

IPART Independent Pricing and Regulatory Tribunal | NSW

Special Variation Application Form Part B

Northern Beaches Council

Application Form

2025-26

Local Government »

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Contact details

Enquiries regarding this document should be directed to a staff member:

Daniel Suh (02) 9019 1975

Sheridan Rapmund (02) 9290 8430

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from IPART's website.

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Council Information

Please fill out the table below.

Council name	Northern Beaches Council
Date submitted to IPART	3 February 2025

1 About this application form

This application form is to be completed by councils applying for a special variation (SV) to general income for 2025-26 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

1. Application Form Part A (separate Excel spreadsheet)
2. Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B collects:

- Description and Context information for the SV
- Evidence against:
  - Criterion 1: Need for the variation
  - Criterion 2: Community awareness and engagement
  - Criterion 3: Impact on ratepayers
  - Criterion 4: IP&R documents
  - Criterion 5: Productivity improvements and cost containment strategies
  - Criterion 6: Other relevant matters
- Council certification and contact information

It also provides a List of attachments and checklist to assist councils.

When completing this Application Form, councils should refer to:

- The 'Apply for a SV or minimum rates (MR) increase' page of IPART's website
- The Office of Local Government (OLG) Guidelines issued in November 2020
- IPART's SV Guidance Booklet – *Special Variations: How to prepare and apply* available on our website.

We encourage Councils to contact IPART early in their preparation to apply, or potentially apply, for an SV.

2 Description and Context

These questions seek information not tied to a specific criterion in the OLG guidelines.

Question 1: What type and size of SV is the council is applying for?

In Table 1, please use the checkboxes to indicate the type of SV the council is applying for. In Table 2, please provide, rounded to **1 decimal place,** unless otherwise specified in Table 3:

- the total percentage increase (including the rate peg) and,
- for a section 508A SV, the cumulative percentage increase over the SV period.

The percentage increases applied for should match any percentages specified in the council resolution to apply for an SV. That is, the council resolution should be specified to 1 decimal place unless the council specifically wants a different number of decimal places.

Should an SV be approved, the instrument will list the approved percentage(s) and the maximum permitted cumulative increase. If the cumulative increase is not specified in the council resolution, we will use 1 decimal place unless a different number of decimal places is specifically requested in Table 3.

If applying for a Crown Land Adjustment (CLA), please **do not** include the CLA percentage in Table 2. Information about CLAs is collected in Question 2 below.

In Table 3, please explain if the council would like its instrument issued to a different number of decimal places and if it has used an assumed rate peg that is not 2.5%.

Our Guidance Booklet - Special variations: How to prepare and apply has an example of these questions completed.

Table 1 Type of special variation

What type of SV is this application for?	☐ Section 508(2)	☒ Section 508A	
Are you applying for Permanent or Temporary?	☒ Permanent	☐ Temporary	☐ Permanent + Temporary

Table 2 The council's proposed special variation

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Is this year in the SV period?	Yes	Yes	Yes	No	No	No	No
Percentage increase	12.1% Incl rate peg	11.7% Incl rate peg	11.5% Incl rate peg	-	-	-	-
Rate peg	3.8% IPART issued	3.4% Assumed	3.1% Assumed	-	-	-	-

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Cumulative percentage increase over the SV period for s 508A	12.1%	25.2%	39.6%	-	-	-	-
Indicate which years are permanent or temporary	Permanent	Permanent	Permanent	-	-	-	-

Table 3 Further questions

Question	The council's response
Does the council wish its potential SV instrument to be issued with a different number of decimal places?	No
If the council used an assumed rate peg that is not 2.5%, please briefly justify why it did so.	The assumed rate peg in 2026/27 (3.4%) and 2027/28 (3.1%) years are an estimation of the Rate Peg based on IPART's methodology to ensure a more accurate forecast is used to reflect the changes in costs that council expects to incur in providing services to the community. Specifically (as per the 2025/26 IPART % allocations), 40% of costs being Employee Costs, 18% being the Producer Price Index (Roads and Bridges) and 42% being CPI with an estimate for the Emergency Services Levy adjustment factor.

Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2025-26?

Please fill out the table below if the council is also applying for a CLA, otherwise leave it blank.

Is the council also applying for a CLA?	No
If so, by what percentage?	Not applicable
What is the dollar ($) value for the CLA?	Not applicable
Who was the prior owner of the Crown Land?	Not applicable
Briefly outline the reason for the land becoming rateable.	Not applicable

Question 3: What is the key purpose of the requested SV?

In the text box below please summarise the key purpose(s) of the proposed SV.

Council is seeking a cumulative increase in rates of 29% over 3 years excluding the rate peg (39.6% including rate peg), which comprises 17% for financial sustainability and the asset management funding gap, 4% for environmental and natural risk reduction programs and 8% for improvements to services and infrastructure prioritised by the community.

In detail, the key purpose of the requested special variation is to:

1. Secure long term financial sustainability – including addressing future forecast deficits, rebuilding working capital and meeting key Office of Local Government (OLG) financial and asset management performance benchmarks as per the Long-Term Financial Plan (LTFP)

And address the backlog in infrastructure and maintenance requirements - Council's Asset Management Strategy and Asset Management Plans have identified an ever-increasing trend in the decline of asset condition across the asset portfolios. To address this, additional maintenance is required, and a greater level of asset investment to renew existing assets to provide the required level of service. An additional $255m is required over the next 10 years for the following asset classes:

- Stormwater infrastructure $57m gap
- Roads, footpaths, bridges and other transport assets $87m gap
- Open space and recreation assets $69m gap
- Buildings $42m gap

2. Expand environmental and natural risk reduction programs and provide capacity to manage an increasing number of natural disasters – The natural environment is key to our Northern Beaches bush and beach identity and a healthy environment is an important part of the local lifestyle and quality of life. Our natural environment is under pressure and faces a range of challenges and threats that we must actively manage including a changing climate, loss of biodiversity, pollution and population pressure. Through the adoption of our Environment and Climate Change Strategy, Council has committed to protecting and enhancing the extent and quality of bushland and local native plants and animals, reducing the impact of urban runoff on the coast, and actively managing risks from natural hazards in the community.

These commitments reflect changing environmental conditions and expectations regarding Council's environmental stewardship (e.g. expecting additional steps to maintain and improve the tree canopy in the Northern Beaches through the 'Tree Canopy Plan', better management of pollutants entering our waterways, and changing conditions which are increasing the amount of weed growth that is becoming difficult to manage).

In terms of bushland management, the proposed increase in investment allows Council to address the emerging gap between the level of maintenance funding required for approximately 240 sites, as well as expanding services to another approximately 130 sites not covered by existing programs. Additional investment in pest species management is also proposed to reduce the threats to our native plant and animal species across existing and new areas.

Further to this, the Northern Beaches area is particularly vulnerable to natural hazards including bush fire, flooding, landslip, coastal erosion and storms. The NSW State Disaster Mitigation Plan estimates that by 2060 the Northern Beaches will have the highest Total Average Annual Losses in NSW of any local government area in the state, highlighting the urgent imperative to significantly bolster investment and sustained action on prevention, mitigation and adaptation measures in a time where disaster risk is increasing.

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3. Provide additional funds, totalling $17 million per year by year 3 (2027/28), to improve current services and enable the capacity for larger capital works items identified by the community to be delivered as outlined below

Community expectations for improvements:

In additional to the immediate needs set out in the Asset Management Plans, a number of community requests for larger improvements are expected. This list currently totals $97 million and includes a desire for improvements to buildings such as surf lifesaving buildings, completing missing sections of the Coast Walk, expanded recreation facilities like additional squash courts, repurposing buildings for community and cultural purposes and replacement of the Jamieson Park Sailing Club (following a fire) to the scale required. In the most recent Community Satisfaction Survey over 60% of residents are at least somewhat supportive of paying more for services, facilities and infrastructure, with improvements to the environment (77%) and facilities (73%) receiving the highest level of support. This desire for great improvements has informed the 4th layer of our SV proposal.

Additional environmental restoration needs:

Council has 1,700 km2 of bushland under its care, control and management and it is under constant pressure. Additional investment in environmental restoration expands the program into reserves that are currently unfunded and invests further in restoration programs in reserves already in place. This enhancement in the natural risk reduction programs strengthens the resilience of our bushland areas.

Additional infrastructure needs: The population of the Northern Beaches is growing and, with one of the country's highest participation rates in active recreation, the capacity of the region's sporting facilities to cater for everyone is limited. The Northern Beaches Sportsfield Strategy has identified a 22 hectare shortfall in sporting fields by 2040 and identifies actions that will prove the focus of additional funding through any increase in rates. Priorities include upgrading and reconfiguring existing sports fields to accommodate a higher number of users. This includes improving the quality of the playing surfaces, installing better drainage systems to ensure year-round usability, and enhancing lighting to unlock latent capacity at night. Council would also investigate and where appropriate, convert existing fields to all-weather surfaces.

Another significant area of investment required is the enhancement of amenities surrounding the sports fields. This includes building new changing rooms, upgrading restrooms, and adding more seating and shade structures for spectators. These improvements will create a more comfortable and enjoyable environment for everyone.

It is also a priority to adequately fund the maintenance and upkeep of the sports fields to ensure they remain in excellent condition over the long term. This includes regular mowing, fertilisation, and pest control, as well as any necessary repairs to the infrastructure.

Council is committed to promoting inclusivity and accessibility in our sports facilities. Priorities include ensuring that our sports fields are accessible to people of all abilities, with features such as wheelchair ramps and accessible parking spaces.

Longer term planning for major renewals: The planning horizon for the Asset Management Plans is 10 years. However, asset managers have considered material requirements beyond this timeframe to ensure adequate planning and knowledge of major renewal projects and management of 'bow waves' in replacement cycles. One of the most significant issues is the Warringah Aquatic Centre which is reaching the end of its useful life and will require a significant investment decision in the next decade.

Background on our financial position:

The special variation in rates is required as Council's financial sustainability is at risk. The Long-Term Financial Plan (LTFP) has highlighted that high inflation, severe weather events, the COVID-19 pandemic and significant increases in costs like the Emergency Services Levy (ESL), insurance and gas, alongside constraints on rates income is placing significant pressure on Council's ability to maintain infrastructure and services at the required level.

Council continues to face growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts, and construction, with infrastructure inflation outpacing growth in rates income by 12.6% in 4 years. A special variation (SV) to rates is required to continue to meet community expectations and deliver existing services and service levels as well as ensure availability of funding for new and upgraded assets, environmental outcomes, loans and unforeseen events such as storms, and remain financially sustainable in the long-term.

Question 4: Is the council proposing to increase minimum rates in conjunction with the special variation?

Complete Table 4 if the council proposes to increase minimum ordinary and/or Table 5 if the council proposes to increase special rates in conjunction with the SV for 2025-26. Otherwise, leave it blank. IPART will also use data provided in Application Form Part A to understand the details of the proposed SV and minimum amounts of rates.

In some situations, a minimum rates increase will be subject to IPART approval. In these cases, councils will need to also complete *Minimum Rate Increase Application Form Part B 2025-26* (Word document) available on our website. Please see Table 2.4 of the Guidance Booklet - Special variations: How to prepare and apply for further information on when an additional MR increase application may be required. Councils do not need to submit another Application form Part A (Excel document).

Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	Yes
Does the council propose to increase the minimum rate(s) above the statutory limit for the first time? (If yes, you must complete a separate minimum rate increase application form.)	No
Does the council propose to increase the minimum rate(s) above the proposed SV percentage(s)? (If yes, you must complete a separate minimum rate increase application form, even if the council has been approved to increase its minimum rate above the statutory limit in the past.)	No
Has the council submitted an application for a minimum rate increase?	No

In the text box below, provide the council's proposed minimum rates increase (both in percentage and dollar terms) and to which rating category (or sub-category) the increase is to apply for each year (this can be in table form).

