Access to neighbourhood amenities - cafes, shops, health and wellness services etc (+12%)	Spaces suitable for play - from toddlers to teens (+1%)

## Community Engagement Strategy

In accordance with Council's adopted Community Engagement Strategy, Council also invited feedback via a two-stage consultation process:

### Stage 1

October to December 2021 - feedback was invited via an online survey seeking to prioritise the Outcomes and Strategies in the 2018 plan, submissions, online map, photo sharing (encouraging our community to what they love most about the North Sydney LGA e.g. favourite location, feature or experience with the hashtag #mynorthsydney), story sharing and children's artwork (12 years and under were invited to visually depicted their vision for the future of the North Sydney LGA).

### Stage 2

May to June 2022 - public exhibition of the draft plan for 28 days, during which time submissions were invited and an online information session open to the community provided an opportunity to ask questions about the draft plan.

In summary, the top 10 priorities identified via the consultation were (not in any priority order):

- 1 Open space/green space
- 2 Sporting facilities - indoor, outdoor and water sports
- 3 WHTBL and Warringah Freeway Upgrade - impact on Cammeray Park, Berrys Bay, tree loss and unfiltered stacks
- 4 Planning controls/studies - managing development to meet growth
- 5 Heritage conservation and promotion - including recognition and celebration of First Nation's history and culture
- 6 Traffic and parking issues (various) and cycling/active transport
- 7 Community services and facilities
- 8 Improving connection with the community
- 9 Enhancing communications and engagement
- 10 Leadership, good governance and transparency



## SERVICE REVIEWS

Council is required to detail within the Delivery Program, the areas of service that will be reviewed during this term, and how we will engage with stakeholders to determine service level expectations. The annual Operational Plan will specify the reviews to be undertaken that year.

The areas of service that the Council will review/audit during its term are:

- Community centres
- Corporate planning
- Cyber security
- Enterprise risk management
- Fraud and corruption prevention
- Heritage controls
- Human Resources
- Legal Services
- Project Management
- Records management

Recommendations arising from the following recently completed service reviews/audits will also be implemented during the term:

- Children services
- Contacts management
- Development assessment
- Food inspections
- Human resources including payroll

Council is required to have a formalised service review program in place following the 2024 local government elections. This framework will be developed between over the next two years and commence with the next IP&R cycle.

## Service Levels

Council periodically undertakes a Customer Satisfaction Survey to benchmark satisfaction with our services and facilities. We use the findings to inform planning and improvement of our programs, policies and services.

As outlined in the *Asset Management Strategy*, in 2024/25 Council will conduct detailed community consultation regarding levels of service per asset class, to enhance understanding of the relationship between desired levels of service, their associated costs, and willingness and/or capacity to pay.



## RESOURCING THE PLAN (SECTION UPDATED NOVEMBER 2024)

The Delivery Program informs and is informed by Council's Resourcing Strategy which includes our:

- Workforce Management Plan
- Long-Term Financial Plan (LTFP)
- Asset Management Strategy and Plans

The Resourcing Strategy identifies that Council needs sufficient money, time, assets and people to deliver the commitments detailed in the Delivery Program and achieve the outcomes of the Community Strategic Plan.

### The current financial deficit

Regrettably, Council's current financial position is not sustainable. As detailed in Council's revised 2025-2035 LTFP, without additional income, Council cannot continue to support the level of service and infrastructure enjoyed by the community in past decades.

The costs associated with the North Sydney Olympic Pool redevelopment project have placed significant pressure on Council's reserves and infrastructure renewals. Ongoing operating costs, including the repayment of over \$50 million in debt will result in ongoing operating deficits. Other factors such as declining revenue streams associated with car parking, fines and advertising, along with cost shifting from other levels of government further exacerbate forecast deficits.

In addition, the average residential rate for North Sydney is considerably lower than comparable councils, meaning that there is less money available to spend on services and infrastructure.

While Council has been proactively implementing operational improvement initiatives to increase efficiencies and reduce costs, these changes are limited by outdated and ineffective systems and are not sufficient to address the growing financial deficit alone.

As a temporary fix, Council has been deferring lower priority capital projects and asset renewals. Some of the projects outlined in this 2022-26 Delivery Program have already been delayed or will be delayed in 2025/26 unless financial repair is undertaken.

While it has been necessary to delay projects to address immediate financial needs, cutting services, renewals and capital projects is not a sustainable solution and has

resulted in a significant backlog of projects and asset renewals. To maintain North Sydney as a great place to live, work and visit, we need to ensure that we continue to invest in new and upgraded facilities, programs, events and services.

### Planning for the next ten years

In 2024, Council undertook a comprehensive community engagement program to understand the needs and priorities of our community. The valuable insights gathered through engagement, along with extensive research, have shaped a suite of eight informing strategies that articulate the projects and services that Council needs to deliver to meet the current and future priorities of our community.

Council's revised LTFP outlines how delivering a financial repair strategy that fixes the deficit and plans for the future (as detailed in the informing strategies) will require a rate rise through a Special Rate Variation (SRV).

Council is currently engaging with the community regarding four potential rate increase options:

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

**Option 1:** is focused on financial repair only and does not provide financial resources for the future focused projects and initiatives outlined in Council's draft ten-year strategies, except governance improvements.

**Options 2a and 2b:** are future focused. They include financial repair, along with funding for planning and delivery of new and upgraded infrastructure and services to achieve the desired outcomes within the draft ten-year informing strategies, including governance improvements.

**Option 3:** delivers everything in Option 2a and 2b as well as funding to bring building infrastructure to a 'good' condition over a ten-year period commencing in year 4.

In all four options, Council will continue to implement operational improvement initiatives to increase efficiencies and reduce costs.



The revised LTTP has been prepared to explain the current and future financial situation under each of the four rating options.

### **Amendments to the 2022-26 Delivery Program**

In 2025/26 (the final year of the current delivery program), the scope of projects and services delivered to the community will depend on the adopted rating option.

If an SRV is approved under options 2a, 2b or 3, Council will be able to start fixing the financial deficit and commence delivery of new and expanded projects and services identified in the informing strategies.

A new Appendix 3 has been added to this Delivery Program to list the additional and expanded projects and services that would be funded (or partially funded) through the SRV in 2025/26.

### **Preparation of a new Community Strategic Plan and Delivery Program**

While the current four-year delivery program includes the 2025/26 financial year, the shorter three-year Council term\*

that ended with the elections in October 2024 means that Council is required to review its Community Strategic Plan and adopt a new 2025-29 Delivery Program before the start of the next financial year.

In early 2025 Council will be engaging with the community on a new draft 2025-35 Community Strategic Plan, 2025-29 Delivery program and 2025/26 Operational Plan. These new integrated plans will be developed based on priorities identified in the eight informing strategies.

Therefore, this current 2022-26 Delivery Program will be superseded by the new 2025-29 Delivery Program when the SRV is effective.

Notwithstanding this, Council is required to update its current Delivery Program and Resourcing Strategy to reflect an SRV prior to making an SRV request to IPART. This SRV application is due in February, prior to the new Community Strategic Plan or Delivery Program being adopted, therefore this section of the current 2022-26 program has been updated and Appendix 3 added to detail why the SRV is required.

\*Due to the COVID-19 pandemic



## REPORTING PROGRESS

### Periodic Reporting

Council reviews and reports to the community on progress against the Operational Plan quarterly. Traffic light reporting is used to track project status.

Financial performance is reported via the Quarterly Budget Review Statement (QBRs) in the first, second and third quarters.

We report biannually against the 'corporate scorecard' within the Delivery Program. The biannual review includes a cross functional overview of the key performance indicators (KPIs) listed below.

Key Performance Indicators	Benchmark
<b>Business Operations</b>	
Deliverables Progress (%)	>90%
Unplanned downtime of critical systems (%)	<5%
<b>Customer Service</b>	
Calls Answered in <60 seconds (%)	>75%
Customer Complaints (#)	Improve
Customer Compliments (#)	Improve
<b>Human Resources</b>	
Staff Turnover (<%)	<15%
Unplanned Absence Rate (%)	<4.5%
Annual Leave Liability (%)	<15%
WHS Injuries (#)	<7
Lost Time Injury Frequency Rate (%)	<10.7
Workers Compensation Claims (#)	<12
<b>Financial</b>	
Actual vs Budgeted Expenses (%)	>90%
Capital Expenditure to Original Forecast (%)	>90%
Staff YTD Costs to Original Budget (%)	>90%

### Annual Report

The Annual Report is one of the key points of accountability between the Council and our community. It provides a summary of the work completed by Council during each financial year, reporting against the Delivery Program and Operational Plan. The gives transparent insight into our operations and decision-making processes.

Annual Reports are available at Council's website, and for viewing at the Customer Service Centre and Stanton Library.

### State of North Sydney Report

Council must review and report on the effectiveness of the Community Strategic Plan in achieving its objectives in line with the local government election cycle. As part of this review, we will prepare a report on the process of implementing the plan (this report was formerly known as the End of Term Report). The report will track the indicators within the plan, allowing us to see whether we are making progress towards the community vision. The report will be presented to the incoming term of Council at its second meeting.

## APPENDIX 1. CAPITAL WORKS PROGRAM

Project Name	CSP Outcome	Responsible Division	2022/23 (\$)	2023/24 (\$)	2024/25 (\$)	2025/26 (\$)
Parking Enforcement Handheld Infringement Devices Replacement	3.3	CIS	30,000	15,000	30,000	16,000
Implementation of Disability Inclusion Action Plan	4.1	CLS	120,000	120,000	140,000	143,500
Planet X Equipment and Furniture	4.1	CLS	11,000	11,000	11,000	11,300
Community Centres Equipment and Playgrounds	4.1	CLS	8,000	9,000	10,000	10,300
Local Art Collection Acquisitions	4.2	CLS	5,000	5,000	5,000	5,100
Library Books, etc	4.2	CLS	417,800	428,100	438,700	449,500
Library Furniture & Fittings Replacement	4.2	CLS	10,000	10,000	10,000	10,000
Library Local Priority Grant Expenditure	4.2	CLS	56,700	58,000	59,000	60,000
Website Improvements	5.4	COS	25,000	26,000	26,000	26,700
Information Videos Equipment	5.3	COS	1,000	1,000	1,000	1,000
Authority Upgrade	5.4	COS	110,500	-	-	-
Computer Hardware	5.4	COS	101,785	-	-	-
I.T. Network Infrastructure Refresh	5.4	COS	942,913	-	-	-
I.T Projects	5.4	COS	-	567,200	581,700	596,400
Multi-Function Devices replacement	5.1	COS	258,000	-	-	-
Roads Reconstruction	2.1	EPS	3,626,300	4,130,900	4,005,000	4,105,000
Kerb & Gutter Reconstruction	2.1	EPS	1,400,000	1,600,000	1,600,000	1,640,000
Footpath Reconstruction	2.1	EPS	1,170,000	1,637,920	1,600,000	1,640,000
Drainage Reconstruction	2.1	EPS	2,475,000	3,096,802	2,570,000	2,620,000
Gross Pollutant Traps Upgrade	2.1	EPS	873,025	800,000	250,000	256,000
Marine Structures Reconstruction	2.1	EPS	450,000	450,000	450,000	461,000
Retaining Wall Reconstruction	2.1	EPS	1,440,000	1,400,000	1,400,000	1,435,000
Seawall Reconstruction	2.1	EPS	1,000,000	1,237,856	2,200,000	2,255,000
LATM Implementation	2.4	EPS	1,000,000	1,000,000	1,000,000	1,026,000
Pedestrian Crossing Lighting Upgrades	2.4	EPS	50,000	50,000	50,000	51,000
Bike Strategy Projects	2.3	EPS	300,000	300,000	300,000	154,000
Banner Flag Poles	2.1	EPS	50,000	50,000	50,000	51,000
Bollards	2.1	EPS	20,000	20,000	20,000	21,000
Bus Shelter Replacement	2.2	EPS	125,000	125,000	125,000	128,000
Public Amenities Strategy - Implementation	2.1	EPS	100,000	100,000	100,000	103,000
Safety Barrier Construction	2.1	EPS	600,000	600,000	100,000	103,000
Timber Fences	2.1	EPS	220,000	220,000	70,000	72,000

Project Name	CSP Outcome	Responsible Division	2022/23 (\$)	2023/24 (\$)	2024/25 (\$)	2025/26 (\$)
North Sydney CBD Public Domain Upgrades	2.2	EPS	500,000	500,000	500,000	513,000
North Sydney CBD Street Furniture Replacement	2.2	EPS	25,000	25,000	25,000	26,000
North Sydney CBD Streetscape Lighting Upgrades	2.2	EPS	50,000	50,000	50,000	51,000
Crows Nest Public Domain Masterplan Implementation	2.2	EPS	500,000	500,000	500,000	201,400
Kirribilli & McMahon's Point Village Centres	2.2	EPS	500,000	250,000	-	-
Neutral Bay & Cremorne Public Domain Masterplan Projects	2.2	EPS	500,000	250,000	182,000	182,000
Streetscape Lighting Upgrades - Village Centres	2.2	EPS	930,000	827,600	750,000	769,000
Street Furniture Upgrades - Village Centres Parks and Plazas	2.2	EPS	50,000	50,000	50,000	51,000
North Sydney Olympic Pool Redevelopment	2.1	EPS	42,968,647	-	-	-
Property Renewal - Projects to be Established	2.1	EPS	900,000	900,000	900,000	922,500
Parking Meter Network Expansion - Stage 1	2.4	EPS	50,000	50,000	50,000	51,000
Parking Meter Replacement Program	2.4	EPS	25,000	25,000	25,000	26,000
Plant Purchases	2.1	EPS	777,103	1,600,000	1,640,000	1,681,000
Hume Street Open Space Expansion Project	1.4	OSE	990,000	-	-	-
OSES Asset Condition Report - Remedial Work	1.4	OSE	200,000	200,000	200,000	205,000
Urban Forest Management Office Fitout	1.3	OSE	200,000	-	-	-
Reintegrate the former Waverton Bowling Club site into Waverton Park	1.4	OSE	320,000	-	-	-
1 Henry Lawson Ave - Revert to Parkland	1.4	OSE	1,400,000	-	-	-
Formalise path between Munro St bridge and main path leading down to foreshore in Sawmillers Reserve and associated landscape improvements	1.4	OSE	-	220,000	-	-
Anderson Park - Foreshore Access	1.4	OSE	-	-	240,000	-
Anderson Park - Small Watercraft Storage Facilities	1.4	OSE	-	-	20,000	-
Berry Island - Amenities Block Refurbishment	1.4	OSE	-	300,000	-	-
Berry Island Reserve - Outdoor Fitness Equipment	1.4	OSE	-	30,000	-	-

