



Council Chambers
9 January 2026

An Extraordinary Meeting of Council will be held on Cammeraygal lands at the Council Chambers, North Sydney at 7.00pm on Monday 19 January 2026. The agenda is as follows.

THERESE COLE
CHIEF EXECUTIVE OFFICER

North Sydney Council is an Open Government Council. The records of Council are available for public viewing in accordance with this policy, with the only exception being made for certain confidential documents such as legal advice, matters required by legislation not to be divulged, and staff matters.

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- 1. Opening of Meeting**
 - 2. Acknowledgement of Country**
 - 3. Apologies and applications for leaves of absence or attendance by audio-visual link by councillors**
 - 4. Disclosures of Interests**
 - 5. Reports to Council**
 - 5.1 Proposed Special Variation to Rates and Minimum Rates
 - 6. Matters of Urgency**

Raised by Councillors
 - 7. Closure of Meeting**

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TO: The Mayor Zoë Baker, and Councillors Antonini, Beregi, Carr, Holding, Hoy, Keen, Santer, Spenceley, and Welch

**EXTRAORDINARY MEETING OF COUNCIL TO BE HELD ON
MONDAY 19 JANUARY 2026**

1. OPENING MEETING

2. ACKNOWLEDGEMENT OF COUNTRY

3. APOLOGIES AND APPLICATIONS FOR LEAVES OF ABSENCE OR ATTENDANCE BY AUDIO-VISUAL LINK BY COUNCILLORS

4. DISCLOSURES OF INTEREST

5. REPORTS OF COUNCIL

5.1 Proposed Special Variation to Rates and Minimum Rates

Report of Therese Cole, Chief Executive Officer

The purpose of this report is to support Council's consideration of measures required to achieve long-term financial sustainability, including an application for a Special Rate Variation to permissible income and an increase to the minimum rate. In doing so, the report presents the Draft Long-Term Financial Plan (Attachment 1 to this report), the Addendum to the *Delivery Program 2025–29* (Attachment 3), and the outcomes of phases one and two of Council's community engagement plan (Attachments 6-9), to inform Council's decision-making.

On 28 July 2025, North Sydney Council endorsed a comprehensive two-phase community engagement plan titled *North Sydney – Towards a Sustainable Future*. The engagement was designed to inform decision-making on Council's long-term financial sustainability, service levels, and infrastructure investment, and to support transparency and community understanding of Council's financial challenges.

Phase 1 of the engagement was undertaken in August 2025 and focused on understanding community expectations regarding service levels and infrastructure condition, as well as community sentiment towards potential financial strategies, including borrowing and increased revenue. The outcomes of this phase informed the development of a new Draft Long-Term Financial Plan (LTFP).

On 27 October 2025, Council considered the Draft LTFP, which included three rating pathway options. At that meeting, Council resolved to undertake Phase 2 community engagement between 29 October and 3 December 2025 on the Draft LTFP, proposed Special Rate Variation (SRV) options, and an increase to minimum rates. Council was

presented with the Draft LTFP, the Productivity and Improvement Plan, and the Phase One community engagement results.

Phase Two engagement commenced with the launch of a dedicated ‘Your Say’ webpage outlining Council’s financial position and the three rating options under consideration. The webpage provided accessible and easy-to-understand resources, including fact sheets, a rates calculator, explanatory videos, frequently asked questions, and key strategic documents. The ‘Your Say’ page attracted 8,814 page views, with 498 unique visitors downloading key documents, and 268 unique visitors viewing fact sheets.

Phase 2 engagement was extensive and included six pop-up information sessions across the local government area (including local markets, Stanton Library, and community centres), five ‘Ask the Executive’ sessions, a letterbox drop to all 44,100 ratepayers, information distributed through 17 newsletters, the North Sydney News, and various media channels.

More than 1,260 community responses were received through surveys and submissions. Key themes included strong support for maintaining services and infrastructure, interest in improved service and infrastructure outcomes, ongoing concerns regarding the North Sydney Olympic Pool project and financial management, and mixed views on rate increases. While some respondents recognised the need for a rate increase to address long-term sustainability, others expressed a preference for limiting increases to the rate peg.

A survey conducted by the independent market research company Micromex Research found that support for an SRV at North Sydney Council is comparatively stronger than in other recent council consultations, with preferences approaching an even split rather than the 40/60 distribution observed elsewhere.

A Capacity to Pay analysis was undertaken to assess the potential impact of the proposed SRV options. The analysis concluded that, having regard to the socio-economic profile of the local government area, the proposed increases would be reasonable, with existing hardship provisions available to support those experiencing financial difficulty.

Council has continued to strengthen governance and accountability through the adoption of a Governance Strategy and key policies, including the *Restricted Reserves Policy* and the *Financial Hardship Policy*.

Council has also maintained a strong focus on improving administration and service delivery through service reviews, process improvement, organisational realignment, and other initiatives aimed at reducing risk, improving productivity, containing costs, and enhancing customer service. This improvement journey commenced in early 2023 and is documented in the Productivity and Improvement Plan (Attachment 2 to this report).

While productivity and improvement initiatives have reduced the scale of potential rate increases by an estimated 14.9 per cent, they are not sufficient on their own to address Council’s structural funding gap or ensure long-term financial sustainability.

Minor amendments have been made to the Draft Long-Term Financial Plan 2026–2036 to reflect updated information available since public exhibition, and to support the formation of a recommended SRV option.

Having considered Council’s legislative responsibilities, financial position, community expectations and engagement outcomes, capacity to pay, alternative funding strategies, and demonstrated productivity and improvement efforts, Option 3 is

recommended as the preferred pathway for a Special Rate Variation and associated minimum rate increase.

Recommending:

1. THAT Council receive and note the contents of the Special Rate Variation Community Engagement Report, which outlines the feedback received from the community consultation on the proposed Special Rate Variation (SRV) and increase of minimum rates.

2. THAT Council approve the Addendum to the 2026-2029 Delivery Program as attached.

3. THAT Council adopt the revised Draft 2026-36 Long-Term Financial Plan (LTFP) as attached and proceed with Option 3 as a strategy to improve Council's financial strength and sustainability.

4. THAT Council make an application to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent Special Rate Variation (SRV), under Section 508A of the Local Government Act 1993 commencing on 1 July 2026. The SRV would permanently increase total ordinary rates over three years and remain in perpetuity, as follows:

a) a 23 per cent increase for the 2026-27 financial year (inclusive of the 4 per cent rate peg determined by IPART for the year);

b) a 14.58 per cent increase for the 2027-28 financial year (inclusive of the forecast rate peg of 3.0 per cent for that year); and

c) a 8.32 per cent increase for the 2028-29 financial year (inclusive of the forecast rate peg of 3.0 per cent for that year);

5. THAT Council make an application to the Independent Pricing and Regulatory Tribunal to set its minimum residential and business rates in accordance with Section 548(3) of the Local Government Act 1993, as follows:

a) \$970.72 for the 2026-27 financial year;

b) \$1,116.32 for the 2027-28 financial year; and

c) \$1,216.79 for the 2028-29 financial year.

The minimum rate will change by the rate peg from 2029-30.

6. MATTERS OF URGENCY

Nil

7. CLOSURE