		Current 2024/25	Year 1 2025/26			Year 2 2026/27			Year 2 2026/27		
Type	Category/Subcategory	Min Rate $	Min Rate $	Increase $	Increase %	Min Rate $	Increase $	Increase %	Min Rate $	Increase $	Increase %
Ordinary	Residential	$1,099.78	$1,232.85	$133.07	12.1%	$1,377.10	$144.24	11.7%	$1,535.46	$158.37	11.5%
Ordinary	Business	$1,431.96	$1,605.23	$173.27	12.1%	$1,793.04	$187.81	11.7%	$1,999.24	$206.20	11.5%
Ordinary	Business - Manly CBD	$1,431.96	$1,605.23	$173.27	12.1%	$1,793.04	$187.81	11.7%	$1,999.24	$206.20	11.5%
Ordinary	Business - Warriewood Square	No minimum									
Ordinary	Business - Warringah Mall	No minimum									
Ordinary	Ordinary Business - Strata Storage Units	$684.41	$767.22	$82.81	12.1%	$856.99	$89.77	11.7%	$955.54	$98.55	11.5%
Ordinary	Farmland	$1,058.83	$1,186.95	$128.12	12.1%	$1,325.82	$138.87	11.7%	$1,478.29	$152.47	11.5%

Worksheets 4, 5 and 7 (WS 4, 5 and 7) of the Part A application form collects more detailed information about the proposed minimum rates increase.

Table 5 Minimum rates increase for special rates

Does the council propose to increase the minimum amount of a special rate above the statutory limit?	No
What will the minimum amount of the special rate(s) be after the proposed increase?	Not applicable
Has the council submitted an application for a minimum rate increase?	No

The council must ensure that it has submitted MR Increase Application Form Part B, if required. No separate Part A is required.

Question 5: Does the council have an expiring SV?

Complete the table below if the council has a temporary SV which is due to expire:

- on 30 June 2025, or
- at the end of any year in the period the requested SV would apply.

To calculate the amount to be removed from general income when the SV expires, councils must follow the terms of the relevant condition in the SV instrument. Councils may find the example in Attachment 1 to the OLG SV Guidelines useful. The OLG's SV Guidelines also specify that councils must contact the OLG to confirm the calculation of this amount.

Does the council have an SV which is due to expire on 30 June 2025?	No
Does the council have one or more SV/s due to expire during the proposed SV period?	No
If Yes to either question: a. When does the SV expire?	Not applicable
b. What is the percentage to be removed from the council's general income?	Not applicable
c. What is the dollar amount to be removed from the council's general income?	Not applicable

Has OLG confirmed the calculation of the amount to be removed?	Not applicable

Attachments required:

- Instrument(s) approving any SV which expires at 30 June 2025 or during the period covered by the proposed SV.
- OLG advice confirming calculation of the dollar amount to be removed from general income as a result of the expiring SV.

Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2025-26?

Complete this question if the council has an existing section 508A multi-year SV instrument which approves an increase to general income above the rate peg for 2025-26 and future years within the period covered by the council's SV application.

If the council has an ongoing section 508A SV and is seeking additional changes to general income during the term of that existing SV, IPART will need to vary the original instrument if the application is approved, rather than issuing a separate SV instrument to apply for 2025-26 (or later years).

Does the council have a section 508A multi-year SV instrument that applies in 2025-26?	No

If yes to the above question, in the text box below:

- Specify the percentage increase(s) and duration of the SV
- Outline the council's actions in complying with conditions in the instrument approving the original SV
- Describe any significant changes relevant to the conditions in the instrument since it was issued.

Supporting documents could include extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Not applicable

Attachments required:

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument on the council's official letterhead.
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument. For example, extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Question 7: Has IPART *ever* approved a special variation (including additional special variations in 2022-23)?

Complete this question if IPART has ever approved an SV for the council.

You **do not need** to complete the text box for this question if the relevant information has been provided in the council's response to Question 6.

Does the council have a section 508(2) or 508A SV which IPART has approved?	Yes

If yes, in the text box below, for each SV approved by IPART, briefly:

- Specify the type of SV and the increase to general income approved.
- Outline the council's actions in complying with conditions in the SV instrument(s) or where the council has failed to comply with the conditions, provide reasons and list the corrective actions undertaken.
- Describe any *significant* changes relevant to the conditions in the SV instrument(s) since it was issued.

Supporting documents could include extracts from annual reports (or webpage hyperlinks to them) or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

IPART approved a permanent 'Additional Special Variation' (ASV) of 2.4% under section 508(2) of the Local Government Act for Northern Beaches Council for the 2022/23 financial year (including a rate peg of 0.7%). The ASV raised $3.0 million in additional income above what otherwise would be available under the rate peg ($1.2m).

The Office of Local Government established the ASV pathway as a one-off process for the 2022/23 financial year as such a low rate peg in a high inflationary environment would result in financial difficulties for NSW councils. The ASV enabled Council to maintain its expected level of rating income and expenditure program including planned infrastructure works, bush regeneration projects and an extension of the outdoor dining fee subsidy for local businesses.

Attachments required:

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument(s).

- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s). For example, extracts from annual reports or any other publications in which compliance with the conditions of the SV instrument has been reported to ratepayers.
- If applicable, supporting documents providing evidence of the corrective actions undertaken in the event of a failure to comply with the conditions in the SV instrument(s).

Question 8: Does the council have deferred general income increases available to it?

Complete the question box below if the council has decided not to apply the full percentage increases to general income available to it in one or more previous years under sections 506, 508(2) or 508A of the LG Act.

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act?	No
If *Yes*, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	Not applicable

In the text boxes also explain:

a. The quantum, rationale and timing of any deferred increases in general income. Not applicable
b. When council plans to catch up on the deferred general income through the catch-up provisions and whether this been included in the LTFP. Not applicable
c. How does this deferred income impact on the council's need for the SV and its cumulative impact on ratepayers' capacity to pay? The council may also wish to further expand on this question in Table 6 in the OLG Criterion 1 section below. Not applicable

3 OLG SV Criterion 1 – Financial need

Refer to the OLG SV Guidelines as needed, and section 3 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and material for completing this section.

In Table 6 below, please explain how the council met each component of Criterion 1. Please also provide a reference to evidence in the IP&R documents.

The Part A application form also collects information for this criterion in Worksheets 9 (WS 9 - Financial), 10 (WS 10 - LTFP) and 11 (WS 11 - Ratios).

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the SV) is clearly articulated and identified in the council's IP&R documents	Northern Beaches Council's underlying financial position is not sustainable. Council has a current budget deficit and an asset renewal and maintenance backlog issue that will grow exponentially without immediate intervention. Council reports, the Long-Term Financial Plan and Asset Management Plans have detailed Council's financial challenges for some years. In recent months we have provided even further detail around these issues to ensure the community is aware of the challenges facing Council as well as a range of potential solutions. Between 18 November 2024 and 12 January 2025 Council exhibited the "Special Variation update: Funding our Future", Long Term Financial Plan 2024-2034 (LTFP). The opening statement of the Executive Summary notes that the Northern Beaches Council is "facing growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts and construction." It identifies further events and costs impacting Council's financial sustainability as well as the measures undertaken to off-set these pressures and that this still isn't sufficient to meet the current funding gap between infrastructure inflation and IPART's approved rate peg of $23.6 million per year, much less the additional $15.1 million per year gap required under the Asset Management Plan to maintain and renew existing assets along with $10.4 m per year to uplift service levels and provide a small number of high priority new assets required by the community. Section 4.4 of the LTFP discusses the financial risks and issues the Northern Beaches Council is facing particularly the restrictions from the rate peg and the LGA's vulnerability to natural hazards. This links specifically to the need and purpose of the SV identifying the projected 10 year funding gap, separated into renewal, maintenance, and delivery of priority assets to meet community needs with a total of $255 million in unfunded asset management works.	Revised Long Term Financial Plan 2024-2034 (pages 3, 14-15, 17, - 46, 49 DRAFT Addendum to the Delivery program 2024– 2028 – pages 3 – 5, 7, 13, 16 Community Strategic Plan – Pages 25, 29, 37, 41, 45 and 49 Asset Management Plan 2024-2034 – (Pages AMP 6 – AMP 16, AMP 49 – AMP 51, AMP 61, AMP 71 - AMP 94 LTFP 2023-2033 – Pages 4 – 5, 39, 54 - 64. Revised Delivery Program 2024 – 2028 – Page 162

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	Section 6 of the LTFP outlines Council's current financial position and identifies the events and other influencing factors that have resulted in Council no longer having sufficient income to fund operating expenses, invest in the ongoing renewal of infrastructure assets required in the Asset Management Plan or provide the necessary working capital to manage unexpected events. Section 8.4 of the LTFP notes that future and ongoing financial challenges, opportunities and efficiency savings re-iterate the growing pressure on Councils' financial sustainability and the funding gap of $25.5 million per year between projected income and the funding required by the Asset Management Plans to maintain, renew and deliver new assets required for our community. Section 9 of the LTFP provides a sensitivity analysis which further articulates the need for the SV by demonstrating the impact of unknown influences on Council's income and financial sustainability should any of the assumptions on future rate peg, employee costs or materials, services and other expenses listed earlier in the document deviate, even by a small percentage, this will have a significant impact on Council's financial sustainability. A DRAFT Addendum to the Delivery Program 2024-2028 was exhibited concurrently with the LTFP and explained the need for an SV as Council's income under the rate peg has not kept pace with inflation as well as the rising costs of materials, contracts and construction. The Addendum explains how the adopted Delivery Program 2024-2028 and Operational Plan 2024/25 is Option 1 – no SV, and that each option builds upon the previous option as well as how to read the document. The document then details each of the proposed options under an SV (options 2, 3 and 4) including the annual and cumulative percentage increases for each option and allocating the additional SV funding by Key Service over the remaining 3 years 2025/26 – 2027/28 of the current adopted Delivery Program. The Addendum provides a breakdown by Key Service of the funding allocation to capital expenditure (renewal and new works and operational costs over the 3 years. The revised LTFP and updated Delivery Program were adopted on 28 January 2025 concurrently with a Council decision to lodge an SV application with IPART for Option 3. The adopted Delivery Program addendum has had reference to the other exhibited SV options removed however the need for the SV has been articulated again. The previous LTFP 2023-2033 also referenced the need for an SV in the Executive Summary, which is further detailed as Scenario 2 – Alternative Model. evidencing that Council has been aware for some time that an SV would be required. The Council's SV is also consistent with directions in Northern Beaches' Community Strategic Plan 2040 (CSP). The CSP was adopted by Council on 28 June 2022. The SV supports the delivery of the following CSP strategies:	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	• 2a. Increase the resilience of the environment to the effects of natural hazards and climate change. • 2b. Minimise the risk to life and property from storm events, floods, erosion, landslides, bushfires and impacts of climate change. • 6b. Enhance financial and strategic capacity to deliver on environmental outcomes. • 12a. Provide well-maintained and safe spaces that equitably support active and passive recreation. • 15d. Facilitate active, safe and welcoming centres for residents and visitors during the day and into the evening. • 16.d Maintain and enhance roads and road-related infrastructure. • 17b. Facilitate and promote active travel, including safe cycling and walking networks, as convenient transport options. • 19a Ensure the long-term financial sustainability of Council, including strategic management of assets. • 20b. Continuously improve services in response to identified community needs and satisfaction with Council. • 20c. Develop the workforce, organisational culture and capability to ensure Council delivers quality, people centred services and value to the community. • 20d. Ensure Councils information technology infrastructure and systems are secure, robust and effective. Council's Asset Management Plan (AMP) 2024-2034 was adopted in June 2024. The AMP provides detailed information on Council's $3.45 billion in infrastructure assets (gross replacement cost 30 June 2023), including asset condition and benchmark data, to compare the cost to bring the assets to a 'satisfactory' standard, the cost to achieve agreed levels of service and the estimated required maintenance and actual maintenance spend. Benchmarking data compares Northern Beaches to a minimum of 6 metropolitan councils. The AMP outlines the current condition of our assets and the backlog to bring assets classed as Condition 4 (poor) and Condition 5 (very poor) back to Condition 3 (satisfactory) but also identifies Council's practice of renewing our assets to meet community expectations. It also identifies emerging issues and risk to Council the lack of funds to renew and/or maintain existing assets	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	The AMP identifies what investment is required for our infrastructure over the next 10 years which has informed Council's LTFP and future budgets in order to meet service levels. The AMP further identifies the unfunded programs which totals $255m including a $117m renewal gap, a $34m maintenance gap, $67m uplift in service gap and $37m for new assets. The unfunded programs identified in the AMP form the basis of the Special Variation requirements upon which the SV options were developed and the corresponding LTFP and Addendum to the Delivery Program. This section in the AMP breaks the 10 year funding gap into renewal programs, maintenance programs, uplift in service level and new works. The AMP is informed by condition assessments, data from comprehensive asset revaluations (which includes peer reviews and expert advice) and assessments by qualified engineers.	
In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.	The base case alternative to an SV is the Delivery Program 2024-2028 and Operational Plan 2024/25. This document was exhibited to the community between 3 May and 4 June 2024 and was adopted by Council on 25 June 2024 and which, if Council's application to IPART is unsuccessful, will apply. The LTFP and DRAFT Addendum to the Delivery Program which were taken to the community during the SV engagement period (18 November 2024 – 12 January 2025) presented the base case alternative to an SV as Option 1 – Reduce Services. The Fact Sheet for Option 1 provides the key figures, that being the rate peg % increase over the 3-year period and the $ breakdown over the same period for residential and business rates for the average annual rate, average annual increase, average weekly increase and the cumulative impact above 2024/25 rates. The fact sheet further provides the projected annual operating results (surpluses and deficits) showing 7 of the 10 years are expected to be in deficit with an overall total result over 10 years of a deficit of $21m. The advantages and disadvantages of option 1 are also outlined. The LTFP and Addendum to the Delivery Program were adopted at the Council meeting 28 January 2025 and the revised Delivery Program 2024 – 2028 has the option Council resolved to apply to IPART for. Other alternatives to an SV referenced in the LTFP include: • **Borrowing funds for specific, income generating projects form part of the LTFP**. Councils borrowing policy ensures any decision to secure funding in this manner is financially responsible and only a last resort. There are limitations to what borrowing can be sought for and it cannot be used for operating expenditure. It is not a viable option for the Council to ensure its financial sustainability or fund the asset maintenance backlog. • **Securing State and Federal grant funding for specific projects**. This is an avenue of funding that Council pursues as part of ordinary business, however competitive grant funding usually requires an equal co-contribution from Council and is tied to specific projects which need to be planned years in advance. The outcome of grant applications are not guaranteed. Grant funding assists the delivery of Council projects but is not reliable or consistent as a source of funding. Additionally, the availability of competitive grant funding for Council projects has significantly reduced since the	Revised Delivery Program 2024 – 2028 (including Operational Plan and Budget 2024/25) – Pages 1 – 161. Addendum pages 162 – 168 Long Term Financial Plan – Pages 10, 14, 23, 26 – 29, 41, 46, 50 - 62. Draft Addendum to Delivery Program 2024– 2028 – Page 3.