Project Name	CSP Outcome	Responsible Division	2022/23 (\$)	2023/24 (\$)	2024/25 (\$)	2025/26 (\$)
Bon Andrews Oval – New Irrigation System	1.4	OSE	-	100,000	-	-
Bradfield Park Central - Renew Synthetic Surface	1.4	OSE	-	100,000	-	-
Bradfield Park - Foreshore Upgrade as per Masterplan	1.4	OSE	-	-	-	2,500,000
Bradfield Park - Outdoor Fitness Equipment	1.4	OSE	-	-	30,000	-
Brennan Park - Outdoor Fitness Equipment	1.4	OSE	30,000	-	-	-
Cammeray Park - Master Planning	1.4	OSE	180,000	-	-	-
Cammeray Park - Synthetic Turf Replacement	1.4	OSE	-	-	400,000	-
Coal Loader - Additional Public Toilets	1.4	OSE	-	-	900,000	-
Dowling Street Reserve - Useability and Access Improvements	1.4	OSE	-	-	300,000	-
Dowling Street Reserve - Small Watercraft Storage Facilities and Improved Access to Foreshore	1.4	OSE	-	-	40,000	-
Forsyth Park - Install a New Cricket Wicket on Field 2	1.4	OSE	35,000	-	-	-
Grasmere Reserve - Playground Upgrade	1.4	OSE	-	-	170,000	-
Green Park (Cammeray) - Senior Playground Refurbishment	1.4	OSE	-	170,000	-	-
John Street Open Space - Small Watercraft Storage Facilities and Improved Access	1.4	OSE	-	40,000	-	-
Lady Gowrie Lookout - Restoration of Heritage Landscape and Upgrade	1.4	OSE	-	200,000	-	-
Lodge Road (Cremorne) - Playground Refurbishment	1.4	OSE	-	170,000	-	-
Milson Park - Storage Facilities for Kayaks	1.4	OSE	25,000	-	-	-
Mollie Dive Function Centre - Improve Media Equipment for Conferences & Events	1.4	OSE	25,000	-	-	-
North Sydney Oval - Public Toilets Refurbishment	1.4	OSE	-	-	900,000	-
North Sydney Oval - Seat Replacement	1.4	OSE	-	-	903,000	-
Primrose Park - Additional Dual Cricket Net	1.4	OSE	-	150,000	-	-
Primrose Park - Drainage Improvements to Sportsfields	1.4	OSE	-	200,000	-	-
Primrose Park – Reconfiguration to add Additional Full-Size Playing Field	1.4	OSE	50,000	1,120,000	-	-

Project Name	CSP Outcome	Responsible Division	2022/23 (\$)	2023/24 (\$)	2024/25 (\$)	2025/26 (\$)
Prior Avenue (Cremorne Point) - Playground Refurbishment	1.4	OSE	170,000	-	-	-
Quarantine Boat Depot Site & Access Improvements	1.4	OSE	1,057,500	-	-	-
St Leonards Park - Landscape Masterplan Implementation	1.4	OSE	750,000	1,200,000	-	-
St Leonards Park - Playground Refurbishment	1.4	OSE	645,000	-	-	-
Sawmillers Reserve - Replace Step Tower	1.4	OSE	-	300,000	-	-
Tunks Park - Directional and/or Interpretive Signage	1.4	OSE	-	-	20,000	-
Tunks Park - Storage Facilities for Kayaks and Improved Access	1.4	OSE	-	60,000	-	-
Tunks Park - Turf Cricket Wicket Table Reconstruction	1.4	OSE	-	-	120,000	-
Waverton Park - Amenities Block Refurbishment	1.4	OSE	-	-	600,000	-
Various Parks - Fence Construction/ Upgrade	1.4	OSE	100,000	100,000	100,000	103,000
Various Parks - Park Furniture	1.4	OSE	80,000	80,000	80,000	82,000
Various Parks - Park Signs	1.4	OSE	30,000	30,000	30,000	31,000
Various Parks - Pathway Construction	1.4	OSE	200,000	200,000	200,000	205,000
Total			71,220,273	28,066,378	27,127,400	25,050,700










## APPENDIX 2. SUPPORTING PLANS AND STRATEGIES

	Responsible Department	Direction 1: Our Living Environment	Direction 2: Our Built Infrastructure	Direction 3: Our Innovative City	Direction 4: Our Social Vitality	Direction 5: Our Civic Leadership
Affordable Housing Strategy (2015)	Community Development				●	
40km/h and 10km/h Shared Zone Masterplan and Action Plan (2020)	Traffic Management		●			
Anderson Park Plan of Management (2019)	Landscape Planning & Design				●	
Arts & Cultural Strategic Plan (2019)	Community Development				●	
Asset Management Plans (2022)	Asset Management		●			
Public Domain upgrade - McMahon's Point - Blues Point Road Village Centre Masterplan (2021)	Engineering Infrastructure		●			
Boat Trailer Parking Restrictions (2020)	Traffic Management					●
Bradfield Park Plan of Management (2014)	Landscape Planning & Design	●				
Bushfire Danger Period Public Access Management Plan (2018)	Environmental Services	●				
Bushland Plan of Management (2014)	Environmental Services	●				
Bushland Rehabilitation Plan - various (2019)	Environmental Services	●				
CBD Marketing and Promotion Strategy (2014)	Communications & Events			●		
Coal Loader Centre for Sustainability Business Plan (2019)	Environmental Services	●				
Community Engagement Protocol (2019)	Corporate Planning & Engagement					●
Construction Works Management Strategy (2017)	Environment & Building Compliance			●		
Corporate Communications and Visual Standards Manual (2021)	Communications & Events					●
Councillor Professional Development Plan (2021)	Governance & Committee Services					●
Cremorne Reserve Plan of Management (2019)	Landscape Planning & Design	●				
Crisis Management Plan (2019)	Risk Management					●

	Responsible Department	Direction 1: Our Living Environment	Direction 2: Our Built Infrastructure	Direction 3: Our Innovative City	Direction 4: Our Social Vitality	Direction 5: Our Civic Leadership
Crows Nest Community Centre Plan of Management (2019)	Community Development				●	
Crows Nest Masterplan (2019)	Project Management		●			
Customer Service Strategy (2019)	Customer Service & Records					●
Disability Inclusion Action Plan (2016)	Community Development				●	
Economic Development Strategy (2016)	Corporate Planning & Engagement			●		
Education Precinct Public Domain Masterplan (2014)	Strategic Planning			●		
Environmental Sustainability Strategy (2021)	Environmental Services	●				
Equal Employment Opportunity Management Plan (2021)	Human Resources					●
Events Strategy (2019)	Communications & Events				●	
External Communications Strategy (2019)	Communications & Events					●
Family and Children's Services Strategy (2019)	Community Development				●	
Foreshore Access Strategy (2007)	Landscape Planning & Design	●				
GIS Strategy (2007)	Information Technology					●
Greenhouse Action Plan and Water Management Plan (2020)	Environmental Services	●				
Homeless Strategy (2013)	Community Development				●	
Information and Communication Technology Strategy (2021)	Information Technology					●
Internal Communications Strategy (2019)	Communications & Events					●
Kirribilli Neighbourhood Centre Plan of Management (2017)	Community Development				●	
Lavender Bay Parklands Masterplan (2007)	Parks and Reserves	●				
Library and Historical Services Strategic Plan (2016)	Library Services				●	

	Responsible Department	Direction 1: Our Living Environment	Direction 2: Our Built Infrastructure	Direction 3: Our Innovative City	Direction 4: Our Social Vitality	Direction 5: Our Civic Leadership
Local Area Traffic Management Action Plans (2019)	Traffic & Transport Operations		●			
Local Strategic Planning Statement (2020)	Strategic Planning			●		
Masterplan for the Public Domain upgrade of Kirribilli Village Centre (2020)	Engineering Infrastructure		●			
Neutral Bay and Cremorne Domain Masterplan	Project Management		●			
North Sydney CBD Public Domain Strategy (2020)	Strategic Planning			●		
North Sydney Community Centre Joint Strategic Plan (2020)	Community Development				●	
North Sydney Community Centre Plan of Management (2019)	Community Development				●	
North Sydney Development Control Plan (2013)	Strategic Planning			●		
North Sydney Integrated Cycling Strategy (2014)	Traffic & Transport Operations		●			
North Sydney Integrated Traffic and Parking Strategy (2016)	Traffic & Transport Operations		●			
North Sydney Local Infrastructure Contributions Plan (2020)	Strategic Planning			●		
North Sydney Local Development Strategy (2009)	Strategic Planning			●		
North Sydney Local Environmental Plan (2013)	Strategic Planning			●		
North Sydney Local Housing Strategy (2019)	Strategic Planning			●		
North Sydney Oval Business Plan (2014)	North Sydney Oval & Function Centre	●				
North Sydney Oval Plan of Management (2015)	North Sydney Oval	●				
North Sydney Smart City Strategy (2019)	Corporate Planning & Engagement			●		
North Sydney Transport Strategy (2013)	Traffic & Transport Operations		●			
North Sydney Visitor Economy Strategy (2019)	Strategic Planning			●		

	Responsible Department	Direction 1: Our Living Environment	Direction 2: Our Built Infrastructure	Direction 3: Our Innovative City	Direction 4: Our Social Vitality	Direction 5: Our Civic Leadership
Nutcote Joint Strategic Plan (2020)	Community Development				●	
Older Persons Plan (2013)	Community Development				●	
Open Space Provision Strategy (2009)	Landscape Planning & Design	●				
Playgrounds Plan of Management (2016)	Landscape Planning & Design	●				
Primrose Park Art and Craft Centre Joint Strategic Plan (2020)	Community Development				●	
Privacy Management Plan (2021)	Customer Service & Records					●
Public Amenities Strategy and Action Plan (2018)	Property Assets		●			
Public Domain Style Manual and Design Codes (2019)	Engineering Infrastructure		●			
Recordkeeping Plan of Management (2015)	Customer Service & Records					●
Resourcing Strategy (2020)	Financial Services					●
Retention and Disposal of Records Strategy (2008)	Document Management Services					●
Road Safety Action Plan (2014)	Traffic & Transport Operations		●			
Small Watercraft Storage Strategy (2018)	Landscape Planning & Design	●				
Smoothery Park Plan of Management (2016)	Landscape Planning & Design	●				
Sportsground Plan of Management (2017)	Landscape Planning & Design	●				
St Leonards Park Plan of Management (2021)	Landscape Planning & Design	●				
St Thomas Rest Park Plan of Management (2016)	Landscape Planning & Design				●	

	Responsible Department	Direction 1: Our Living Environment	Direction 2: Our Built Infrastructure	Direction 3: Our Innovative City	Direction 4: Our Social Vitality	Direction 5: Our Civic Leadership
Stanton Library and Historical Services Strategic Plan (2016)	Library Services					
Street Tree Strategy (2016)	Parks & Reserves					
Sydney Metro Planning Study (2017)	Strategic Planning					
Taxi and Ride Sourcing Strategy and Action Plan (2020)	Traffic Management					
Tunks Park Plan of Management (2018)	Landscape Planning & Design					
Urban Forest Strategy (2019)	Parks & Reserves					
Youth Work Action Plan (2016)	Community Development					

## APPENDIX 3. New and expanded projects and services funded (or partially funded) through the Special Rate Variation\* in 2025/26

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
1.1	PROTECTED, ENHANCED AND BIODIVERSE NATURAL ENVIRONMENT	1.1.1	Rehabilitate native bushland areas and fauna habitats to enhance biodiversity	Facilitate the closure of Balls Head Reserve on New Year's Eve to prevent damage to bushland areas.	Environment
		1.1.2	Increase awareness of biodiversity conservation through education and community partnerships	Prepare a strategic plan for The Coal Loader Centre for Sustainability site to inform opportunities and priorities to increase community use and enjoyment.	Environment
		1.1.3	Implement strategies that encourage healthy local waterways	Collaborate with universities and marine science institutes to enhance seawall biodiversity in North Sydney's coastal area.	Environment
1.2	ENVIRONMENTALLY SUSTAINABLE COMMUNITY	1.2.1	Reduce strain on natural resources through sustainable energy, water and waste reduction practices	Work in collaboration with other NSW councils to identify, develop and trial a scalable renewable electricity offer for residents and small businesses currently unable to install renewables in their building, helping them to purchase 100% renewable electricity at a lower cost than currently available.	Environment
				Investigate and implement initiatives to increase solar capacity for schools in the LGA.	Environment
				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.	Environment
				Replace the gas boiler at the Council Chambers with an electric heat pump with integrated heating and cooling.	Environment
				Install charging infrastructure and progressively transition Council plant and fleet to electric.	Environment
				Expand existing stormwater harvesting and water reuse systems at Bon Andrews Park.	Environment

\* Services and projects from the Governance Strategy are funded under all special rate variations options. Services and projects from the other strategies are only funded under options 2a, 2b and 3.