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	2023 NSW Government election. For example, in 2024/25, the NSW Office of Sport discontinued 4 infrastructure grant programs, which in 2023/24 had a combined total annual funding pool of $157.7 million that Councils would have been eligible to apply for otherwise. • **Efficiency savings and productivity improvements**. As detailed in the Productivity Journey and Improvement Plan 2024, the LTFP also refers to Council's commitment to achieving efficiency savings and re-investing these into our community, building upon Council's amalgamation benefits of $29.5m estimated annual savings (2019/20) or $161.6M NPV over 10 years. This includes efficiencies achieved through the introduction of new systems and processes and the optimisation of plant and fleet. Ongoing savings are anticipated through projects such as the advancement of technology and the efficiencies and improved customer experience it presents and the optimisation of resources and assets. Funds that may be made available through such projects could be used in a number of ways including supporting the rebuilding working capital, improvements in services, accelerating the renewal of gaining infrastructure or reducing rates. As savings are achieved opportunities will be considered and changes to the Long-Terms Financial Plan applied. Any savings achieved will not be sufficient to ensure financial sustainability of the Council.	
In demonstrating this need, councils must indicate the financial impact in their LTFP by applying the baseline and special variation scenarios.	Section 10.1 of the LTFP provides 10-year financial forecast information for the base case on pages 52 – 62 which includes: o an income statement, o balance sheet, o cashflow statement o Cash and Investments statement o Capital budget statement o Statement of borrowings o Statement of performance measures against the OLG benchmark The same information for the Council endorsed SV Option 3 is on pages 74 – 84.	Long Term Financial Plan – Pages 52 – 62, 74-84
Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.	The community's need and desire to maintain existing service and assets as well as see improvements in community amenity through new or expanded facilities and services has been expressed in a range research and community engagement activities that informed Council's IP&R documents. Council commissions an independent survey of the community every 2 years. The random telephone survey identifies community priorities, the level of satisfaction with services and facilities as well as their sense of pride and connectedness to the area.	Summary Micromex Survey - pages 8, 10, 15, 16, 21,23 24 25 27, 29,31) Community Engagement Report – pages 2 – 5, 13 - 26

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	The most recent survey conducted by Micromex Research was undertaken in 20 – 27 August 2024. A total of 606 residents completed the survey which was weighted to reflect Northern Beaches' age and gender population profile (among residents aged 18 or over). This sample size provides a maximum sampling error of plus or minus 4.0% at 95% confidence. This means that if the survey was replicated with a new universe of 606 residents, 19 times out of 20 the same results would be expected. The survey showed that 30 out of the 43 service areas received good performance satisfaction results, however there are key areas that scored low and need improvement, particularly the condition of local roads. Additionally, there were large gaps between level of importance and level of satisfaction against the condition of local roads, footpaths, and public toilets and management of local flooding. These areas also scored 'less than satisfactory" when compared to the Metro benchmark. All these service areas are being targeted with the SV proposal. The survey reiterates what the Asset Management Plan and LTFP confirm – that we have a significant backlog of asset maintenance. Similar results were received in the 2022 survey with the condition of local roads, footpaths and public toilets receiving scores of less than 60% for satisfaction but sitting between 86% and 92% for importance. The survey in 2024 also included questions on support for paying more for improvements in the environment, facilities, infrastructure, user services and maintenance. Over 60% of residents surveyed indicated that they are at least somewhat supportive of paying more for such improvements, demonstrating that a level of capacity and willingness exists in the community to fund improvements moving forward. Sentiment garnered from the survey's reflect the aspirations captured in the Community Strategic Plan. Community sentiment was also captured as part of the community engagement on the SV options from 18 November 2024 to 12 January 2025. Four options were presented including a base case with rates increasing by the rate peg over 3 years (Reduce service) and 3 options each involving an SV with a cumulative increase over 3 years of either 31.1% (Maintain service), 39.6% (Improve service) and 46% (Increase service). An opt in survey was available on Council's 'Your Say' page for people making a submission to Council to rate their level of importance of services and facilities, rate their level of support for each option and rank the options in order of preference. As detailed below, 5,584 people submitted this survey, of which 5,469 were self-identified as owning one or more property on the Northern Beaches. Respondents rated the level of importance (from "not important at all" through to "Very Important") on a 5 point scale for the 9 services proposed to be funded under the SV options. As this question was not mandatory, not all submissions responded to against all services, with the responses ranging from 5,539 to 5,580. The results of this survey show that over 60% of respondents rated 7 of the 9 services at least 'somewhat important'. The support was stronger for improving roads and expanding footpath programs, investment in natural risk reduction programs, and maintaining existing services and facilities, with 80% or above rating these initiatives as somewhat to very important. The 9 services are listed below with the mean rating score received through the survey highest to lowest: - Maintain existing assets and service levels (3.7 mean rating) - Improve roads and expand footpath programs (3.4 mean rating)	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	- Invest in natural risk reduction programs such as stormwater works, bushfire protection and beach nourishment (3.3 mean rating) - Funding natural disaster recovery (3.0 mean rating) - Invest in surf lifesaving buildings, aquatic centre and sportsfields (2.9 mean rating) - Enhance environmental restoration projects including bushland and invasive species management (2.9 mean rating) - Invest in town centres, playgrounds and community centres (2.9 mean rating) - Invest in female friendly and accessible amenities and sportsgrounds (2.6 mean rating) - Increase community grants programs (2.1 mean rating) The opt in survey allowed participants to rate their levels of support for each option, without being required to rank all options. Respondents selected 1 of 5 sentiment ratings (from Very Supportive to Not At All Supportive) for each option. 'Maintain service' had the highest level of support with 72% of respondents at least Somewhat Supportive followed by 'Reduce service' at 57% and 'Improve service' at 42%. The opt in survey also allowed respondents to rank the options in order of preference. This shows the community is divided on 1st preference. Some 49% of respondent's 1st preference was a special variation to either 'Maintain', 'Improve' or 'Increase service' with the remaining 51% favouring 'Reduce service'. (Total responses 5,584). While survey respondents were mixed in their responses, there remained a level of support and sentiment for services to be improved, which conflicts with the ranking of options. While Option 2 provides funding to maintain services, it does not deliver the capacity to undertake required improvements and major renewal works. Improvements that were mentioned by the community included those regarding environmental protection, sporting amenities, footpaths and roads. Accordingly, Option 3 is essential in providing the community with the required level of service, infrastructure and financial sustainability as it seeks to continue all existing services, address the asset renewal and maintenance gap, improve roads and expand footpath programs, support environmental and natural risk reduction programs, and be able to establish a fund for natural disaster recovery as well as provide the opportunity to deliver a small number of larger renewal and improvement projects in future years such as the renewal of the Warringah Aquatic Centre. Additionally, Option 3 will secure Council's long term financial sustainability by returning to continued surpluses in Council's operating results. The operating surplus provides the capacity to respond to shocks, set aside funds for future needs and capacity to invest in improvements to community infrastructure. As outlined above, while resourcing alternates exist, they are not of a capacity nor availability to address Council's current and future financial demands. Borrowings would require servicing placing additional pressure on Council financial sustainability, and grant opportunities appear to be reducing, are less available than previous years and are often tied to specific purposes. Whilst Council continues to seek savings, these are not of a size to offset the need for this special variation to rates.	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies	Council's financial statements are annually audited by the Audit Office of NSW, with their Audit Reports included within Council's Financial Statements, The Audit, Risk and Improvement Committee (ARIC) receive regular reports on financial matters and provide advice on Council's financial management in accordance with their Terms of Reference. Discussions include the impact major issues had on the organisation, including cashflow, like managing the COVID-pandemic and multiple natural disaster events, along with industry wide issues that have resulted in multiple inquiries at both the State and Federal levels of Government. Minutes of ARIC meetings are available on the Council's website: https://www.northernbeaches.nsw.gov.au/council/meetings/committees/audit-risk-and-improvement-committee. Relevant extracts for the last 3 years are attached. ARIC as a part of its remit, it is provided information on and has a level of oversight as to Council's annual and longer-term financial positioning. As an oversight Committee it understands the position that Council financially finds itself in as well as understanding that it is an industry issue and not simply an issue affecting Northern Beaches Council. The independent voting members of the ARIC have offered an opinion as to Council's financial position and the need for a special variation to rates. In summarising their considerations, they stated all independent voting members of the ARIC are unanimously of the view that: • *The information, analysis and insights provided to the ARIC over an extended period of time, and our interrogation of that material, supports our confidence in the capability of management's analysis. The representatives of the Audit Office of NSW have also commented to the ARIC on a number of occasions of the high quality of the financial management and analysis capability at Northern Beaches Council.* • *Whilst it is never possible to conclude that every aspect of any Council's activities are optimised, and that every opportunity for savings and cost recovery has been exhausted, the ARIC is satisfied that the situation analysis being provided to Council by management (with respect to the issue of a possible SRV application) is presented fairly, and that is reasonable to place reliance upon the analysis for the purposes intended.* • *The information and the data that the ARIC has been presented with from Northern Beaches Council provides reasonable and reliable evidence to support utilising the Independent Pricing and Regulatory Authorities (IPART) process for a Special Variation to rates.* Council's practice since June 2021 has been to undertake a detailed annual review and exhibition of the Long-Term Financial Plan (LTFP). This has included reviewing the underlying assumptions on which the Long-Term Financial Plan is based, and the projected income and expenditure, balance sheet and cash flow statement. This exceeds the requirements of the Integrated Planning and Reporting Guidelines The LTFP 2023-2033 highlighted the infrastructure renewal funding gap and at the time included scenarios showing how this may be addressed through a possible SV.	Audit, Risk and Improvement Committee (ARIC) minutes extract LTFP 2023-2033 – page 54 - 64

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
If applicable, has the council not applied the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act? If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SV.	Not applicable.	