2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
1.4	WELL UTILISED OPEN SPACE AND RECREATIONAL FACILITIES	1.4.1	Protect, enhance and expand public open space and foreshore access	Prepare a design to reconstruct the St Leonards Park netball courts and increase the capacity through appropriately designed lighting.	Open Space and Recreation
				Improve the drainage, irrigation and maintenance regimes at Primrose Park sportsfields to reduce lost playtime due to weather.	Open Space and Recreation
				Repair the retaining wall in Wendy's Secret Garden below Harbourview Crescent and undertake drainage improvements.	Open Space and Recreation
		1.4.2	Provide infrastructure to encourage and support participation in healthy physical activity and recreation for all	Prepare a modified version of the adopted Hume Street Park expansion project that includes removal of the childcare centre, closure of part of Hume Street, and improvements to the quality of open space in Hume Street Park.	Open Space and Recreation
				Investigate provision of an additional harbour swimming site in the North Sydney LGA, including consideration of a potential site on the border of Badangi and Berry Island Reserves.	Open Space and Recreation
				Prepare a design to renew and upgrade the North Sydney Indoor Sports Centre to increase capacity and useability, including exploring opportunities with Northern Suburbs Basketball Association for equitable multi-use.	Open Space and Recreation
				Deliver a park enhancement program for provision of infrastructure to improve the amenity of parks such as shelter, shade, water fountains and seating.	Open Space and Recreation
				Plan for delivery of additional active recreation facilities such as basketball half courts, outdoor table tennis tables and multi-use games areas in selected larger parks, including: - Forsyth Park - Waverton Park - Bradfield Park - Brightmore Reserve	Open Space and Recreation
		1.4.4	Advocate for new visionary and quality open and green spaces	Deliver new public space through completion of the Balls Head Quarantine Depot site redevelopment project, including advocating for ownership of the lower section.	Open Space and Recreation

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
2.1	INFRASTRUCTURE AND ASSETS MEET DIVERSE COMMUNITY NEEDS	2.1.1	Expand and adapt our community's infrastructure to meet future needs	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.	Social Inclusion
				Work with Transport for NSW to deliver new public space through the Berrys Bay project. This project includes fit out of Woodleys Shed as a community facility.	Social Inclusion
				Undertake a cultural infrastructure study, that includes an audit of Council and non-Council places and spaces (including open spaces), to identify needs and opportunities.	Culture and Creativity
				Prepare a public domain and placemaking strategy for Crows Nest and St Leonards that determines appropriate design and function of public space to support the growing population. The strategy will consider the pedestrianisation of Willoughby Road and incorporate the Holtermann Street car park precinct and Hume Street Park expansion projects.	Economic Development
				Commence a review of building assets and commercial property to ensure best value use that aligns with Council's strategic direction.	Governance
				Commence a comprehensive review and assessment of the condition of Council's building assets to inform prioritisation of renewal funding.	Governance
2.2	VIBRANT PUBLIC DOMAINS AND VILLAGES	2.2.1	Enhance public domains and village streetscapes	Replant and maintain the Mitchell Street green wall in St Leonards.	Economic Development
2.3	PRIORITISE SUSTAINABLE AND ACTIVE TRANSPORT	2.3.2	Provide infrastructure to support sustainable, innovative and active transport	Deliver programs and workshops to encourage walking and cycling by teaching practical skills like bike maintenance, riding skills, and offering guided tours. Consideration will be given to engaging groups with lower participation rates, such as older adults, young people and women.	Integrated Transport
				Develop and deliver a travel behaviour shift program that encourages schools to implement projects and programs that promote active and sustainable transport choices.	Integrated Transport
				Rebuild and renew heritage-style bus shelters across the LGA.	Integrated Transport

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
		2.3.3	Provide a connected walking and cycling network for people of all ages and abilities	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.	Integrated Transport
				Complete concept designs and undertake consultation on 10% of walking infrastructure identified in the North Sydney Walking Action Plan each year, ready for grant applications.	Integrated Transport
				Complete concept designs and undertake consultation on 5% of cycling infrastructure identified in the North Sydney Bike Plan each year, ready for grant applications.	Integrated Transport
				Investigate opportunities and deliver projects around transport interchanges, for example Willoughby Road, to temporarily or permanently close roads to vehicles to improve the walkability and amenity of the public domain.	Integrated Transport
2.4	EFFICIENT TRAFFIC MOBILITY AND PARKING	2.4.2	Integrate on-street and off-street parking options in residential and commercial areas	Review the existing on-road parking management policy, Disability Parking Policy and the residential parking permit scheme as well as pricing of permits by 2028 (prior to Western Harbour Tunnel opening), to ensure that parking provision is proportionate to demand, and resident permit allocations are not issued beyond available capacity.	Integrated Transport
				As part of developing the on-road parking management policy, undertake a study to assess freight network needs, address delivery access challenges, and explore opportunities to support vibrant centres while reducing impacts on residents.	Integrated Transport
3.1	OUR COMMERCIAL CENTRES ARE PROSPEROUS AND VIBRANT	3.1.2	Enhance the night time and weekend economy	Continue to support the Crows Nest Festival and include North Sydney Festival as a yearly fixture in the events calendar to attract wide audiences and support the local economy.	Economic Development
		3.1.4	Strengthen the North Sydney CBD's competitiveness and identity	Design a new 1,675m <sup>2</sup> plaza outside the iconic North Sydney Post Office.	Economic Development
				Prepare designs for North Sydney CBD laneway upgrades to improve walkability in Little Spring, Spring, Mount and Denison Streets.	Economic Development
				In collaboration with key CBD stakeholders, develop and implement the 'New North Sydney Story' brand marketing campaign.	Economic Development

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
3.3	DISTINCTIVE SENSE OF PLACE AND DESIGN EXCELLENCE	3.3.1	Leading strategic land use planning	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.	Housing
		3.3.2	Improve urban design, amenity, accessibility, liveability and public domain	Deliver 'Density Done Well' community forums to explore how medium and high-density housing can create vibrant, liveable communities.	Economic Development
		3.3.4	Manage and promote compliance	Implement changes, as required, to ensure compliance with the ministerial order regarding determination times for development applications and planning proposals.	Housing
4.1	NORTH SYDNEY IS CONNECTED, INCLUSIVE, HEALTHY AND SAFE	4.1.1	Increase, celebrate and foster community connectedness, health, inclusivity and safety through services and programs	Identify opportunities and implement projects to improve accessibility of Council programs, services, facilities and events.	Social Inclusion
				Review the framework and system for Council's grants and subsidies program to ensure alignment with Council's strategic outcomes.	Governance
		4.1.3	Utilise community skills and expertise through volunteering	Expand Council's Streets Alive and HarbourCare volunteer programs to promote social connections and improve our environment.	Social Inclusion
4.2	A CENTRE FOR CREATIVITY AND LEARNING	4.2.1	Foster, support and increase creative arts	Deliver a variety of public art installations across the LGA.	Culture and Creativity
				Develop and implement a creative hoardings program.	Culture and Creativity
				Activate laneways and other public spaces with busking, public art, lighting and projections, including after hours.	Culture and Creativity
		4.2.2	Provide and support a diverse range of events and street life	Review and refresh Council's program of events and activations to ensure they are responsive to community needs and leverage key assets.	Social Inclusion
				Partner with cultural and creative organisations to host joint events, for example multicultural festivals, and cross-promote cultural and creative opportunities to expand their reach.	Social Inclusion

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
				Partner with major events and festivals, such as Sydney Biennale, to bring people to North Sydney.	Culture and Creativity
				Enhance Council's website to provide an accessible central list (by date and/or type) of events, programs, markets and activities run by Council and others across the LGA.	Culture and Creativity
4.3	NORTH SYDNEY'S HISTORY IS PRESERVED AND RECOGNISED	4.3.1	Celebrate North Sydney's history and heritage	Deliver a new sign for the entry point to the Waverton Peninsula Parklands, and provide interpretive signage celebrating 100 years of community action on the peninsula.	Culture and Creativity
		4.3.2	Protect and maintain historical sites, items and records	Develop and deliver a digitisation and digital storytelling project that increases visibility and access to heritage collections.	Culture and Creativity
				Refurbish the Brothers Memorial in Brothers Park, Cremorne.	Culture and Creativity
		4.3.3	Promote awareness of North Sydney's First Nations heritage	Work with First Nations community members to develop a First Nations advisory committee.	Culture and Creativity
5.2	STRONG CIVIC LEADERSHIP AND CUSTOMER FOCUSED SERVICES	5.2.3	Implement best practice governance and risk management	Implement a system for monitoring legislative compliance.	Governance
		5.2.4	Provide best practice customer service	Implement a development application (DA) management platform to streamline the submission, assessment and approval process for development applications.	Governance
5.3	COMMUNITY IS ENGAGED IN WHAT COUNCIL DOES	5.3.1	Promote Council's activities and achievements through enhanced communication methods	Deliver a pilot program in Ted Mack Civic Park to trial the replacement of existing physical noticeboards with digital community information screens.	Social Inclusion
		5.3.2	Provide best practice community engagement, including the Precinct System	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.	Social Inclusion

2022-26 Delivery Program - Outcome		2022-26 Delivery Program Strategy		New or expanded service/project (2025/26)	Source (Informing Strategy)
5.4	COUNCIL SERVICES ARE EFFICIENT AND EASY TO ACCESS	5.4.1	Enhance information management and communications technology assets and outcomes	Implement a new or upgraded enterprise resource planning system to streamline operations, enhance efficiency and improve service delivery. This includes records management, field technology provision and process automation.	Governance
		5.4.4	Council is an employer of first choice, attracting, developing, supporting and retaining highly skilled staff	Review Council accommodation and technology to ensure an effective workplace environment and alignment with new ways of working following the COVID pandemic.	Governance
				Develop and implement a leadership development program.	Governance
				Deliver staff training to support development of a skilled workforce.	Governance
				Develop and implement a staff engagement framework to integrate all engagement activities.	Governance



## TRANSLATION SERVICE

If you do not understand this information, please ring the Translating and Interpreting Service (TIS) on 13 14 50, and ask for an interpreter in your language to contact North Sydney Council on (02) 9936 8100. This is a free service.

## CHINESE

如果您不明白本信息的内容，请致电翻译与传译服务(TIS) 13 14 50，然后请会说您母语的传译员接通North Sydney市议会电话(02) 9936 8100。这是一项免费服务。

## JAPANESE

この案内の内容を理解できない場合には、13 14 50 の翻訳通訳サービス(TIS)にかけて、あなたの母国語の通訳者に(02) 9936 8100のノースシドニーカウンシルにつなぐように伝えてください。当サービスは無料です。

## SPANISH

Si no comprende esta información, llame al Servicio de Traducción e Interpretación (TIS), en el 13 14 50, y solicite un intérprete en su idioma para ponerse en contacto con el Concejo Municipal de North Sydney, en el (02 9936 8100). Este es un servicio gratuito

## HINDI

यदि आप इस जानकारी को नहीं समझ पा रहे हैं, तो कृपया 13 14 50 पर अनुवाद और दुभाषिया सेवा (Translating and Interpreting Service (TIS)) को फोन करें, और नॉर्थ सिडनी काउंसिल से (02) 9936 8100 पर संपर्क करने के लिए अपनी भाषा के एक दुभाषिए के लिए अनुरोध करें। यह एक निःशुल्क सेवा है।

## PORTUGUESE

Se você não entender estas informações, ligue para o Serviço de Tradução e Interpretação (TIS) em 13 14 50 e peça um intérprete em seu idioma para entrar em contato com o North Sydney Council em (02) 9936 8100. Este é um serviço gratuito.

## KOREAN

본 내용이 잘 이해되지 않는 경우에는 통번역 서비스(TIS) 13 14 50번에 전화해서 한국어 통역사에게 노스 시드니 카운슬 전화 (02) 9936 8100 번으로 연결을 요청하시기 바랍니다. 이 서비스는 무료입니다.