3.1 Additional information required for councils with an existing SV applying for an additional percentage increase

If the council has **an existing SV**, then explain the need for **a variation to that SV** to increase the annual percentage increases.

Not applicable

3.2 Any other factors that demonstrate the council's financial need (optional)

In the text box please give a brief explanation of any other factors not already mentioned that may be relevant to demonstrate the council's need.

For instance, the council may wish to discuss the impact of **non-rateable** properties.

The Northern Beaches LGA is highly exposed to a raft of natural hazards with current data indicating:

- Over 22,000 properties are affected by flood;
- 19,000 properties are bush fire prone;
- 8,850 properties exposed to high geotechnical risk, and
- close to 5000 properties affected by coastal hazards.

The NSW State Disaster Mitigation Plan estimates that by 2060 the Northern Beaches will have the highest Total Average Annual Losses in NSW by 2060, with estimated losses of close to $1 billion dollars per annum to the built environment alone. These predicted continual losses are an intolerable risk for our community, highlighting the urgent imperative to significantly bolster investment and sustained action on prevention, mitigation and adaptation measures in a time where disaster risk is increasing.

In the past 6 years 8 natural disasters have been declared in this area, including 3 significant storms in one financial year.

Worksheet 12 (WS 12) in the Part A Excel application form can also be used to provide additional data.

4 OLG SV Criterion 2 – Community awareness and engagement

Refer to the OLG SV Guidelines as needed, and section 4 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and materials for completing this section. Please also note that section 4 of IPART's Guidance Booklet - Special variations: How to prepare and apply is the IPART fact sheet referred to in the OLG SV Guidelines under Criterion 2 that provides guidance to councils on the community awareness and engagement criterion for special variations.

4.1 How did the council engage with the community about the proposed special variation?

In Table 7 please provide evidence as to how the councils community engagement met Criterion 2.

Table 7 Evidence of the council's community engagement demonstrating Criterion 2

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
Evidence that the community is aware of the need for and extent of a rate rise.	Council conducted an extensive awareness campaign between the 18 November 2024 and 12 January 2025, in an effort to reach all localities and demographics of the LGA. The engagement process included a mail out to: • 95,226 residential and ordinary business ratepayers • 389 Manly CBD ratepayers • 2 Warringah Mall and Warriewood Square ratepayers • 7 Farmland ratepayers • 532 Strata Storage units Multiple Electronic Direct Mail (EDM) were sent to 80,705 recipients resulting in 6,078 clicks though to the Your Say page. Additionally, the following media has been published: • Council Media Release – Editorial media coverage (print, digital, broadcast) – 23 news items, reaching 261,000 audience.	A single attachment has been uploaded which includes all engagement collateral (with links where relevant) including: • Personalised letters to all ratepayer categories • Postcards • Brochures • Posters & banners at pop-ups • Fact Sheet • Frequently asked Questions • Images from the Your Say page including rates calculator

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	• Print advert in Pittwater Life – distribution 32,000 • Print advert in Peninsula Living (Pittwater) – distribution 30,000 • Print advert in Peninsula Living (South) – distribution 57,000 • Tawny Frogmouth: print ad, plus editorial – distribution 50,000 • Manly Observer – digital ads, major sponsor banner – 135,000 impressions, 62 clicks • Northern Beaches Advocate – digital ads – 121,000 views – 89 clicks Council also utilised social media to further broadcast the SV proposal including a video post across 3 platforms (Facebook, LinkedIn, Instagram) and paid posts to Facebook and Instagram between 18 November 2024 – 10 January 2025. The social media push had a combined reach of 325,714. Outdoor advertising was on 6 bus shelters and 3 EV charging stations at highly trafficked sites. Council held 10 'pop-up' stalls in high pedestrian locations across the LGA (2 per ward) between 22 November to 15 December 2024, where a minimum of 3 staff members (including 1 executive) were available to answer questions and generally engage on the proposed SV. The stalls time, date and location were promoted online and other materials. Pop-up stalls were 2.5hrs each and resulted in a total of 1,641 direct interactions. 2 live webinars were held on Monday 2 December at 2pm and Wednesday 11 December at 7pm which combined had 173 people register to attend with 37 joining the webinar. A recording (YouTube) was published on Council's website on 16 December which has been viewed 1,480 times. Count staff attended and presented to 7 resident association meetings across the LGA.	• Corporate webpage (Home) • Interactive online rates calculator (with link to calculator) • QR code • Media release • Media briefings & outcomes • Editorial/articles • Media publications • Council publications (ie Mayors Message and news stories • Animation explainer videos x 2 (with links) • Social media (organic and paid) • Paid Print advertising • Digital adverts • Email marketing and notifications to registered parties • EDM - multiple • Bus and EV adverts • Digital screens on display at customer service centres & libraries

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	Council has 3 Customer Service Centres and 6 Libraries, all of which displayed digital advertising in addition to the above mentioned print collateral (flyers and brochures) for people to take away for the duration of the 8 week consultation period. Council's Your Say webpage has detailed information on the need for a SV and the impact of a SV on the average rates as well as a comprehensive suite of factsheets and documents to support Councils position including the Draft LTFP, Draft Addendum to the Delivery Plan, Productivity Journey and Improvement Plan 2024, Asset Management Plan 2024-2034, Annual Report with Financial Statements, multiple fact sheets and FAQs. 2 short informative videos were developed which received 1,934 views combined. At the end of the engagement period (12 January 2025) the Your Say page had 45,419 views, and the 'rates calculator' had 13,388 unique visits. Council received 5,538 submissions via the Your Say page representing around 15% of visits to the page resulting in a submission, thus 85% of visits to the page did not engage further. A further 851 submissions (including 46 hard copy surveys) received via email, post or hand delivered to a customer service centre. 81% of respondents indicated they became aware of the SV proposal through the letter from Council, 13% via an email from Council, 10% through word of mouth and other mechanisms such as social media, media and advertising.	• Evidence of face to face interactions • Webinar slides • Hard copy of the on survey form – available at customer service centres. • Resident and business group invitations • Slides of presentation to resident groups and business chambers • Your Say Documents – Detailed fact sheets on all 4 options Community Engagement Report – pages 6 - 12
The council need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.	As identified above, Council undertook a comprehensive engagement campaign to inform the community of the SV proposal. The full cumulative increase in percentage terms and total increase in dollar terms for the average rate payer (residential & business) was presented as a ready reckoner/ snapshot for ease in interpreting the information. This ready reckoner was included in the following collateral: • Hard copy letter sent to every Northern Beaches rate payer during November 2024.	Collated Community Engagement Materials – as referenced below. • Personalised letters to all ratepayer categories (page 1) • A5 fold-out fact sheet flyer (Page 3)

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	• Council's Your Say Page on the SV proposal • A5 fold-out fact sheet/flyer – distributed at community pop up sessions, customer service centres and libraries. • Fact sheet (all options) • Information Session/Webinar • Paid Advertising In addition to the ready reckoner, Council had a fact sheet for each option that provided a further breakdown with the below details: • The annual % increase; • The cumulative % increase • The annual $ increase (average) • The average increase in $ for each year • The average weekly increase $ for each year • The cumulative impact in $ for each year • The permanent nature of the SV increase. Council also provided a rates calculator on the Your Say webpage where householders were able to determine the impact of each option (including no SV) for their specific property. The calculator provided the information as the annual and weekly increase in $ which was split to show the increase on top of the rate peg and the rate peg plus the SV increase so that the full impact was clear. The calculator also provided the cumulative increase at the 3 year mark in $ and % terms. The calculator was used 13,388 times.	• Images from the Your Say page including rates calculator (page 4) • Interactive online rates calculator (with link to calculator) (page 6) • Paid Print advertising (page 19) • Evidence of face to face interactions • Webinar slides (page 34 - slides 20 – 24) • Slides of presentation to resident groups and business chambers (page 39 – slide 15) • Your Say Documents – Detailed fact sheets on all 4 options (Page 39 - 41)
The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.	The LTFP identified the proposed rate rise for the average rate payer, by major rating category for each option within Section 8.2 – Income Assumptions (this was complemented by an online calculator as part of the community engagement tools, which enabled all ratepayers to search for the impact for their property). Specifically, this section of the LTFP provides:	DRAFT Addendum to Delivery Program 2024-2028 – page 3, 4, 7- 18 Revised Long Term Financial Plan 2024 - 2034– Pages 26 – 38, 52 - 95

Criteria	Evidence of meeting this criterion	Reference to application supporting documents

	- A single table that provides the 10-year projection 2024-2034 for each of the SV options. It is presented as the rate peg plus the proposed percentage increase for each option and the assumed rate peg only for future years (2028/29 onward).
	- Each option is then presented in multiple formats for both the residential and business rates including:
	  ○ An opening statement providing the proposed % residential rate increases and that the increase would be permanent (for options 2, 3 and 4).
	  ○ Average residential rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
	  ○ Average residential rates presented as a chart showing the annual $ increase for each year.
	  ○ Median residential rates presented as a chart as this is considered a closer reflection of the average ratepayer
	  ○ Average business rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
	  ○ An opening statement providing the proposed % business rate increases and that the increase would be permanent (for options 2, 3 and 4).
	  ○ Average business rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
	  ○ Average business rates presented as a chart showing the annual $ increase for each year.	

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	○ Median business rates under each option presented as a chart as this is considered closer reflection of the average ratepayer. Section 10 – Scenario modelling provides a high-level summary of each option including the financial sustainability, financial impact and infrastructure delivery and states that Option 1 is not sustainable and will result in a continuous reduction in services to the community. It outlines the positives and negatives of each option. The DRAFT Addendum to the Delivery Program 2024-2028 does provide the % increases for each year, expressed as the SV rate, the SV rate plus rate peg combined and the annual increases and total cumulative increase over the 3 year term. This information is provided for each SV option that Council was engaging on. The DRAFT Addendum connects readers to the detail of the LTFP, stating: "The Long-Term Financial Plan 2024-2034 (Special variation update: Funding our Future) provides detailed information on the impact of the proposed special variation to rates under each option for the average rate payer." In addition to the financial impact the SV would have on the community, the DRAFT Addendum to the Delivery Program also provided the expenditure breakdown to show what additional works would be funded under each SV option were it approved. The expenditure breakdown was expressed under our Key Services and was separated into capital works (new and renewal) and operational expenditure with the funding allocations for each of the four years of the Delivery Program. This table also provided the links to the Community Strategic Plan goals that the project contributes.	

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV.	The executive summary of the LTFP discusses the need for the SV despite a number of measures Council has undertaken to offset cost pressures faced in recent years including fee reviews, achieving efficiency gains and cost savings. It highlights inflation and the resulting gap of $24m between income and infrastructure costs. The executive summary also identifies an additional $15.1m per year is needed to maintain and renew existing assets and a further $10.4m per year to uplift service levels and provide high priority new assets required by the community. Under the financial objectives within the LTFP, actions the Council does and will continue to undertake including service improvements and efficiencies are outlined. The LTFP expands upon this in section 8.4 – 'Future and ongoing financial challenges, opportunities and efficiency savings' where it states that Council will continue to seek efficiency improvements and contain costs as well as how any savings made through these efficiencies will be managed. Council also prepared a stand-alone report "Productivity Journey and Improvement Plan 2024" (PJIP) which formed part of the community engagement materials in addition to supporting Council's application to IPART. The PJIP identifies savings that have been made and identifies them as either amalgamation savings or post amalgamation (2020 onward) savings and how these savings have been re-invested. The PJIP further identifies a forward improvement plan to be implemented over 3 years. The online presentation which was delivered at 2 live webinars and was then available as a recording and static presentation slides on Council's website, provided information on the need for the SV including: - A line graph showing the discrepancy between the income and operating expenditure over 10 years - A line graph showing the historic and short-term future (2020/21 – 2025/26) discrepancy between the rate peg and costs	Preliminary Productivity Journey and Improvement Plan 2024 – Whole document LTFP 2024 – 2034 – (Pages 3, 8, 46) Communications collateral (Page 34 - webinar Slide presentation – slides 10 – 17)

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	- Bar graph showing the discrepancy between rates income and infrastructure cost increases due to inflation, highlighting the $24m gap as at 2023/24. This slide also flags the unexpected costs that have impacted Council's bottom line including the $3m+ increase in the Emergency Services Levy, the $15m+ impact of the 7 natural disasters that have hit the Northern Beaches over 6 years and the $41m+ impact of COVID-19 through lost revenue and support costs. - Photos of some Council assets that are in need of repair, renewal or maintenance along with a graph showing the cumulative backlog in asset management works highlighting that $108m is required (in 2024) to bring our assets back to "very good" condition. - Evidence that the whole local government sector is similarly impacted, that this is not just a Northern Beaches problem and shows news articles and other information sourced from independent reporting. The presentation also outlines specific efficiencies that Council has and/or continues to implement including: - Productivity improvements - Service reviews - Property rationalisation - Debt reduction - Reinvestment of amalgamation savings into community infrastructure and services The outcomes and progress against the productivity and efficiency measures are outlined in response to question 7.2.b. however some of the key measures are: - $6m saved (at amalgamation and ongoing) in decreasing back office operating costs to support increases in some community facing services	

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	- $7.4m saved over the past 5 years – agency personnel costs, bank fees, insurance costs, fleet costs, employee cots and implementing a service review program in 2020 that has led to over 230 service improvements - Reduced domestic waste management charges for customers - $2.5m saved since 2021 through a renewable energy contract - Reduced interest costs through paying down $81m in loans from the former councils	
The council's community engagement strategy for the SV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.	Councils Community Engagement Strategy for the SV was endorsed by Council on 12 November 2024 and included a wide range of engagement methods. - Mailout to all ratepayers - Media release and media briefings - Information stations located at all libraries, customer service centres (pull up banners, QR codes, postcards and information sheets) - Pop up information sessions (2 per ward including 1 on a weekday and 1 on a weekend) - Community/resident association /meetings - Print advertising (local publications) - Fact sheets, postcards, story boards (available at drop in sessions) - Outdoor advertising (bus shelters/EV charging stations etc) - Social media, video posts, website and digital CS screens - Email directly via Council EDMs. - 2 online webinar/presentations All of the engagement methods directed people to Council's website and "Your Say" community engagement page. The "Your Say" page included: - A rates calculator for people to see the actual impact based on their property - Short video explainer	Community Engagement Strategy Community Engagement report (attachment to Council report 28 January 2025)

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	- Webinar/presentation recording - Fact sheets – your options explained - Frequently asked questions - Ready reckoner/Snapshot - Translation service - Contact information - Submission form/survey - Relevant IP&R documents Feedback from the community was received through 2 primary methods. The majority of submissions were via the survey form on Council's Your Say Page which received 5,584 unique submissions. This includes 46 hard copy versions of the survey which were available for people unable to access a computer or phone. A further 804 unique submissions were received via email/letter. Where duplicate or secondary submissions were identified, they were combined into a single submission. 98% of submissions were made by ratepayers (residential and/or business) while the others were either residents, workers, business owners or visitors to the northern beaches.	
Explain the action, if any, the council took in response to feedback from the community	Council undertook community engagement on the SV between 18 November 2024 and 12 January 2025. As mentioned above, 6,389 submissions were received during the 8-week engagement period. Council has collated the views expressed within the free text box of the survey form and the email/letter submission into key themes that capture community sentiment. The themes below group similar sentiment together along with the % of responses that were themed this way: **Support for Council to cut costs and/or seek other income streams.** 57% of all submissions expressed a desire for Council to implement cost cutting and income generating measures also included suggestion on where and how to cut costs and perceived inefficiencies.	Capacity to Pay Report – Morrison Low Productivity Journey and Improvement Plan 2024 Community and Stakeholder Engagement Report.

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	Council's response to this sentiment: Council has been on an improvement journey since its inception in 2016 and remains committed to continuing saving initiatives as part of its whole of organisation improvement plan which seeks to continue the focus on cost containment strategies, service reviews, process and productivity improvements as well as funding opportunities and continuing to drive a culture of improvement. Refer to the attached Productivity Journey and Improvement plan 2024 for further detail. **Action**. Council noted the opportunities for service reductions, property rationalisation and/or fee increase initiatives as outlined in this report are not of size and scale to reduce the need for a special variation to rates to maintain Council's long term financial sustainability. Council will continue its costs and efficiencies saving program in an effort to save an anticipated $5m over the next 3 years. Council has begun this journey by voting at the 10 December 2024 meeting to reduce the Hop Skip and Jump bus service saving an estimated $507,000 pa. and a one off $330,000 capital savings. **Increase in rates to only be in line with inflation or no increase at all.** 44% of all respondents expressed views that an increase in rates is unreasonable. ***Councils' response to this sentiment***. Council's expenses are subject to standard CPI inflationary pressures and other rising cost impacts that track well above standard inflation. High inflation and price volatility combined with the historical lag in the rate peg, are resulting in a growing divergence between costs and rates income. Over the last 4 years the gap between rising infrastructure costs and rates income growth represents $23.6m (12.6%) lost from the rates base going forward. This reduces Council's capacity to address unfunded elements of the Asset Management Plan and the ability to maintain and renew Council's $3.9 billion asset portfolio. **Action**. No action as Council has resolved to adopt Option 3. **Affordability** Affordability was cited by 32% of all respondents as a reason for ranking the options the way they did. This included positive and negative sentiment and spanned all four SV options.	

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	Council's response to this sentiment. Council acknowledges that in some pockets of our community there are financial pressures. As detailed later in this application at question 5.2, Council engaged Morrison Low to assess the affordability of a rate increase within the LGA. Their report found that there is capacity to absorb the additional rates payable, particularly if this is supported by an appropriate hardship policy - which Council has. That some submissions indicated they could afford to pay was unexpected as it is usually the negative sentiment borne out through engagement. **Action**. Promotion of Council's Hardship Policy. Further information on this can be found within the Community and Stakeholder Engagement Report.	

In the text box below, provide any other details about the council's consultation strategy, timing or materials that were not captured in Table 7.

4.2 Proposed average rates outlined in the council's community consultation materials

Are the average rates provided in the council's community consultation materials the same as what has been inputted into Table 7.2, Worksheet 7 of the Part A application form?	Yes
If no, please explain why.	Not applicable

4.3 Additional information (optional)

In the text box below, please provide any other details about the community's involvement in, engagement with or support of or opposition to the proposed SV not captured in Table 7.

Council has prepared a detailed community engagement report, which lists the community engagement outcomes reports and responses to feedback.

Please list out any other attachments in Table 8 that the council has relied on to respond to Criterion 2 that was not otherwise outlined in Table 7.

Table 8 Other Criterion 2 attachments

Attachment number	Name of document	Page references

5 OLG SV Criterion 3 – Impact on ratepayers

Refer to the OLG SV Guidelines as needed, and section 5 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and material for completing this section. The Part A application form also collects information for this criterion in Worksheet 7 (WS 7 - Impact on Rates).

5.1 How did the council clearly show the impact of any rate rises on the community?

Please articulate in the text box below how the council demonstrated this question.

In your response, please include references to the Delivery Program, LTFP and relevant community consultation materials to support the council's claims.

Council undertook an extensive and comprehensive engagement campaign to reach and inform all localities and demographics of the LGA to ensure that the impacts of any rate increase were accessible and easily understood.

As outlined below Council undertook a comprehensive engagement campaign to inform the community of the SV proposal utilised the ready reckoner which provided details on all options including the proposed % rate increase for each year, the cumulative % rate increase over 3 years, the average residential and average business rates in $ providing both the yearly and weekly increase amounts. Additionally, the fact sheets on each option provided further breakdown of this information in an expanded table format.

As outlined below, the LTFP also provides this information in Section 8.2 which breaks down each option, detailing the annual and cumulative % increases and $ increases and also states the permanent nature of the SV. The information is displayed in both table and chart format to assist with interpretation of the information. The Draft Addendum to the Delivery Program provides the information at a high level but details where the SV funds will be expended should the SV be approved.

As previously identified Council undertook a comprehensive engagement campaign to inform the community of the SV proposal. The full cumulative increase in percentage terms and total increase in dollar terms for the average rate payer (residential & business) was presented as a ready reckoner/snapshot for ease in interpreting the information. This ready reckoner was included in the following collateral:

- Hard copy letter sent to every Northern Beaches rate payer during November 2024.
- Council's Your Say Page on the SV proposal
- A5 fold-out flyer – distributed at community pop up sessions, customer service centres and libraries.
- Options snapshot Fact sheet
- Information Session/Webinar

In addition to the ready reckoner, Council had a fact sheet for each option that provided a further breakdown with the below details:

- The annual % increase;
- The cumulative % increase
- The annual $ increase (average)
- The average increase in $ for each year
- The average weekly increase $ for each year
- The cumulative impact in $ for each year
- The permanent nature of the SV increase.

Council also provided a rates calculator on the Your Say webpage where householders were able to determine the impact of each option (including no SV) for their specific property. The calculator provided the information as the annual and weekly increase in $ which was split to show the increase on top of the rate peg and the rate peg plus the SV increase so that the full impact was clear. The calculator also provided the cumulative increase at the 3 year mark in $ and % terms. The calculator was used 13,388 times.

The LTFP identified the proposed rate rise for the average rate payer, by rating category for each option within Section 8.2 – Income Assumptions (page 26 38). Specifically, this section provides:

- A single table that provides the 10-year projection 2024-2034 for each of the SV options. It is presented as the rate peg plus the proposed percentage increase for each option and the assumed rate peg only for future years (2028/29 onward).
- Each option is then presented in multiple formats for both the residential and business rates including:
  - An opening statement providing the proposed % residential rate increases and that the increase would be permanent (for options 2, 3 and 4).
  - Average residential rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
  - Average residential rates presented as a chart showing the annual $ increase for each year.
  - Median residential rates presented as a chart as this is considered a closer reflection of the average ratepayer
  - Average business rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
  - An opening statement providing the proposed % business rate increases and that the increase would be permanent (for options 2, 3 and 4).
  - Average business rates under each option presented in a table with both the $ and % annual increases and the cumulative increase in $ and %.
  - Average business rates presented as a chart showing the annual $ increase for each year.
  - Median business rates under each option presented as a chart as this is considered closer reflection of the average ratepayer.