North Sydney Council,  
200 Miller Street,  
North Sydney NSW 2060

**P** (02) 9936 8100

**E** [council@northsydney.nsw.gov.au](mailto:council@northsydney.nsw.gov.au)

[www.northsydney.nsw.gov.au](http://www.northsydney.nsw.gov.au)

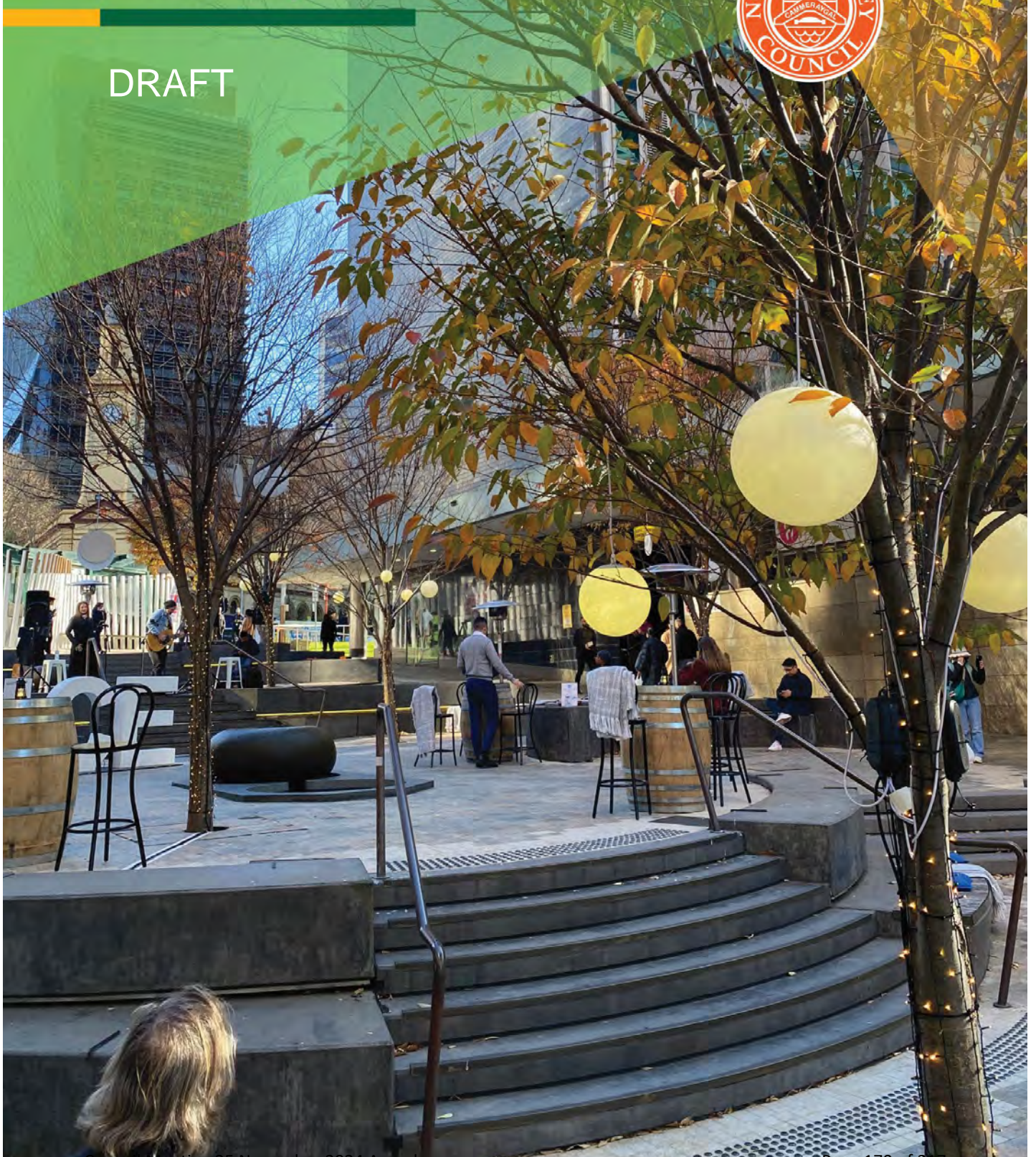


NORTH SYDNEY COUNCIL

# ASSET MANAGEMENT STRATEGY 2025/35



DRAFT





## OVERVIEW

Asset management is the lifecycle management of physical assets that takes into consideration the 'whole of life', including planning, procurement, construction, operation, maintenance and disposal of an asset. A key ongoing issue facing local governments in Australia is the management of ageing assets in need of renewal and replacement.

This extensive portfolio of infrastructure assets requires careful planning and management. Financing the needs of the portfolio can be significant, requiring planning for large peaks and troughs in expenditure for renewing and replacing assets. The demand for new and improved services adds to the planning and financing complexity. The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.

Council's Asset Management Strategy shows how the asset portfolio will meet the service delivery needs of the community into the future, that asset management policies are being achieved, and that existing asset management practices integrate with the Community Strategic Plan. Improvement in asset management involves formalising the knowledge about asset performance, maintenance

levels and community expectations to optimise both expenditure and service provision over a longer timeframe. The goal of asset management is to ensure that services are provided in the most cost-effective manner, through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets; and for present and future consumers.

The key objectives of the Asset Management Strategy are to:

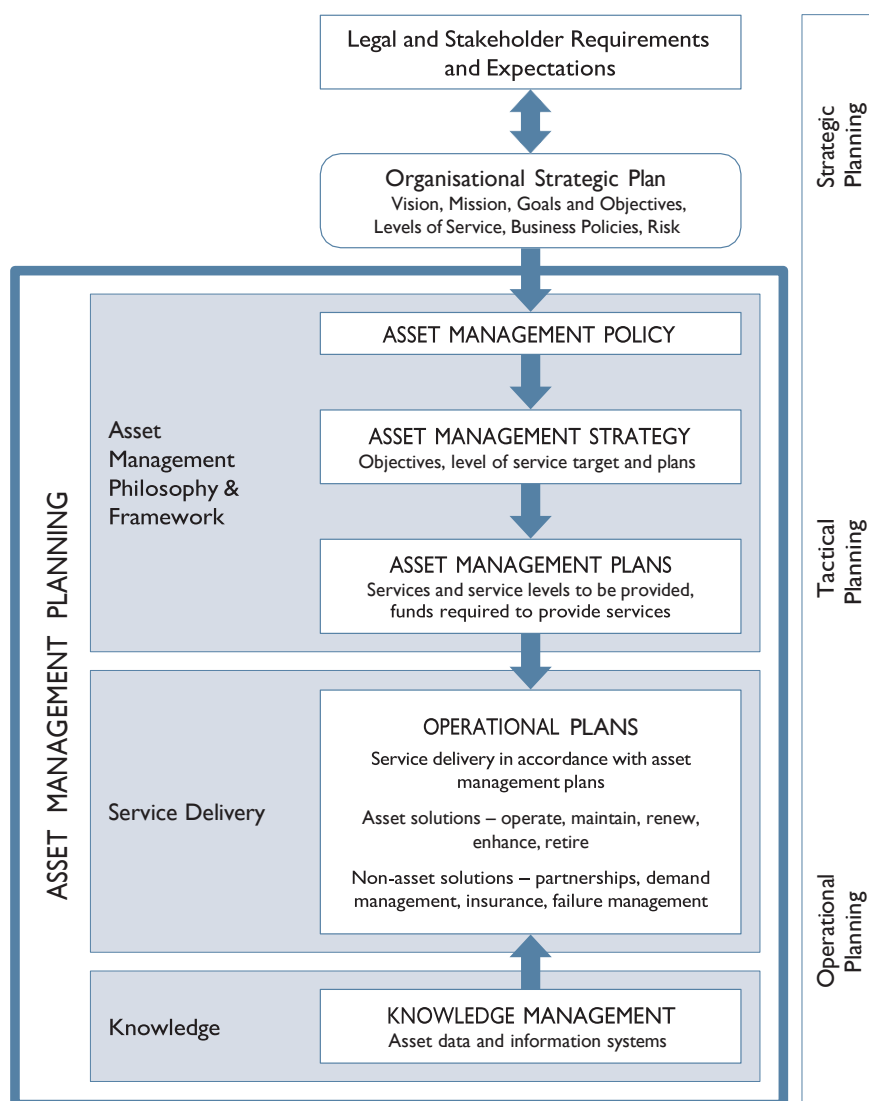
- guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community
- ensure that Council's infrastructure services are provided in a financial and economically sustainable way, enabling the appropriate level of service to residents, ratepayers, visitors and the environment
- meet legislative requirements for all Council operations
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated
- inform the Asset Management Plans and Long-Term Financial Plan



## Asset Management Framework

As outlined in the following diagram, asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic planning, developing an Asset Management Policy, Asset Management Strategy, Asset Management Plans and annual Operational Plan and Budget, linked to a Long-Term Financial Plan with a funding plan (IPWEA, 2009, AIFMG, Quick Guide).

Figure 1: Asset Management Framework



The key steps in preparing an effective Asset Management Strategy are:

1. develop an Asset Management Policy that underpins the Strategy. The Policy provides guiding principles for asset management and planning
2. develop Asset Management Plans
3. apply good governance and management arrangements to link asset management to service delivery and assign roles and responsibilities
4. define levels of service to establish mechanisms, including community consultation, to define the levels of service councils are expected to provide from their asset base
5. establish data and systems frameworks for asset management data collection
6. develop skills and processes as part of the continuous improvement program
7. evaluate the Strategy's effectiveness

Council's Asset Management Strategy has been prepared to help Council improve the way it delivers services from infrastructure. These infrastructure assets have a replacement cost of approximately \$1.5 billion as at 30 June 2024 (as per notes C1-5 and C1-6 Annual Financial Statements for the year ended 30 June 2024). The purpose of this Strategy is to show that:

- Council's asset portfolio will meet the service delivery needs of its community into the future
- asset management policies are being achieved
- asset management practices integrate with the Community Strategic Plan

This Strategy was prepared following a review of Council's service delivery, financial sustainability indicators, asset management maturity, and fit with the community's vision outlined in the Community Strategic Plan. The Improvement Plan details a program of tasks and the timeline for completion. The Improvement Plan will be periodically reviewed and re-prioritised to match available resources in Council's Delivery Program and Long-Term Financial Plan.

## Asset Management Policy

The provision and maintenance of assets to meet community needs and expectations is fundamental to Council's overall service delivery. The purpose of the Asset Management Policy (Appendix I) is to demonstrate Council's commitment to the responsible management of its assets and to set the framework for the Asset Management Strategy and Asset Management Plans, while the Strategy and Plans support implementation of the Policy.

The Policy:

- establishes goals and objectives for asset management
- integrates asset management within Council's corporate and strategic planning
- maximises value for money through lifecycle costing and performance measurement
- assigns accountability and responsibility for service delivery together with asset management
- promotes sustainability to protect the needs of future generations i.e. the principles of intergenerational equity

## Asset Management Plans

Asset Management Plans support the Asset Management Strategy. These are long-term (ten-year) plans that outline the asset activities for each service (asset class). They detail the intended asset management program for each asset class, based on controlling the organisation's understanding of customer requirements (including desired levels of service and satisfaction with current service levels), existing projected networks, and asset conditions and performance (International Infrastructure Management Manual 2011). Council has prepared the following Asset Management Plans:

Asset Category	Asset Sub-category
Footpaths	Footpaths
Other Infrastructure	Fences
	Marine Structures
	Public Lighting – Parks
	Retaining Walls – Roads
	Seawalls
Open Space and Recreation Facilities	Park Furniture
	Playgrounds
	Sporting Infrastructure
	Other Open Space and Recreation Facilities
Other Structures	Statues, Monuments, Memorials, Public Art
Property	Operational Buildings
	Amenity Buildings
	Coal Loader
	Quarantine Depot
	Community Housing
	Investment Properties
	Heritage Buildings
Roads	Bus Shelters
	Kerb and Gutter
	Road Pavements
	Street Furniture
	Traffic Facilities (Including Cycleways)
Stormwater Drainage	Pipes
	Pits
	Gross Pollutant Traps
Swimming Pools	Swimming Pools



All of Council's asset management documents are periodically reviewed and updated. Council's condition analysis reports, financial valuations, projections, maintenance and operation costs outlined in Council's Asset Management Plans are prepared using the best available data and will be improved as updated information becomes available. The ongoing implementation of the Corporate Asset Management System helps to achieve continuous improvement.

The Asset Management Strategy and Asset Management Plans identify the asset renewal and maintenance requirements for Council's ten-year Capital Works Program. This program addresses the identified infrastructure backlog whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.



## CURRENT ASSET ANALYSIS

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

### Existing Assets and Services

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

Table 1: Existing Infrastructure Assets and Services Summary

Existing Infrastructure Assets and Services		
Asset Class	Description	Services Provided
Footpaths	266km footpaths	Pedestrian access
Other Infrastructure	44.4km fences	Safety, structural support, amenity, foreshore and environmental protection, property protection, waterway access
	2,618 bollards	
	25 km retaining walls	
	1,874 public lighting	
	4.9km seawalls	
	44 marine structures including wharves	
Open Space and Recreation Facilities	Includes playgrounds, sporting infrastructure, park furniture, Maccallum Pool	Parks and recreation services supporting community and recreational needs
Other Structures	Various statues, monuments, memorials, public art	
Property	Investment properties, heritage buildings, amenity buildings, Coal Loader, community housing, operational, quarantine depot	Support administration, operational, social, recreational, cultural, heritage and economic infrastructure for the community
Roads	9.6km regional road pavements	Support transportation, and community and economic activities in the local government area
	130km local road pavements	
	260km kerb and gutter	
	1,173 traffic facility items	
	1,084 street furniture items	
	67 bus shelters	
Stormwater Drainage	106.6km pipes	Control local flooding and damage to infrastructure and property; control water quality of discharge of stormwater into the natural environment
	6,659 pits	
	27 stormwater quality improvement devices	
Swimming Pools	North Sydney Olympic Pool complex	Swimming and recreational activities

## Value of Current Assets

The current financial status of Council's infrastructure assets, per asset class, is shown in Table 2, as at the financial year ended 30 June 2024.