Section 10 – Scenario modelling, (pages 50 – 95) provides a high-level summary of each option including the financial sustainability, financial impact and infrastructure delivery and states that Option 1 is not sustainable and will result in a continuous reduction in services to the community. It outlines the positives and negatives of each option.

The DRAFT Addendum to the Delivery Program 2024-2028 does provide the % increases for each year, expressed as the SV rate, the SV rate plus rate peg combined and the annual increases and total cumulative increase over the 3 year term. This information is provided for each SV option that Council was engaging on. The DRAFT Addendum does not go into the same level of detail as the LTFP but does state: "The Long-Term Financial Plan 2024-2034 (Special variation update: Funding our Future) provides detailed information on the impact of the proposed special variation to rates under each option for the average rate payer."

In addition to the financial impact the SV would have on the community, the DRAFT Addendum to the Delivery Program also provided the expenditure breakdown to show what additional works would be a priority under each SV option were it approved. The expenditure breakdown was expressed under our Key Services and was separated into capital works (new and renewal) and operational expenditure with the funding allocations for each of the four years of the Delivery Program. This table also provided the links to the Community Strategic Plan goals that the project contributes.

5.2 How has the council considered affordability and the community's capacity and willingness to pay?

Please articulate in the text box below how the council demonstrated this question.

In your response, please provide references to the Delivery Program, LTFP and community consultation materials where the council has considered the affordability and the community's capacity and willingness to pay.

In order to ascertain capacity to pay for the proposed rate increase, Council engaged consultants Morrison Low to undertake a review and prepare a Capacity to Pay Report (attached to this application). This report was prepared during the SV engagement period and so has assessed capacity to pay the full range of increase up to Option 4. The report has drawn upon data from a wide range of socio-economic factors and other data and evaluates the general financial capacity of ratepayers to pay the proposed rate charges. It also considers the financial vulnerability and exposure of different community groups within the Local Government Area (LGA). The report also provides comparative data on a range of indicators with other OLG Group 3 Councils, North District, Greater Sydney and NSW.

The report found that the LGA is characterised by a relatively high socio-economic status, low unemployment rate, lower average ordinary business rates and below average residential rates (when comparing residential rates on properties with a land value of $1million), and low levels of outstanding rates. All suburbs in the LGA have lower levels of disadvantage, and greater advantage levels, compared to the Greater Sydney, NSW and Australian results.

The report has grouped the LGA into four geographical and socio-economically aligned groups. Three of these groups are ranked within the top 5% of areas in Australia for advantage according to the Socio-Economic Indexes for Areas (SEIFA) and Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD). The report considers that there is capacity to pay within these 3 groupings as the average increase under option 3 will be $673 per year.

The fourth group has a higher disadvantage level but both this and the level of advantage is still above the averages for Greater Sydney, however they are weaker scores compared to the groupings mentioned above. The reports notes that this area will have the lowest average residential rate increases due to lower property values and also has the joint highest proportion of renters and social housing who are not immediately affected by any increase. It is still considered that this group also has capacity to pay the proposed increases – but less capacity than other parts of the LGA.

With regard to Business rates the report found that Northern Beaches currently has the 3rd lowest overall ordinary business category rate out of the 18 OLG Group 3 Councils and that even with the highest proposed increase (not the rate Council are applying for) would still leave Northern Beaches in 13th place. Additional industry analysis identified a significant increase in full-time equivalent jobs of 14,163 and an overall increase in value-added $3.37million since 2012/13 it is considered there is capacity to pay across all groupings for business ratepayers. As Council has resolved to apply for Option 3, this further supports the assertion that the community has capacity to cover the 39.6% (cumulative) increase over three years.

The Morrison Low report looks at the impact of the rate increase with respect to an equivalised household income. The report indicates that in most groupings the impact on weekly household income is minimal and indicates that there is some capacity to absorb the additional rates payable.

One theme that has emerged through the community engagement for the SV has been affordability and the current cost of living. The Morrison Low report has reviewed the LGA for 'Mortgage Stress' which is when mortgage costs are greater than 30% of household income. The report shows that only 17% of households with a mortgage (5,644) fall into this category and may be at risk of suffering mortgage stress. It also shows that 34% of all ratepayers in the LGA fully own their property indicating a higher capacity to pay.

In addition, Council has considered the community's willingness to pay through a Community Satisfaction Survey conducted by Micromex. This random survey was conducted during the week of 20 – 27 August 2024 and had four objectives, one of which was to explore residents support for paying more to improve the level of services, facilities and infrastructure. 606 residents, of which 487 (>80%) were ratepayers, were randomly selected and completed the survey. This sample size provides statistically valid results with a maximum variance of +/-4%. The survey question asked respondents to provide their level of support (from 'not at all supportive' to 'very supportive) for paying more for the services, facilities and infrastructure. The results below indicate there is a relatively high* willingness to pay for improved/increased service in most areas:

- Maintenance services e.g. mowing, cleaning rockpools and public spaces – 61%
- User services e.g. community centres – 61%
- Infrastructure e.g. Roads, footpaths, wharves and jetties – 69%
- Facilities e.g. Playgrounds, public toilets and sports fields and facilities - 73%
- Environment e.g. Increased ranger patrols, restoration of bushland and waterways and management of pollution and nuisance flooding – 77%

*Percentages provided are the aggregate % score of the top three scores (somewhat supportive, supportive and very supportive) Refer to pages 38 – 39 and 59 of the community survey for additional detail (attached to this application).

Further, anecdotal evidence of a willingness to pay is reflected in the response rate to the SV proposal. 96,156 letters were sent out to all ratepayers on this proposal. This, along with the other communication tools utilised have generated 45,419 visits to the Your Say page looking for additional information. There were also 13,388 unique users of the rates calculator where they were able to view how their property would be impacted by the proposal. The total number of individual submissions made to Council was only 6,389 or 6.6% of ratepayers being those individuals that felt compelled to go on to make a submission after reviewing the information available and the impact of the rate options on their particular properties.

In addition to the independent report prepared by Morrison Low, the LTFP provides a summary of Council's own analysis of the socio-economic data and rates affordability which considers the number of rateable residential properties (96,354), housing tenure on the northern beaches, household income and employment status, wellbeing index and the IRSED. It also refers to outstanding rates and annual charges – that being only 3.83% at 30 June 2024 which is well below the industry benchmark of 5%.

The LTFP also refers to the Micromex community survey mentioned above indicating that over 60% of residents surveyed are at least somewhat supportive of paying more for the identified services indicating a level of capacity and willingness to pay.

Notwithstanding the community's capacity to pay and affordability, Council resolved to introduce the SV in a staged approach over 3 years in order to further assist with the community's capacity to pay.

5.3 How has the council addressed (or intend to address) concerns about affordability?

Does the council have a hardship policy?	Yes
If yes, is an interest charge applied to late rate payments?	Yes

To inform our assessment, Worksheet 12 (WS 12) in the Part A application form also collects data on outstanding rates and annual charges (%) and pensioner concessions and ratepayers subject to hardship provisions.

Please provide the council's response in the text boxes below.

a. Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

Council has two policies that relate to the payment of rates for vulnerable ratepayers. The Rates and Annual Charges Hardship Policy (Hardship Policy) and the Pensioner's Rates and Annual Charges Concession Policy (Pensioner Concession Policy). Both policies have existed since amalgamation and have recently been updated and adopted by Council in October 2024 and are permanent policies, that are available to reduce the impact of the proposed SV on vulnerable ratepayers

The Hardship Policy applies to all ratepayers suffering financial hardship and acknowledges that from time-to-time ratepayers will for various reasons fail to pay rates when they become due. Councils Hardship Policy has taken into account the Debt Management and Hardship Guidelines issued under Section 23A of the Act by the Office of Local Government and the Office of Local Government Rating and Revenue Raising Manual. sets out the principles, guidelines for consideration and assessment of an application. The Hardship Policy provides guidelines for assessment of a hardship application applying the principles of fairness, integrity, confidentiality, and compliance with statutory requirements noting that it is reasonable and appropriate for Council to take action to recover outstanding rates and charges in order to provide services to the community.

Hardship applications will be considered in special circumstances including (but not limited to) such matters as the loss of employment, loss of income, illness, separation or divorce, family violence, impacts of unforeseeable events (such as the impacts of a pandemic or natural disaster) significant changes to rates and charges related to legislative and regulatory changes, impacts following a general revaluation of land by the Valuer General and impacts due to significant changes to a Council's rating structure (such as changes required to harmonise rates and charges due to council amalgamations or bondary changes). The policy provides Council with several options for providing assistance to ratepayers who are finding it difficult to pay their rates and charges because of financial hardship including:

- Assistance by periodical payment arrangements (Section 564 of the Act)
- Assistance by writing off accrued interest and costs (Section 567 of the Act)
- Assistance to extend pensioner concession to avoid hardship (Section 577 of the Act)
- Abandonment of Pensioner's Rates and Charges (Section 582 of the Act)

- Assistance due to General Revaluation of Land in the Local Government Area and Changes to the Rating Category of Properties (Section 601 of the Act)
- Deferral of Recovery Proceedings against Eligible Pensioners that are entitled to receive a Rebate of Rates and Charges (Sections 564 and 582 of the Act).

The Hardship Policy provides general principles with regard to making an application for hardship and guidelines for assessment of the application.

Pensioners make up 9% of all Northern Beaches ratepayers with the largest proportion (13% of all pensioners) being within the West & North-West group which also has the highest level of advantage in the LGA (99th IRSAD percentile)

The Pensioner Concession Policy applies to ratepayers who meet the stated pensioner eligibility requirements which are set out within the Policy. The Policy provides the framework for the administration of concessions and clear principles and guidelines for the granting of those concessions ensuring the requirement of the Local Government Act 1993 and the Local Government (General) Regulation 2021 are satisfied.

The concessions which are available to eligible pensioners are:

- Statutory Pensioner Rates and Annual Charges Concession in accordance with section 575(3)(a) of the Act. (up to $250 per year)
- A Voluntary Rates Pensioner Concession which is a maximum of $150 per year or as determined in Council's Annual Operational Plan. There are currently 863 rate payers receiving the voluntary general rates rebate across the LGA providing additional assistance to a potentially more vulnerable portion of the community.
- The amount of Council's Voluntary Domestic Waste Management Services Charge Pensioner Concession is as determined in Council's Annual Operational Plan. This is adjusted annually in line with the percentage change in the domestic waste standard service charge.

The Pensioner Concession Policy allows for additional support and refers back to the Hardship Policy for consideration of the various options contained within that Policy and as mentioned above.

b. Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Yes, the Rates and Annual Charges Hardship policy is referenced as follows:

- Revised Long-Term Financial Plan 2024-2034. Page 22.
- Annual Report 2023/24 – Page 5, 13, 32, 97.
- Delivery Program 2024 – 2028 includes reference to the hardship policy within the Mayor's Message on page 8, advising people experiencing genuine hardship to contact Council for support under the Hardship Policy. The Statutory Information section on page 130 provides information on the financial hardship policy and the pensioner rebate and the additional voluntary rebate available under Councils policy.

c. Please explain how the council makes its hardship policy or other measures known to ratepayers.

In October 2024 Council reviewed and adopted its Rates and Annual Charges Hardship Policy, ensuring the policy remains appropriate to support ratepayers that may be experiencing financial hardship.

In November 2024 Council resolved that "irrespective of how rate payers receive their rate notifications (e.g. physically or electronically) that it is clear and obvious that there are hardship provisions available to access". Council has updated information on rates notices to make hardship information more prominent.

The Rates and Annual Charges Hardship Policy is a public facing document that can be found on Councils website within the policy listing. Information about financial hardship support if available on Council's website – which provides information on not only rates payments, but also wider support services for community members experiencing hardship:

Where rates become overdue, Council will make reasonable effort to contact the ratepayer before taking any legal recovery action including:

- Known mailing and/or property address details recorded in Council's rating system
- Telephone, mobile phone/SMS and email details recorded in Council's system
- Internet and other searches to find contact details
- Company searches where appropriate
- Using the resources of Council's Mercantile Agents (who may also attend the property in person).

Once contact has been made with a ratepayer who indicates they are experiencing hardship, the Council officer will discuss options available to the ratepayer under the policy which includes information on how to make an application for hardship and what will be assessed.

Where legal recovery action is commenced and a subsequent application for hardship consideration is received, the legal recovery action will be suspended until the application for hardship has been determined.

5.4 Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?

Describe the impact of any other anticipated changes in the rating structure (e.g. receipt of new valuations), or any changes to other annual ratepayer charges such as for domestic waste management services.

You may also explain how the number of **non-rateable properties** may impact the council's average rates, if relevant to your council.

You can provide additional data using Worksheet 12 (WS 12) in the Part A Excel application form. For instance, providing the number of non-rateable versus rateable properties.

Council is due to receive new land valuations in November 2025 that will apply to rates from the 2026/27 financial year (year 2 of the proposed Special Variation) – we are unable to assess the impact until this information is available.

6 OLG SV Criterion 4 – Exhibition and adoption of IP&R documents

Refer to the OLG SV Guidelines as needed, and section 6 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and material for completing this section.

Table 9 seeks information which demonstrates that the council has met the formal requirements (where applicable) for the preparation, exhibition, adoption and publication of the current IP&R documents.

Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan 2040	29 April – 29 May 2022	Resolution Page 15	28 June 2022	Resolution Page 20	Community Strategic Plan
Delivery Program 2024/25 – 2027/28 with SV Addendum	18 Nov 2024 – 12 Jan 2025	Resolution – Page 12.	28 January 2025	Resolution Page 8	Delivery Program 2024-2028 with Addendum
Long Term Financial Plan – Special Variation Update November 2024	18 Nov 2024 – 12 Jan 2025	Resolution Page 12	28 January 2025	Resolution Page 8.	Long-Term Financial Plan 2024-2034 – Special Variation Update

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).	3 May – 4 June 2024	Resolution – Page 16	25 June 2024	Resolution Page 11	Asset Management Plan 2024-2034

Note: The exhibition and adoption dates must match the dates recorded in the council resolution.

7 OLG SV Criterion 5 – Productivity improvements and cost-containment

Refer to the OLG SV Guidelines as needed, and section 7 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing for and completing this section.

7.1 What is the council's strategic approach to improving productivity in its operations and asset management?

Please provide the council's response in the text box below.

In 2016, Northern Beaches Council was created following the amalgamation of Pittwater, Warringah and Manly Councils. The amalgamation process itself was a three-year journey towards operational efficiency and sustainability. Since completing the amalgamation process in 2020, Council has approached productivity improvements on the basis of the principles of business excellence and within the overarching Integrated Planning and Reporting (IP&R) Framework.

The Northern Beaches Community Strategic Plan 2040 (CSP) is the over-arching strategy document for Council. The CSP has 8 high-level outcome areas including Outcome 8: Good Governance. This outcome includes Goal 19 – Our Council is transparent and trusted to make decisions that reflect the values of the community. Council aims to do that by:

A. Demonstrating a high standard of transparency and accountability through community involvement and strong, timely reporting practices.
B. Ensuring a strong corporate governance framework is followed to support ethical, efficient and fair decisions and transactions.
C. Ensuring the long-term financial sustainability of Council, including strategic management of assets.

To support and build upon the IP&R framework principles of coordinated planning and benefit maximisation, Council has gone beyond the core elements of the Framework and has integrated other programs of continuous improvement within the organisation. Improvement initiatives include financial efficiency gains, continuous improvement programs, service review framework and associated programs enhancing awareness and training staff in continuous improvement to ensure cultural change. Through these extensive and integrated improvement initiatives across Council, our journey of improvement has and will continue to support the main elements of the organisation's sustainability, being:

- Planned strategic direction and decision making
- Efficient service delivery based on community needs
- Appropriate asset maintenance and renewal
- Integrated and strategic resource delivery
- Alignment of policies, strategies, systems, and processes to support organisational efficiency.

Together, the following actions comprise the strategic framework in which Northern Beaches operates in, continuously moving toward achieving operational efficiency.

SERVICE REVIEWS: In 2020 and updated in 2024, Council developed and implemented a Service Review Framework (attached to the Productivity Journey and Improvement Plan as Attachment A) and associated program of review to proactively promote and drive productivity and organisational sustainability. The aim of the service review program is to encourage continuous improvement across council's operations and to identify more economical ways of providing services to meet community needs now and into the future. The program's underlying objectives are:

- Assess the service's performance including efficiency (how well it uses its inputs) and effectiveness (how well it achieves its outcomes) to deliver current service levels.
- Develop an awareness and understanding of community and customer needs and the relative importance of the service.
- Ensure understanding the financial impact of the service on rate subsidisation.
- Review the balance between the rate of subsidisation of the service against relative importance
- Strive to improve our services by comparing with other high performing organisations and/or undertaking industry research (where feasible).

CONTINUOUS IMPROVEMENT: Council facilitates and drives a culture of continuous improvement through our IGNITE (Inspiring Great New Ideas Towards Excellence) program. This grass-roots program has been praised by Councils independent Audit, Risk and Improvement Committee (ARIC) and engages council staff to find and implement small-scale improvements and is designed to:

- Reduce waste – removal of duplication, double handling and blockages to streamlining a system or process
- Improve quality by improving consistency, providing clarity and reducing complexity
- Improve customer service – internal and external
- Reduce risk
- Save time (hours)
- Provide environmental benefit.

RESTRUCTURES: Council constantly reviews its organisations design to ensure efficiency at a service and infrastructure delivery level. Where possible, Council will compare and adjust its workforce to ensure structural and cost efficiencies.

COST CONTAINMENT STRATEGIES: Northern Beaches Council has and continues to investigate all potential cost containment or reduction opportunities. In addition to past improvements and cost savings already achieved, Council is committed to undertaking ongoing reviews of its practices and processes to ensure the organisation operates efficiently and cost effectively. These will include but are not limited to:

- Service reviews
- Workforce efficiency reviews
- Service delivery assessment and rationalisation
- Property rationalisation
- Fleet review and optimisation
- Energy efficiency reviews
- Technology investment
- Continued focus on customer service.

ASSET MANAGEMENT IMPROVEMENT INITIATIVES: In addition to operational productivity improvements, Council also focuses on an ongoing basis the improvement of our asset management practices. These improvement initiatives focus on the following areas:

- Our knowledge of our assets through data collection activities, register audits, and extending our knowledge to improve the capture of functionality and capacity of our assets.
- The ways we report on our assets and our asset management performance through the use of benchmarks and indicators to monitor our compliance and financial sustainability.
- How we plan our capital works through developing detailed programs based on the needs of the assets.
- How we operate and maintain our assets and plan for the future through robust methodologies, maintenance benchmarks and indicators, and lifecycle cost data.
- The levels of service we are delivering to the community taking into account the needs and requirements of the community.
- Cross-organisation asset management improvements to strengthen our approaches across all of our infrastructure.
- Risk management
- Building capacity within Council to deliver improved asset management services.

Council's Asset Management Plan includes an Improvement Plan which strives to improve on the service we are delivering to the community. Further detail is available at Section 12 page 95 of Council's Asset Management Plan 2024-34, as attached.

7.2 What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?

Please provide the council's responses to the questions in in the text boxes below.

a. Explain initiatives undertaken and/or processes put in place in the past few years to improve productivity and contain costs.

Council operates within a framework of internal and external checks and balances to ensure decision making and performance are optimal and in line with community expectations. This includes ARIC that operates as an oversight committee for improvement in line with Council's Service Review Framework. ARIC is presented with and reviews Council's continuous improvement (IGNITE) initiatives and ongoing service reviews.

In addition to the ARIC, in 2021 Council established a Governance Structure comprising 3 Panels to provide greater rigour and oversight around budget control, operational and capital project management and delivery and the management of developer contribution funds. A comprehensive review of the governance structure has recently been completed seeking to refine the composition, scope, roles and responsibilities of each panel and their inter-relationships. The recommendations from this review are being implemented in January 2025 and will provide robust holistic decision making across the organisation, ensuring assets are managed and maintained in accordance with asset management plans.

As detailed in the attached Productivity Journey and Improvement Plan 2024, Northern Beaches Council has undergone two phases of productivity initiatives, the first being the undertaken during the first 3 years of the newly formed (amalgamated) council which saw significant productivity improvements and post amalgamation from 2020 onward which built upon the base to find further incremental increases. These initiatives can be 'one-off' or ongoing.

DEBT MANAGEMENT: At amalgamation, Council inherited some $90 million in outstanding loans. To ensure economies of scale were utilised, a plan of debt reduction was initiated to maximise Council's financial sustainability path. Council continues to review its loan portfolio to ensure that opportunities that may have presented themselves due to changes in market conditions have not been missed. In 2020 a refinancing analysis was undertaken of Councils' loans that had a higher interest rate attached to them however no net financial advantages were able to be achieved by refinancing the loan portfolio due to break costs. This process was repeated in 2024 which identified savings would be achieved.

INSURANCE COSTS: Since amalgamation, Council has managed workers compensation under its own self insurance license.

ELECTRICITY COST CONTAINMENT: An 80% reduction in Council's corporate emissions was achieved through energy efficiency projects and a 7-year deal for 100 % renewable electricity. These projects have resulted in significant cost reductions for Council, almost halving electricity and streetlighting costs from $9m in 2018/19 to $5m in 2023/24. Council has undertaken energy efficient upgrades to buildings including lighting, heating and cooling systems and provision of solar panels on Council buildings as well as progressively undertaking lighting upgrades at our sportsfields and streetlighting. Council also entered into a new electricity contract for 100% renewables which is and will continue to provide substantial annual savings, producing cumulative savings since 2021 of $2.52m.

WASTE MANAGEMENT – Council has implemented a new waste collection system that aims to reduce the quantity of waste going to landfill, particularly that which can be recycled, resulting in reduced processing costs and improved environmental outcomes. The implementation of the new waste collection system also provided immediate financial savings compared to the costs incurred by the three councils prior to amalgamation.

STRATEGIC PROCUREMENT – Since the amalgamation, Council has been focused on driving cost savings and improved service delivery through strategic procurement. This includes the bundling of similar needs across for the organisation into larger value contracts and the use of supplier panels, which has generated cost savings through economies of scale and efficiencies along with service improvements. Examples include the waste collection and electricity contracts above. Other recent examples is the combination of contracts for graffiti removal and bus shelter cleaning as similar equipment, materials and skills are required to deliver the service. Bundling the service into one contract is saving the Council $0.2m per year (30% cost reduction) and has resulted in greater efficiencies along with only 1 contract for staff to manage. A similar review for street sweeping services was undertaken in 2024, resulting in a change to an inhouse delivery model, which is generating savings of $0.1m per year along with providing greater capability to undertake clean up services in emergencies.

RESTRUCTURE – As part of the amalgamation process there were immediate savings achieved through the reduction in 13 senior executive/management positions with a further review of positions that were considered surplus to the organisation's efficient delivery of service and infrastructure undertaken in 2019/20 at the end of the 3 year protection period. Council regularly seeks to re-design it's organisation in response to service delivery changes, natural attrition of staff or as a result of innovation or process changes.

Since 2016, the structures of the following service functions of Council have been re-designed to respond to the needs of our community and operations:

- Customer Service
- Development Assessment
- Information and Digital Technology
- Strategy and Performance
- Governance and Risk

- Human Resources
- Compliance (Rangers)
- Environment and Climate Change
- Waste management and Cleansing
- Business Performance Co-ordination Team
- Transport & Civil Infrastructure
- 2024 – consolidation of financial management positions (reduced from 2 to 1)
- 2024 – consolidation of Council's Directorates (reduced from 6 to 5).