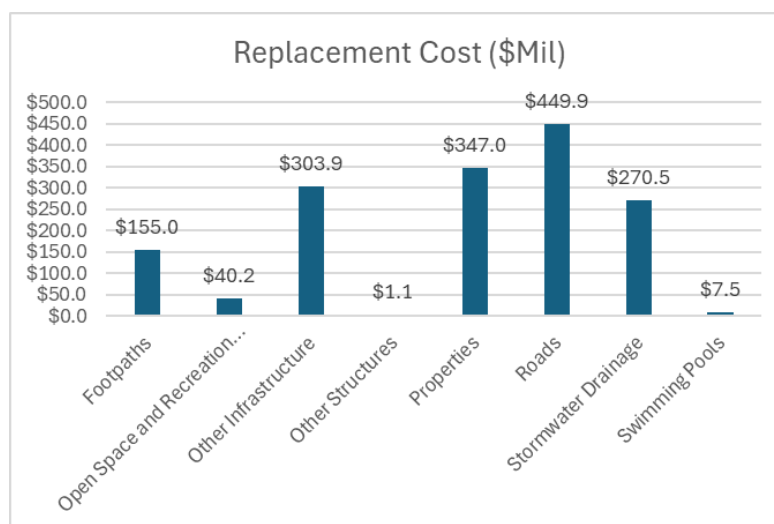
Table 2: Current Financial Status per Asset Class (\$) 2023/24

Asset Class	Replacement Cost	Accumulated Depreciation	Net Carrying Amount
Footpaths	\$155,038,554	\$59,693,239	\$95,345,314
Open Space and Recreation Assets	\$40,209,304	\$16,137,957	\$24,071,346
Other Infrastructure	\$303,916,424	\$99,570,660	\$204,345,765
Other Structures	\$1,146,200	\$175,337	\$970,863
Properties	\$347,014,881	\$145,083,006	\$201,931,876
Roads	\$449,886,586	\$143,575,246	\$306,311,340
Stormwater Drainage	\$270,450,822	\$81,971,986	\$188,478,836
Swimming Pools	\$7,546,950	\$4,616,275	\$2,930,675
<b>TOTAL</b>	<b>\$1,575,209,722</b>	<b>\$550,823,706</b>	<b>\$1,024,386,016</b>

Note: As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete. Figures subject to change upon completion.

The 2023/24 replacement costs detailed in Table 2 are also represented in Figure 2 below. Council's largest asset classes, in terms of replacement costs, are Roads, Other Infrastructure and Properties.

Figure 2: Asset Replacement Cost (\$M) 2023/24





Consumption ratios are indicative of how much value remains in the asset. Figure 3 below shows the remaining value of Council's assets (as at 2024) compared to its replacement cost in percentage terms. It should be noted that accumulated depreciation does not necessarily indicate the extent of asset renewal required in the short to medium term. Some assets may be in fair condition resulting in higher depreciation but may not require renewal within the next ten years.

Figure 3: Accumulated Depreciation / Net Carrying Amount as a percentage of Replacement Cost, 2023/24

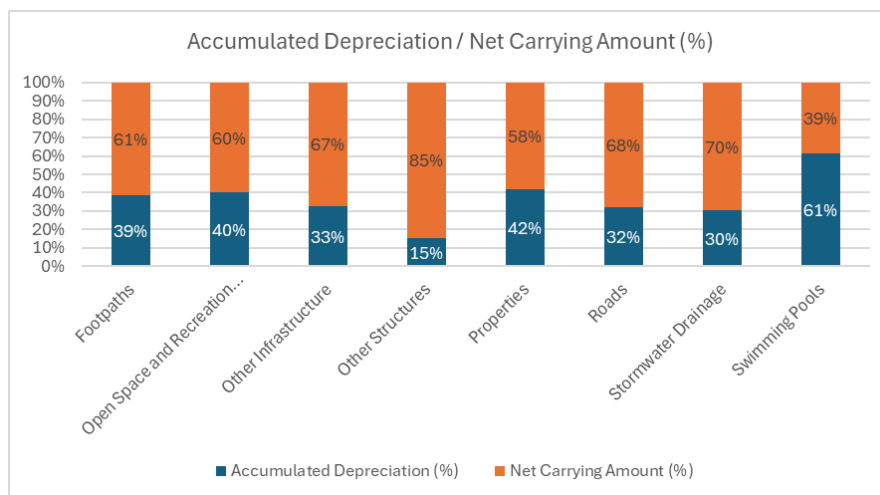
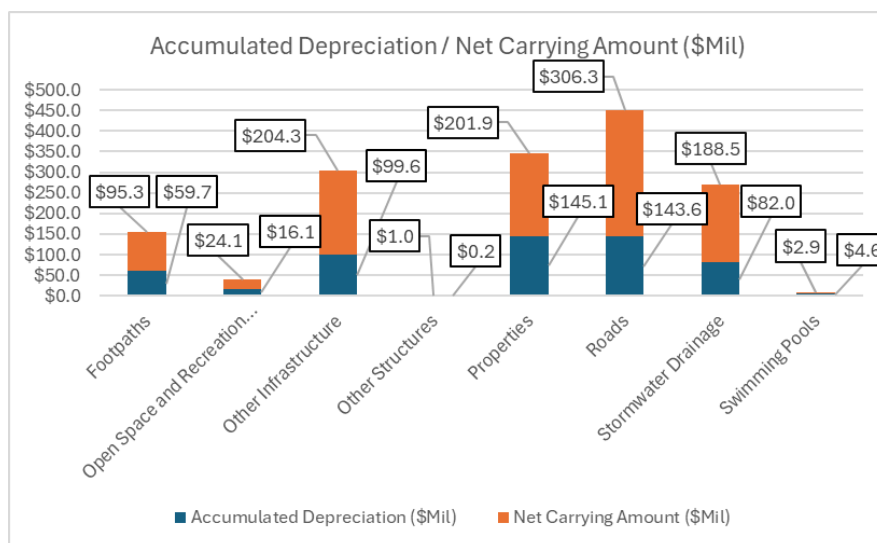


Figure 3 shows asset consumption as a percentage, while Figure 4 below shows it as the dollar value and brings the relativity of each asset group into the representation (as at 2024). These graphs should be read in conjunction with the renewal forecasts coming from the Asset Management Plans for the next ten years to achieve an appreciation of renewal requirements.

Figure 4: Accumulated Depreciation / Net Carrying Amount (\$Mil) 2023/24



## Condition of Current Assets

The condition of Council's assets has been assessed using guidelines and practice notes produced by the Institute of Public Works Engineering Australasia. The condition gradings used range from condition 1 (very good) to condition 5 (very poor). Council undertakes detailed condition assessments of individual asset classes at regular intervals to provide a snapshot of asset class condition. These network surveys are generally undertaken every four to five years and depend on funding availability. The replacement of infrastructure assets can depend on many factors. Often this factor is condition, however other factors that affect replacement may include function, amenity, compliance, capacity and obsolescence.

The current condition of Council's assets is based on the most recent condition survey and adjusted each financial year as assets are constructed. The condition of each asset class is discussed below.

## Condition of Footpath Assets

The condition of Council's footpaths was surveyed at 10m intervals in 2019 by consultants Rapid Map Services Pty Ltd. The condition scores used are shown in Table 3.

Table 3: Footpath Condition Matrix

Footpath Condition Matrix				
Score	Age Estimate	Minor Defects	Major Defects	Trips
1	Almost New (likely < 5 years)	0	0	
2	Minor Ageing (5 to 10 years)	<10%	0	
3	Moderate Ageing (10 to 15 years)	10 - 25%	< 10%	10 - 25mm
4	Significant Ageing (> 25 years)	25 - 50%	< 25%	> 25mm
5	N/A	> 50%	> 25%	> 50mm

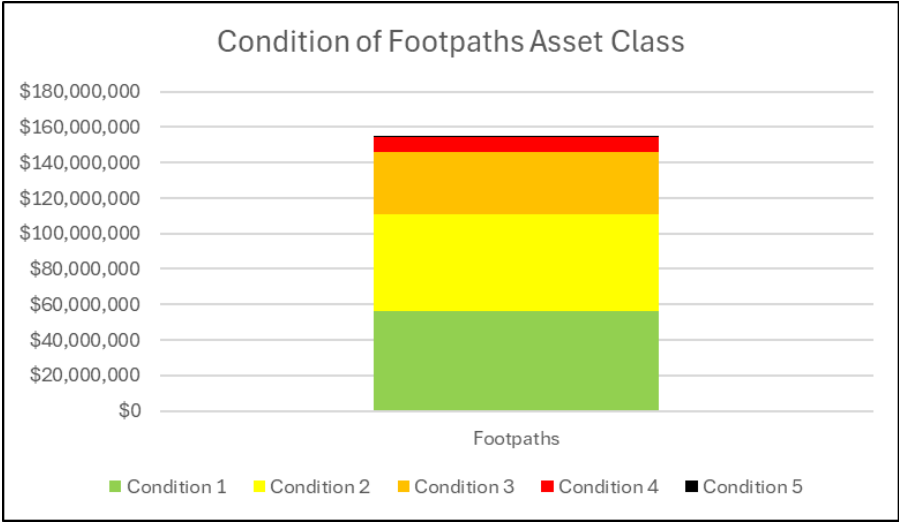
Table 4 below shows the replacement cost for each of the condition scores. It should be noted that the replacement cost is based on the condition of footpaths at 10m intervals. In practice and where funds permit, footpath sections in condition 3 are generally replaced at the same time as footpath sections in condition 4 or 5 if they are adjacent and it is cost effective.

Table 4: Replacement Cost of Footpaths Asset Class by Condition (\$)2024

Condition of Footpaths Asset Class in Terms of Replacement Cost	
Condition	Footpaths
1	\$56,081,304
2	\$54,773,810
3	\$34,979,521
4	\$8,667,839
5	\$536,080
<b>TOTAL</b>	<b>\$155,038,554</b>

The Replacement Cost of Footpaths Asset Class by Condition is shown graphically in Figure 5.

Figure 5: Replacement Cost of Footpaths Asset Class by Condition (\$)2024



Examples of Footpath assets in very good condition are shown in the following photos:





Examples of Footpath assets in very poor condition are shown in the following photos:



Condition of Open Space and Recreation Assets

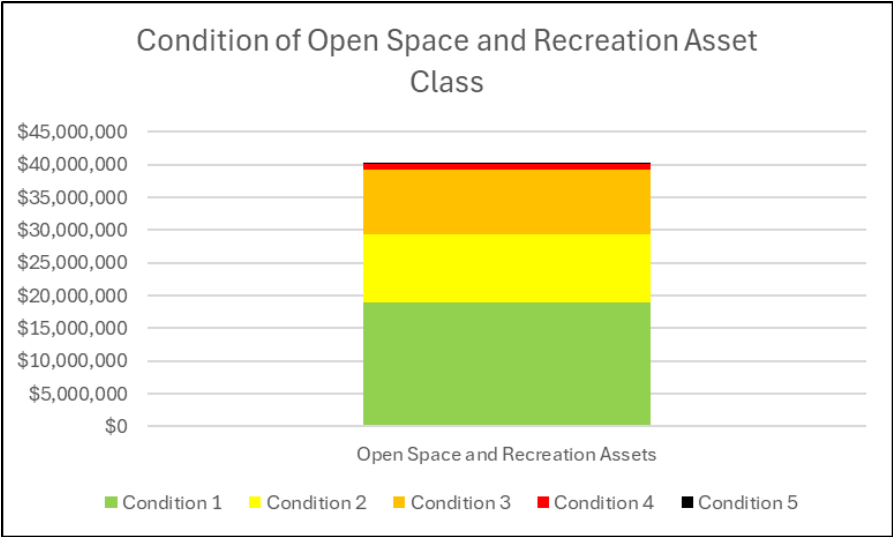
The Open Space and Recreation asset class includes the following asset categories: Playgrounds, Sporting Infrastructure, Park Furniture, Maccallum Pool. The replacement costs for each condition are detailed in Table 5.

Table 5: Replacement Cost of Open Space and Recreation Asset Class by Condition (\$)2024

Condition of Open Space and Recreation Asset Class in Terms of Replacement Cost	
Condition	Open Space and Recreation Assets
1	\$19,005,142
2	\$10,315,756
3	\$9,984,508
4	\$821,986
5	\$81,912
TOTAL	\$40,209,304

The Replacement Cost of Open Space and Recreation Asset Class by Condition is shown graphically in Figure 6.

Figure 6: Replacement Cost of Open Space and Recreation Asset Class by Condition (\$2024)



Examples of Open Space and Recreation assets in very good condition are shown in the following photos:



Examples of Open Space and Recreation assets in very poor condition are shown in the following photos:



Condition of Other Structures Assets

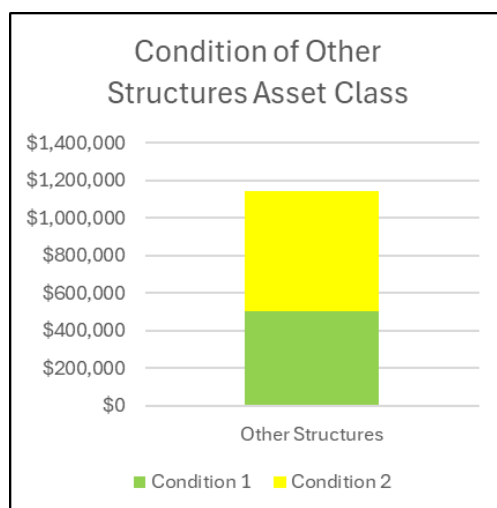
The Other Structures asset class includes the following assets: Statues, Monuments, Memorials, Public Art. The replacement costs for each condition are detailed in Table 6.

Table 6: Replacement Cost of Other Structures Asset Class by Condition (\$)'2024

Condition of Other Structures Asset Class in Terms of Replacement Cost	
Condition	Other Structures
1	\$505,000
2	\$641,200
3	\$0
4	\$0
5	\$0
<b>TOTAL</b>	<b>\$1,146,200</b>

The Replacement Cost of Other Structures Asset Class by Condition is shown graphically in Figure 7.

Figure 7: Replacement Cost of Other Structures Asset Class by Condition (\$)2024



## Condition of Other Infrastructure Assets

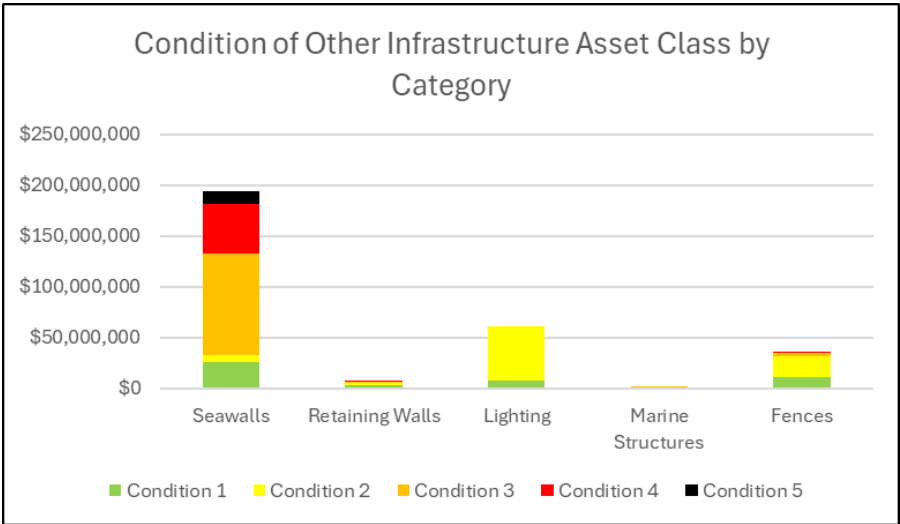
The Other Infrastructure asset class includes the following asset categories: Seawalls, Retaining Walls, Lighting, Marine Structures, Fences. The replacement costs for each condition are detailed in Table 7.

Table 7: Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition (\$)2024

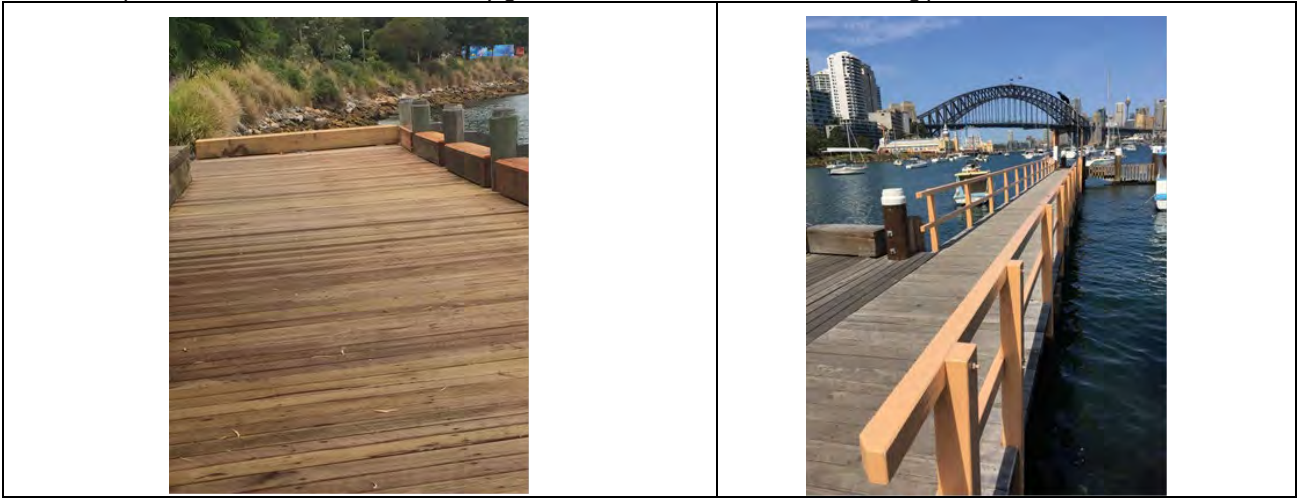
Condition of Other Infrastructure Asset Class in Terms of Replacement Cost					
Condition	Seawalls	Retaining Walls	Lighting	Marine Structures	Fences
1	\$16,217,157	\$1,112,137	\$4,824,607	\$3,210,426	\$3,724,139
2	\$36,202,286	\$65,547,603	\$9,592,308	\$26,854,411	\$15,470,147
3	\$63,488,514	\$25,334,146	\$4,073,741	\$1,911,784	\$15,351,754
4	\$1,104,730	\$3,316,234	\$744,689	\$184,001	\$612,124
5	\$626,650	\$640,496	\$3,707,725	\$0	\$64,616
<b>TOTAL</b>	<b>\$117,639,337</b>	<b>\$95,950,616</b>	<b>\$22,943,070</b>	<b>\$32,160,622</b>	<b>\$35,222,780</b>

The Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition is shown graphically in Figure 8.

Figure 8: Replacement Cost of Other Infrastructure Asset Class per Asset Category by Condition (\$)'2024



Examples of Marine Structure assets in very good condition are shown in the following photos:





Examples of Marine Structure assets in very poor condition are shown in the following photos:



Examples of Seawalls in very good condition are shown in the following photos:



Examples of Seawalls in very poor condition are shown in the following photos:





Examples of Retaining Walls in very good condition are shown in the following photos:



Examples of Retaining Walls in very poor condition are shown in the following photos:



## Condition of Property Assets

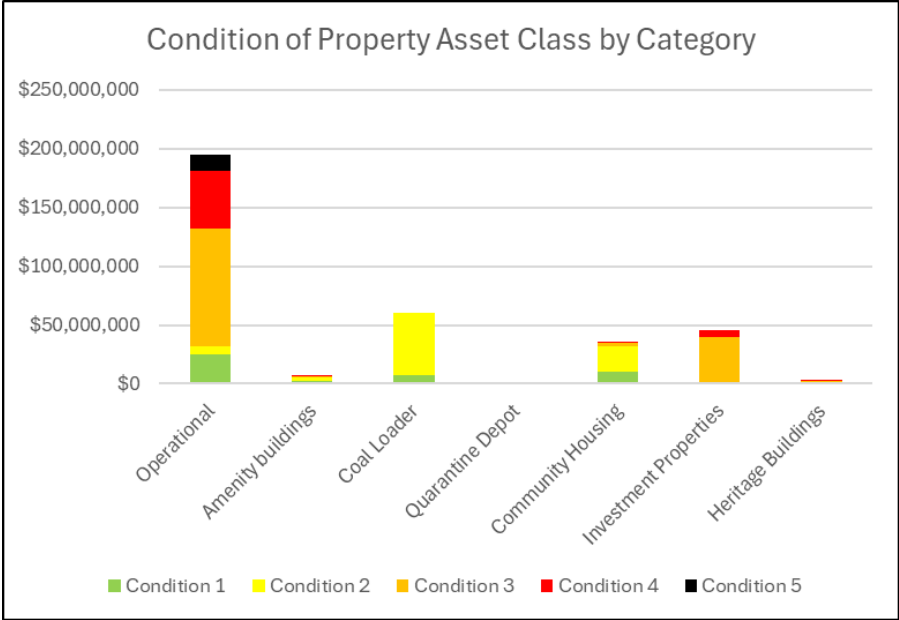
The Property asset class includes the following asset categories: Operational Buildings, Amenity Buildings, Coal Loader, Quarantine Depot, Community Housing, Investment Properties. The replacement costs for each condition are detailed in Table 8.

Table 8: Replacement Cost of Property Asset Class per Asset Category by Condition (\$)'2024

Condition of Property Asset Class in Terms of Replacement Cost							
Condition	Operational	Amenity Buildings	Coal Loader	Quarantine Depot	Community Housing	Investment Properties	Heritage Buildings
1	\$25,293,954	\$2,599,664	\$7,146,289	\$212,842	\$10,403,646	\$849,995	\$0
2	\$6,932,535	\$2,590,802	\$53,648,603	\$0	\$21,066,556		\$0
3	\$99,957,433	\$1,320,340	\$0	\$1,076,971	\$2,840,781	\$39,252,000	\$2,444,000
4	\$49,326,429	\$1,184,951	\$0	\$0	\$12,234	\$5,300,000	\$500,000
5	\$13,054,858	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$194,565,209</b>	<b>\$7,695,757</b>	<b>\$60,794,891</b>	<b>\$1,289,813</b>	<b>\$34,323,216</b>	<b>\$45,401,995</b>	<b>\$2,944,000</b>

The Replacement Cost of Property Asset Class per Asset Category by Condition is shown graphically in Figure 9.

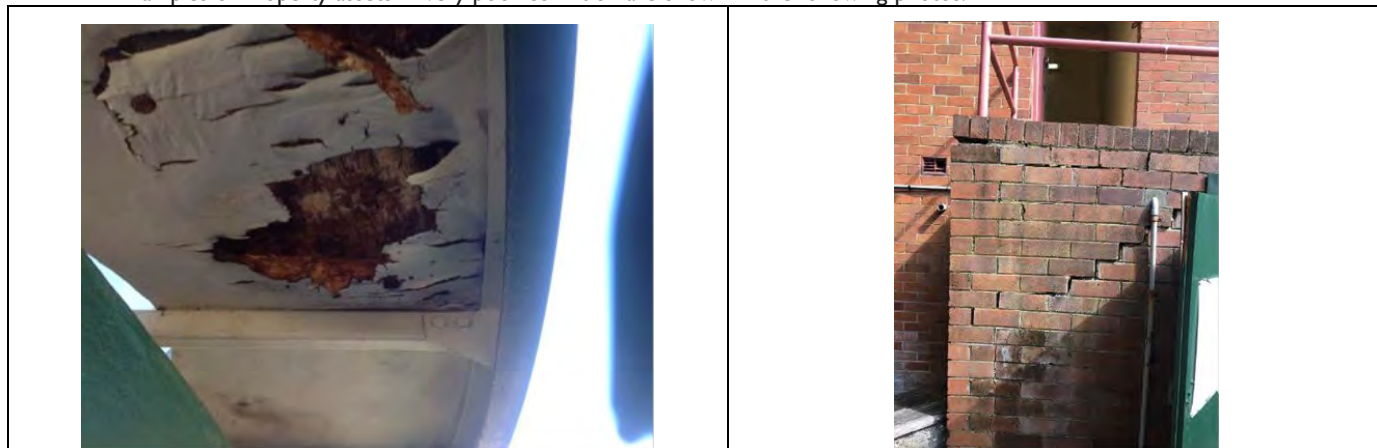
Figure 9: Replacement Cost of Property Asset Class per Asset Category by Condition (\$)'2024



Examples of Property assets in very good condition are shown in the following photos:



Examples of Property assets in very poor condition are shown in the following photos:



## Condition of Roads Assets

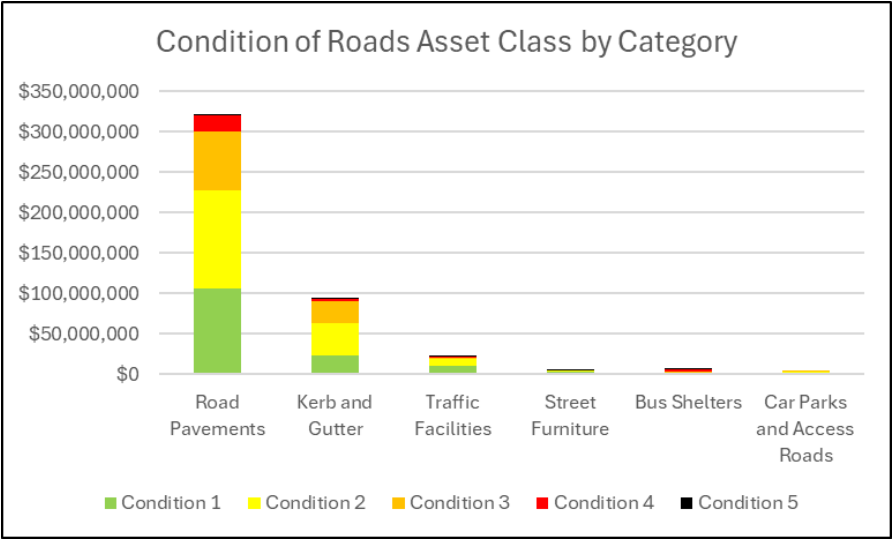
The Roads asset class includes the following asset categories: Bus Shelters, Kerb and Gutter, Road Pavements, Street Furniture, Traffic Facilities (Including Cycleways), Car Parks and Access Roads. The replacement costs for each condition are detailed in Table 9.

Table 9: Replacement Cost of Roads Asset Class per Asset Category by Condition (\$)2024

Condition of Roads Asset Class in Terms of Replacement Cost						
Condition	Road Pavements	Kerb and Gutter	Traffic Facilities	Street Furniture	Bus Shelters	Car Parks and Access Roads
1	\$105,804,786	\$22,704,429	\$10,190,706	\$2,396,237	\$1,305,387	\$2,070,342
2	\$121,288,242	\$40,390,623	\$8,887,524	\$1,606,852	\$732,020	\$1,093,106
3	\$73,883,408	\$26,813,382	\$1,639,750	\$648,532	\$1,756,850	\$567,327
4	\$18,804,721	\$2,948,098	\$320,291	\$67,892	\$1,683,646	\$0
5	\$1,375,239	\$506,252	\$25,870	\$9,065	\$366,010	\$0
<b>TOTAL</b>	<b>\$321,156,396</b>	<b>\$93,362,784</b>	<b>\$21,064,141</b>	<b>\$4,728,578</b>	<b>\$5,843,913</b>	<b>\$3,730,775</b>

The Replacement Cost of Roads Asset Class per Asset Category by Condition is shown graphically in Figure 10.

Figure 10: Replacement Cost of Roads Asset Class per Asset Category by Condition (\$2024)



Examples of Road Pavements in very good condition are shown in the following photos:

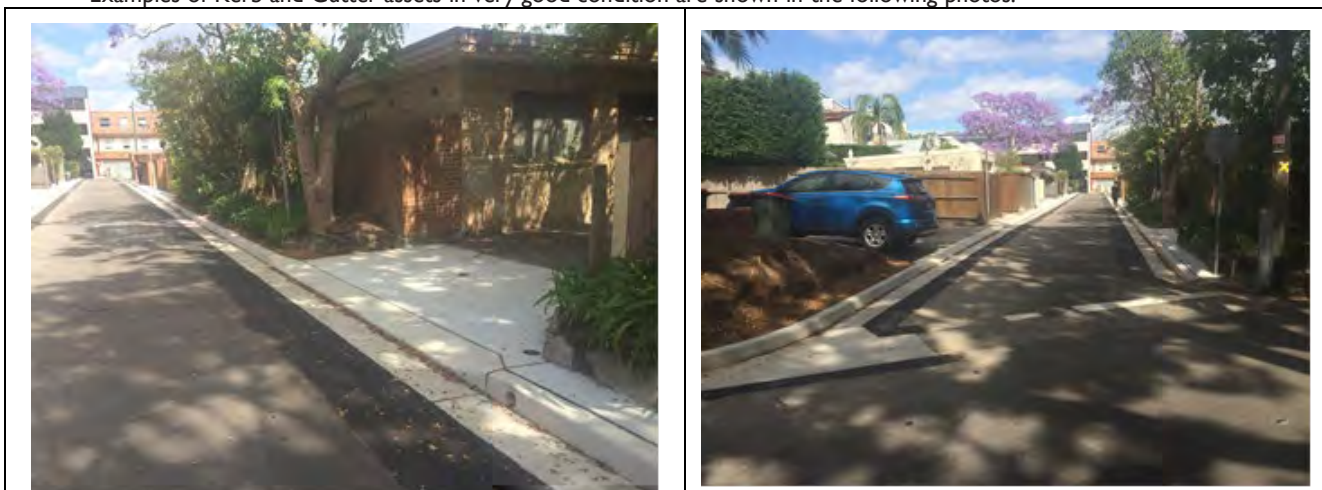




Examples of Road Pavements in very poor condition are shown in the following photos:



Examples of Kerb and Gutter assets in very good condition are shown in the following photos:



Examples of Kerb and Gutter assets in very poor condition are shown in the following photos:



Examples of Street Furniture assets in very good condition are shown in the following photos:



Examples of Street Furniture assets in very poor condition are shown in the following photos:





## Condition of Stormwater Drainage Assets

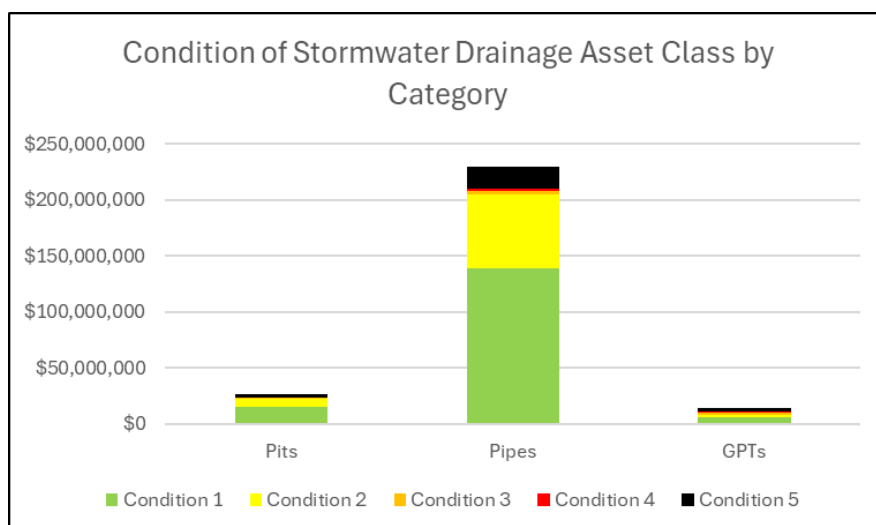
The Stormwater Drainage asset class includes the following asset categories: Pipes, Pits, Gross Pollutant Traps. The replacement costs for each condition are detailed in Table 10.

Table 10: Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition (\$)2024

Condition of Stormwater Drainage Asset Class in Terms of Replacement Cost			
Condition	Pits	Pipes	GPTs
1	\$14,777,004	\$138,998,009	\$5,656,186
2	\$7,711,106	\$65,610,972	\$2,697,166
3	\$417,057	\$3,022,231	\$1,420,827
4	\$494,678	\$2,452,635	\$1,620,128
5	\$3,250,610	\$19,366,893	\$2,955,320
<b>TOTAL</b>	<b>\$26,650,455</b>	<b>\$229,450,740</b>	<b>\$14,349,627</b>

The Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition is shown graphically in Figure 11.

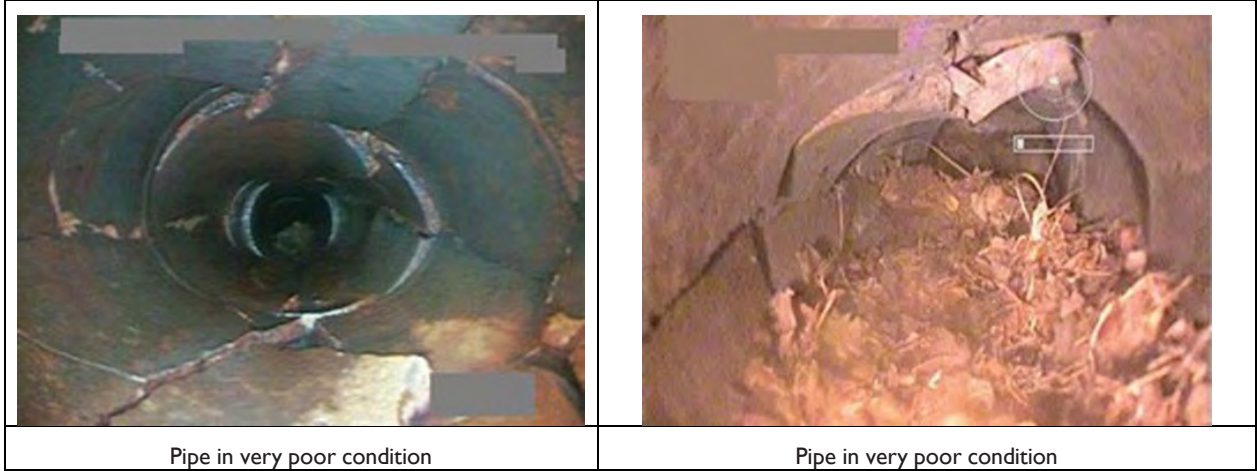
Figure 11: Replacement Cost of Stormwater Drainage Asset Class per Asset Category by Condition (\$)2024



Examples of Stormwater Drainage assets in very good condition (newly installed pipes and GPT) are shown in the following photos:



Examples of Stormwater Drainage assets in very poor condition are shown in the following photos:



	
Flooding issue	Flooding issue
	
Flooding issue	Sink hole in road near defective pipe

## Condition of Swimming Pool Assets

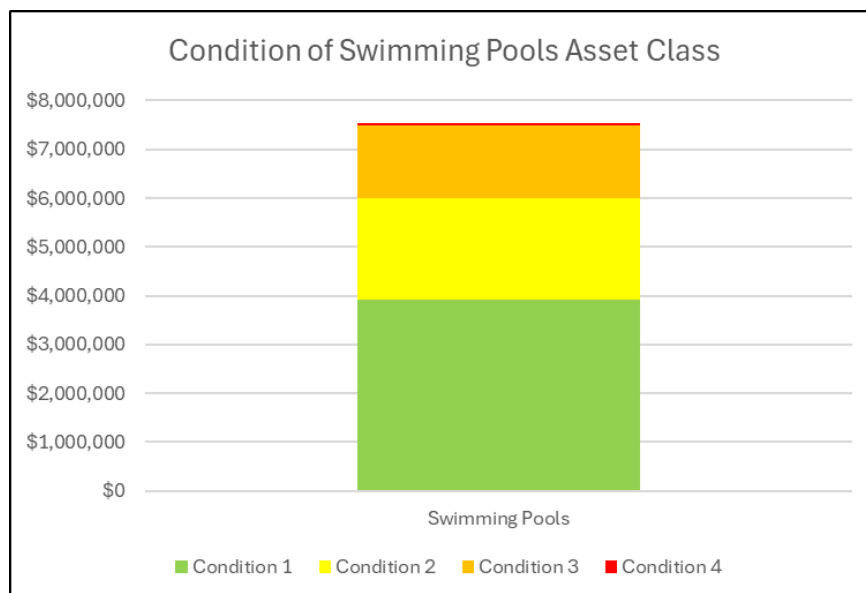
The Swimming Pool asset class includes the following assets: North Sydney Olympic Pool. The replacement costs for each condition are detailed in Table 11.

Table 11: Replacement Cost of Swimming Pool Asset Class by Condition (\$)2024

Condition of Swimming Pool Asset Class in Terms of Replacement Cost	
Condition	Swimming Pools
1	\$3,924,414
2	\$2,067,864
3	\$1,494,296
4	\$60,376
5	\$0
<b>TOTAL</b>	<b>\$7,546,950</b>

The Replacement Cost of Swimming Pool Asset Class by Condition is shown graphically in Figure 12.

Figure 12: Replacement Cost of Swimming Pool Asset Class by Condition (\$)2024



Note: As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete, and the development is still currently ongoing. Figures subject to change upon completion.

# PLANNING ASSUMPTIONS

Council recognises its stewardship role in appropriately managing the assets that have been provided by past and current generations. It also aims to fulfil its obligation in ensuring a sustainable level of infrastructure for future generations. The key challenges relating to managing an optimum level of infrastructure assets and delivering services are as follows:

- new residents and managing population increase and demographic changes
- retaining and continuing to attract business, industry and tourism to the area
- funding asset renewal requirements relating to ageing assets in a sustainable manner and ensuring that required levels of service continue to be delivered

## Funding Requirements

Individual Asset Management Plans for the various asset categories include ten-year future funding predictions with capital renewal requirements. These ten-year funding programs are fed into Council's Long-Term Financial Plan, which drives the annual Budget.

The funding requirements for maintaining infrastructure assets are dependant on the expected level of service.

- A 'satisfactory' level of service refers to infrastructure that continues to function but requires maintenance to sustain its operational capacity. If maintenance is insufficient, infrastructure in this category will deteriorate further, leading to service disruptions and potential public safety risks.
- A 'good' level of service is defined as infrastructure that operates effectively with only minor maintenance required.

Table 12 below shows that:

- the current cost to bring all of Council's infrastructure assets to a 'satisfactory' standard is \$146.8m. This amount includes the cost to replace existing infrastructure currently in either poor or very poor condition (condition 4 or 5). This represents 9.3% of the total infrastructure network in terms of replacement cost.
- the total current annual depreciation expense for infrastructure assets is approximately \$24m or 1.5% of the total replacement cost of Council's Infrastructure assets.
- the long-term cost to bring all Council's infrastructure assets to a 'satisfactory' standard as well as maintain the current standard is \$386.8m over ten years, or an average annual cost of \$38.7m. This includes the total depreciation expense over ten years (maintaining the existing standard) and assumes that all condition 4 and 5 assets will be replaced over the next ten years (bringing all assets to a 'satisfactory' level of service).

Whilst a 'satisfactory' level of service has been used as the general standard to ensure the effective management of Council's infrastructure assets, the preferred level of service for property (Buildings) assets is 'good' to improve operational effectiveness. Currently, 62.32% of building assets are below a 'good' level of service, which has led to a range of service delivery issues, including: low utilisation rates; periods of closure for reactive maintenance; increased frequency and cost of ongoing reactive maintenance; and public safety risks.

An additional column has been included in Table 12 to show what the cost would be to bring all of Council's infrastructure assets (including property/ buildings assets) to a 'good' level of service.



Table 12: Long-Term Infrastructure Funding Required (\$)'2024

Asset Class / Category	Cost to bring assets to 'satisfactory' condition (4 + 5)	Total replacement cost	Depreciation expense (2024)	Funding required over ten years (depreciation x 10 + condition 4 + 5)	Average annual funding required (2024)	Cost to bring assets to 'good' condition (3+ 4 + 5)
Footpaths	\$9,203,919	\$155,038,554	\$3,903,505	\$48,238,971	\$4,823,897	\$44,183,440
Open Space and Recreation Assets	\$903,898	\$40,209,304	\$1,608,679	\$16,990,684	\$1,699,068	\$10,888,406
Other Infrastructure / Fences	\$676,740	\$35,222,780	\$848,952	\$9,166,256	\$916,626	\$16,028,494
Other Infrastructure / Lighting	\$4,452,413	\$22,943,070	\$716,983	\$11,622,246	\$1,162,225	\$8,526,155
Other Infrastructure / Marine Structures	\$184,001	\$32,160,622	\$408,304	\$4,267,046	\$426,705	\$2,095,785
Other Infrastructure / Retaining Walls	\$3,956,730	\$95,950,616	\$1,059,706	\$14,553,785	\$1,455,379	\$29,290,876
Other Infrastructure / Seawalls	\$1,731,380	\$117,639,337	\$1,059,698	\$12,328,361	\$1,232,836	\$65,219,894
Other Structures	\$0	\$1,146,200	\$13,494	\$134,943	\$13,494	\$0
Properties / Amenity Buildings	\$1,184,951	\$7,695,757	\$136,668	\$2,551,633	\$255,163	\$2,505,291
Properties / Coal Loader	\$0	\$60,794,891	\$350,824	\$3,508,238	\$350,824	\$0
Properties / Community Housing	\$12,234	\$34,323,216	\$870,699	\$8,719,228	\$871,923	\$2,853,015
Properties / Heritage Buildings	\$500,000	\$2,944,000	\$0	\$500,000	\$50,000	\$2,944,000
Properties / Investment Properties	\$5,300,000	\$45,401,995	\$0	\$5,300,000	\$530,000	\$44,552,000
Properties / Operational	\$62,381,286	\$194,565,209	\$3,685,636	\$99,237,647	\$9,923,765	\$162,338,720
Properties / Quarantine Depot	\$0	\$1,289,813	\$4,756	\$47,556	\$4,756	\$1,076,971
Roads / Bus Shelters	\$2,049,656	\$5,843,913	\$110,481	\$3,154,470	\$315,447	\$3,806,506
Roads / Car Parks and Access Roads	\$0	\$3,730,775	\$53,994	\$539,942	\$53,994	\$567,327
Roads / Kerb and Gutter	\$3,454,350	\$93,362,784	\$1,331,873	\$16,773,082	\$1,677,308	\$30,267,732
Roads / Road Pavements - surface	\$9,766,649	\$64,641,232	\$2,231,215	\$32,078,800	\$3,207,880	\$27,330,477
Roads / Road Pavements - structure	\$10,413,311	\$234,463,491	\$2,599,225	\$36,405,559	\$3,640,556	\$66,732,891
Roads / Road Pavements - formation	\$0	\$22,051,673	\$0	\$0	\$0	\$0
Roads / Street Furniture	\$76,957	\$4,728,578	\$217,010	\$2,247,054	\$224,705	\$725,489
Roads / Traffic Facilities	\$346,161	\$21,064,141	\$303,549	\$3,381,647	\$338,165	\$1,985,911
Stormwater Drainage / GPTs	\$4,575,448	\$14,349,627	\$297,464	\$7,550,087	\$755,009	\$5,996,275
Stormwater Drainage / Pipes	\$21,819,528	\$229,450,740	\$1,778,479	\$39,604,319	\$3,960,432	\$24,841,759
Stormwater Drainage / Pits	\$3,745,288	\$26,650,455	\$332,711	\$7,072,400	\$707,240	\$4,162,345
Swimming Pools	\$60,376	\$7,546,950	\$74,559	\$805,963	\$80,596	\$1,554,672
<b>TOTAL</b>	<b>\$146,795,276</b>	<b>\$1,575,209,722</b>	<b>\$23,998,464</b>	<b>\$386,779,918</b>	<b>\$38,677,992</b>	<b>\$560,474,429</b>

## Notes:

- Source: Note CI-5 Annual Financial Statements for the year ended 30 June 2024.
- Figures are not adjusted for inflation.
- As at 30 June 2024 the North Sydney Olympic Pool redevelopment was not complete, and the development is still currently ongoing. Figures subject to change upon completion.

## Service Demand and Satisfaction

The key objective of asset management planning is to provide the required level of service for the community in accordance with the Community Strategic Plan and in the most cost-effective manner. Levels of service are key business drivers for asset planning.

Achieving and maintaining sustainability in local government requires consideration of services, their level of service, and associated costs and risks. The appropriate management of Council's infrastructure requires asset management estimates and accounting estimates that are realistic and support decision-making.

The linking of service levels and the cost of service delivery is an essential component of strategic asset management. It is essential that Council knows the true costs of service delivery, priorities placed by the community on infrastructure, the service levels the community desires, and what level they are willing to pay for.

Ultimately, setting service levels should be done in conjunction with the community. This enables Council to make informed decisions about the allocation of community resources in accordance with community priorities and willingness to pay.

Council periodically undertakes a Customer Satisfaction Survey to determine community attitudes towards its services and facilities. The survey is conducted on Council's behalf by an independent research company. The randomly selected representative sample consists of 400 residential and 200 business customers (both owners and renters). Full survey results are available on Council's website.

The Customer Satisfaction Survey provides Council with feedback about the appropriateness of each of its key services including some asset classes, and this information is used in the development of the Delivery Program and Asset Management Plans to ensure areas that are not meeting community expectation are reviewed and ultimately improved. It is clear from the most recent surveys that the North Sydney community expects the current level of service to be retained and is happy with what is currently being delivered.

Table 13 details 2023 resident and business satisfaction including comparison with the 2020 results.

**Table 13: Customer Satisfaction Survey Results\* – Asset Related Services**

Service/Function	Category	2023	2023 v 2020 (% difference)
Maintenance of parks, ovals and bushland areas	Residents	95%	4%
Recreation facilities	Residents	84%	2%
Appearance of local village centres	Residents	93%	15%
Look and feel of commercial areas and villages	Businesses	87%	13%
Appearance of public spaces in the North Sydney CBD	Residents	91%	18%
Maintenance of commercial areas	Residents	64%	-9%
Appearance of public spaces in the North Sydney CBD	Businesses	90%	20%
Maintenance of local roads and footpaths	Residents	82%	9%
	Businesses	84%	11%
Pedestrian and cycle paths	Residents	66%	14%
Community centres and facilities	Residents	96%	46%

\*Percentage of respondents who are at least somewhat satisfied with the services

Council should further develop these service levels in Asset Management Plans for each major asset class. This will improve the link between service levels and costs of service delivery. It will give a tool for community consultation and better inform decision-making on service levels and costs in setting budgets.

## IMPROVEMENT PLAN

A whole-of-organisation approach is essential for continuous asset management practices to continue to improve. Council's Asset Management Plans need to be based on accurate data and require detailed valuations to be done on a periodic basis. Accurate valuations in turn require detailed condition assessments of infrastructure assets. The following Improvement Plan summarises the areas for improvement within Asset Management Plans.

Asset	Last comprehensive valuation (Year)	Comprehensive valuation to be performed
<b>Land:</b>		
Operational Land	2022	Planned for 2025
Community Land	2023	No later than 2026
Crown Land	2023	No later than 2026
Depreciable Land Improvements	2022	No later than 2027
<b>Infrastructure:</b>		
Buildings – non-specialised	2023	No later than 2028
Buildings – specialised	2023	No later than 2028
Other Structures	2021	Schedule to be determined
Roads	2020	Planned for 2025
Footpaths	2020	Planned for 2025
Stormwater Drainage	2020	Planned for 2025
Swimming Pools	2018	Planned for 2025
<b>Other Assets:</b>		
Other Open Space and Recreation Assets	2020	Planned for 2025
Other Infrastructure	2023	No later than 2028
Heritage Collections	2021	Schedule to be determined

Further development of service levels is required to ensure that assets are meeting community needs. The quality, function, capacity and use of Council assets should be examined in detail and expanded through community engagement.

## RESOURCING

The sustainable management of assets is a 'whole of council' responsibility, recognised at all levels within the organisation. Council has undertaken a strategic level review of its asset management practices and systems to provide future direction and guidance for improving its asset management performance. Implementing these improvement actions will have strategic and corporate significance to Council.

Council's Asset Management Strategy is directly aligned with the vision and desired outcomes of the Community Strategic Plan and Delivery Program. Central to this is forecasting service delivery needs and the capacity to meet them on a short, medium and long-term basis.

The cost of implementing the Asset Management Strategy has been incorporated within Council's Delivery Program and Long-Term Financial Plan. However, it should be noted that this Strategy reflects Council's intentions at the time of publication. As with any plan or budget, the actual results may vary from that forecast.





## MONITORING AND EVALUATION

Council's Open Space and Infrastructure Division leads monitoring and reporting against the Asset Management Strategy, Asset Management Policy and Asset Management Plans. However, implementation requires cross-organisational collaboration.

Council must prepare its asset performance reports in accordance with statutory requirements and accounting standards.

Within five months after the end of each financial year, Council must prepare its Annual Report in respect to the implementation of its Operational Plan and Budget. This report includes:

- the assets acquired by Council during that year
- the assets held by Council at the end of that year, for each of Council's principal activities
- a report on the condition of the public assets under the control of Council as at the end of that year, together with an estimate (at current value) of the amount of money required to bring the works up to a satisfactory standard, an estimate (at current value) of the annual expense of maintaining the works at that standard, and Council's program of maintenance for that year in respect of the works

The results in Council's Annual Report on the condition of infrastructure assets (reported in Council's Financial Statements) are used to inform funding requirements for assets to ensure that the service levels provided by infrastructure assets are maintained in line with the performance indicators detailed in the Delivery Program. Council will also continually monitor and review the condition of its infrastructure assets, the levels of service these assets provide, and any funding gaps. This data will be then used to inform and update Asset Management Plans and the Asset Management Strategy.





# Special Rate Variation consultation



## Community Engagement Strategy

November 2024



# Contents

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

## Tables

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

## Figures

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

## Introduction

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

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

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

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

# Engagement Intent

## Rationale for engagement

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

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

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

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

**Table 1 Proposed SRV options for community consultation**

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

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



**Table 2 Benefits of each SRV Option**

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

### Engagement purpose and goals

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

The objectives of this community engagement process include:

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

### Stakeholder analysis

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

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

**Table 3 Stakeholder groupings**

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

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

## Engagement Approach

### Impact and complexity of engagement

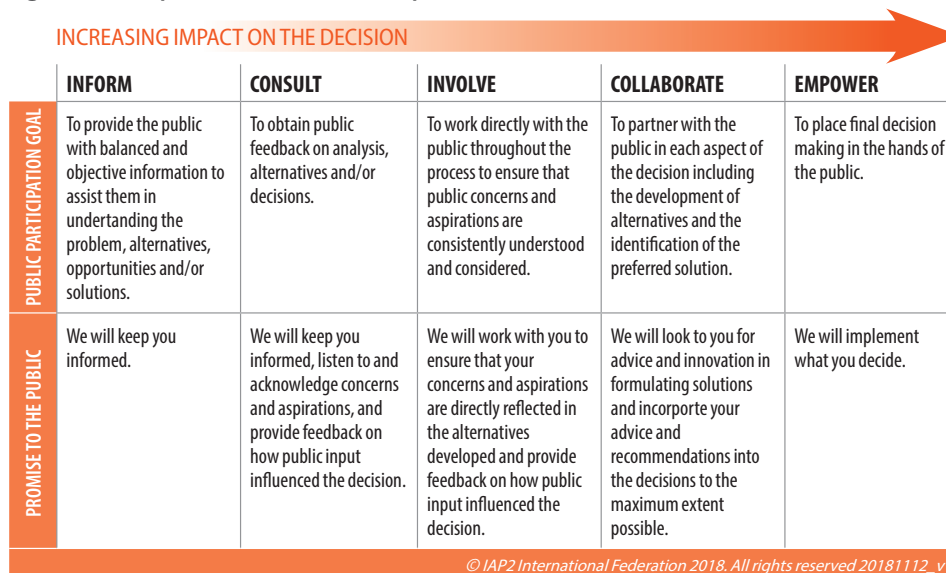
This engagement is defined as 'high impact', which means that the issues will have a real or perceived impact across the whole LGA. The issue has the potential to create controversy and has a high level of potential community interest.

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

### Levels of engagement

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

Figure 1 IAP2 Spectrum of Public Participation



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

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

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

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

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

Additionally, where the proposed SRV funds additional projects, services or service level increases, Council must consider the community's willingness to pay for these increases with increased rates, as required for criteria 3.<sup>2</sup>

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

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

### Engagement timing and resources

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

This community engagement will build from inform to consult:

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

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

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

### Engagement method

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

**Table 4 Engagement mechanisms**

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

<sup>2</sup> International Association for Public Participation (IAP2) Australasia, 2018. IAP2 Spectrum of Public Participation. Retrieved from: [https://iap2.org.au/wp-content/uploads/2020/01/2018\\_IAP2\\_Spectrum.pdf](https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf).

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

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

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



### Roles and responsibilities

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

**Table 5 Roles and responsibilities**

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

## Key messages

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

Non-negotiables include:

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

Community feedback is sought to:

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

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

In addition, Council will also have the following reports:

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

Any community communications and collateral will also include:

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

## Frequently asked questions

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

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

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

## Detailed action plan

**Table 6 Action plan**

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

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

### Measures of success

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

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

### Monitoring and risk assessment

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

**Table 7 Risk assessment**

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