SERVICE REVIEWS – To date, over 230 service improvement initiatives have been completed and are at various stages of implementation across the organisation including structural improvements, optimising trade panels to ensure diversity in contractor management, process and productivity improvements, improved data capture and management, introduction of mobile field technology, improved resourcing, financial assessment of services to facilitate a cost neutral outcome introduction of new innovations, introduction of performance dashboards to better understand service delivery and improved training to name a few.

These service reviews form an ongoing body of work demonstrating Councils commitment to seeking organisational improvements and financial sustainability to minimise the burden on rates wherever possible.

CONTINUOUS IMPROVEMENT – the multi-faceted continuous improvement program is industry leading and incorporates the following initiatives:

- Continuous improvement training, which educates staff in the principles of business excellence and continuous improvement.
- Process mapping training, to ensure processes can be designed and managed efficiently.
- Business Excellence Assessment Tools and Templates to enable a self-assessment of how your business systems, practices and processes rate against business excellence methodologies to enable further development of improvement initiatives.
- Change management training to ensure change and innovation is managed efficiently within council.
- Communities of practice (improvement focus) that brings together like minded staff and other councils to share improvement journeys and initiatives, and
- Councils' improvement register that logs Council's ongoing improvement initiatives.

b. Outline the outcomes which have been achieved, including providing quantitative data where possible.

An analysis in 2019/20, indicated that the newly formed Council more than doubled the NSW State Government's $76.3 million estimated net present value (NPV) savings from amalgamation, with an estimated $161.6 million (NPV) in savings over ten years. To quality assure Council's assessment of amalgamation benefits, Hill Rogers Auditors were engaged to independently review Council's modelling and provide an assurance report on the savings. They concluded that Council's approach and modelling were reasonable and based on sound measurement principles in establishing our estimated NPV savings over 10 years.

As a snapshot of the above NPV estimate, in 2019/20, as a result of improved efficiencies and gains in productivity an annual recurrent benefit was estimated at $29.5 million, with savings generated from the following:

- $6.03M – employee costs
- $2.07m – insurance premiums
- $11.27m – materials & contracts
- $10.14m – staff efficiencies (re-investment of staff into priority services)

These initial savings allowed Council to invest back into the community through either the direct provision of additional services and infrastructure or in-directly through the re-investment/re-allocation in staff, reducing costs or changing service/infrastructure delivery based on community need.

These direct and indirect investments are outlined below.

- $4.41 million in improved asset maintenance
- $1.5 million in new footpaths programs
- $1.03 million investment into a single Northern Beaches parking sticker
- $0.65 million in proactive tree inspection and pruning programs
- $1.24 million in increased public place cleaning
- $0.18 million in increase cyber security of our networks
- $2.94 million reduction in domestic waste charge delivering one of the lowest domestic waste charges in NSW

- $2.77 million offsetting higher waste disposal costs and reinvesting in advance waste technology to reduce waste going to landfill
- $1.84 million in the harmonisation of pre-amalgamated salary systems to ensure equitable rates of pay aligned to the market for employees
- $1.49 million investment in enhancing Council's service delivery through an appropriate organisational structure that recognises the size and scale of the workforce, service complexity and infrastructure delivery requirements
- $1.46 million reinvestment in services associated with restorations, road services, localised bus service, social support, event management and CCTV and public WI-FI
- $9.99 million service uplift for the community enabled by reallocation of staff resources in the areas of:
    - Regional transport planning
    - Economic development and tourism
    - Local traffic planning
    - Place making
    - Village and town centre management
    - Customer call centre operations and expanded hours
    - Asset and open space planning.

Additionally, Council has:

- Reduced its loan liability from $90 million in 2016 to $18 million in 2025 (forecast). Council also undertakes regular reviews of the loan portfolio to ensure all opportunities for savings are explored. The review in 2024 resulted in a $95,000 saving over the life of the loan due to refinancing.
- Realised a budget savings in 2019/20 of $2.75 million from a review of positions that were considered surplus to the organisation's efficient delivery of service and infrastructure to the community – i.e. no reduction in service to the community.
- Realised a productivity efficiency dividend in 2020/21 of $2.75 million from savings in agency costs, bank fees, insurance costs, fuel and employee costs. (0.75% of TOE)
- Developed and implemented a service review program that has led to over 230 service improvements since 2020. The 2 most recent service reviews that went to Council in December 2024 included a significant reduction in an under-utilised bus service and cessation of direct service delivery provision. The recommendations from these service reviews were adopted by Council and will be actioned in 2025 saving Council $507,000 p.a. and $180,000 pa respectively.
- Facilitated continuous improvement training to over 1,000 staff and has in place an associated program encouraging staff to self-assess and record their own continuous improvement initiatives, seeing some 700 improvements registered since its inception in 2020.
- Continually reviewed and improved organisational design to ensure Council's workforce is cost effective and has an optimal structure to deliver efficient community service and infrastructure. This process has seen Council's workforce decrease by approximately 2% since amalgamation.
- Reviewed its energy consumption strategies undertaking numerous efficiency upgrades that in the areas of sports field lighting ($460,000 annual savings), solar panels on council buildings ($80,000 annual savings) and the entering into a 100% renewable energy contract that has saved Council $2.52m since its inception in 2021.
- Maintained a workers compensation self-assurance model that continues to save Council on average an estimated $1.5 million a year in premium costs.
- Implemented a new waste management system across the LGA that provides source separation (organics, paper/container and general waste) encouraging recycling and re-use of household waste along with waste reduction education and practices that increased the landfill diversion rates from 49% in 2019 to 65% in 2022, extending the useful life of Council's waste facility and in turn keeping long term costs associated with domestic waste management contained.
- Council has been focused on driving cost savings and improved service delivery through strategic procurement. This includes the bundling of similar needs across for the organisation into larger value contracts and the use of supplier panels, which has generated cost savings through economies of scale and efficiencies along with service improvements

7.3 What productivity improvements and cost containment strategies are planned for future years?

The council should provide information that details initiatives planned for the next two years when requesting a one-year section 508(2) SV or match the duration of the proposed SV.

The response should, wherever possible:

- estimate the financial impact of strategies intended to be implemented in the future
- present these as a percentage of operating expenditure
- indicate whether the proposed initiatives have been factored into the council's Long Term Financial Plan.

In the text boxes below:

a. Explain the initiatives which the council intends to implement and their financial impact.

Council's organisational improvement plan focuses on cost containment strategies, service reviews, process and productivity improvements and funding opportunities as well as instilling a culture of improvement within Council employees. These methods of improvement have been utilised by Council in the past and will continue to underpin opportunities for improvement into the future.

As a part of Councils forward improvement plan the following cost containment strategies and efficiency initiatives will be undertaken over the next 3 years and beyond:

Service Delivery to the Community – Optimisation though Service Review.
Council is committed to the ongoing review of its services in an effort to efficiently meet the needs of its community as identified in the Community Strategic Plan. As a part of this commitment a review of the following services is to occur in 2024/25:

- Traffic and transport
- Marketing and communications
- Open space maintenance
- Community engagement

Further service reviews will be determined as a part of Council's Delivery and Operational Plan process and will be conducted year on year focusing on the optimisation of service delivery, financial efficiency, structure, resourcing, customer needs, performance etc.

Workforce Rationalisation Plan
Council will continue to focus on workforce efficiency in the same manner that it has to date. Council will review and where feasible improve its organisational design to ensure it is cost effective, has an optimal structure to deliver efficient community services and infrastructure in line with the Community Strategic Plan. It is anticipated that through natural employee attrition, innovation, and process improvements (in addition to services listed in Service Delivery Optimisation), the full time equivalent (FTE) workforce may be reduced over 3 years at an estimated savings of $1.7 million dollars (based on an average employee cost of $100,000). (0.4% of TOE once fully realised) dollars. It should be noted that as a part of workforce rationalisation, any anticipated reduction in FTE associated with the optimisation of service delivery and associated structure may be required from time to time to be offset by the need for a reinvestment into the workforce in some areas to build teams to deliver on Special Variation outcomes, and/or change to our operating model (e.g. external to in-house) following a review of that service.

Service and Associated Cost Rationalisation Plan
Council will continue to focus on the rationalisation of discretionary services with a view to adjust the level of some services to meet both the Community Strategic Plan priorities and organisational financial sustainability. It is anticipated that an estimated $2.1 million dollars (0.5% of TOE) could be saved on annual basis within 3 years (subject to Council consideration) with some moderate level of service reductions, through Council's ongoing process of service reviews and organisational wide productivity opportunities.

Property Rationalisation Plan

Council will continue to focus on the optimisation of the community's property portfolio including the appropriate divestment of poorly utilised land parcels. It is estimated that $10 million could be realised over the next 1-5 years through the sale of Council property and land holdings. Property rationalisation will be based on a review noting: - Council's property portfolio is highly valued by the community with only a small percentage of parcels currently seen as not providing community value. - Council is restricted in its capacity to dispose of land, with the vast majority of Council's property portfolio categorised as community land and therefore is not able to be sold. - The optimisation of Council's property portfolio also looks at re-purposing for a community use in the analysis of "highest and best" use. - Taking all of the above into account, there remains opportunity to deliver a financial outcome from consolidating uses and divesting or developing some parcels. It is important to acknowledged that proceeds from the sale of property is one off, is often complex and contentious, has long lead times and subject to significant considerations to proceed to sale (re-zoning, assessment of community need, consultation process etc.). Realised funds, while unable to resolve Council's immediate financial concerns, would support rate income into the future with re-investment into the renewal and delivery of new community facilities and assets.

Fleet Optimisation Plan
Council provides a fleet of vehicles (cars, utes etc.) to facilitate the delivery of services and capital works to the community of the Northern Beaches. Council will continue to focus on the rationalisation of its vehicle fleet undertaking a net cost containment plan though staff contribution increases, a reduction in council pool cars, purchasing rationalisation to lower cost vehicles and FBT savings. It is estimated that the above strategies will facilitate net operational savings/income of over $580,000 by year 3 (0.13% of TOE), with a small capital savings of approximately $43,000 also realised.

Workers Compensation Self Insurance Continuation
Council will continue to manage workers compensation under its own self-insurance license to maintain the estimated annual savings of $1.5 million dollars in premiums. (It should be noted that this recurring savings in currently embedded within Council current and future budgets) (0.4% of TOE)

Energy Efficiency Plan
Council will continue to focus on its energy efficiency and solar opportunities including the facilitation of:

- an additional 370kW of solar on Council facilities (including solar at Cromer Depot and Dee Why Civic Centre) expected to save around $55,000 p.a. on energy bills. energy efficiency works such as HVAC and sports field lighting upgrades with estimated cost savings over $100,000 p.a.
- an energy efficient heat pump upgrade at Manly Andrew 'Boy' Charlton Aquatic Centre which is expected to save $550,000 in energy bills and over 1,600 tonnes in greenhouse gas emissions each year. (Note: an investment of approximately $2.5 million will be required (seeking grant funds) in the heat pump upgrade at Manly Andrew 'Boy' Charlton Aquatic Centre to achieved estimated annual savings.
- additional transition from gas/electrification projects, including energy efficient electric hot water systems, gas cooking and heating upgrades, expected to save over. $50,000 p.a. in energy costs and 180 tonnes in greenhouse gas emissions each year. It is estimated that the above energy efficiency opportunities will provide $755,000 in savings by year 3 (0.18% of TOE).
  Note: Planned solar projects are expected to deliver slightly less return in terms of $/kW savings than completed projects. This is due in part to significantly lower electricity prices for our large sites since commencement of our PPA in 2021 together with project specifics such as larger systems that can accommodate potential future battery installation or EV charging.

Innovation and Information & Technology Investment
Council will continue to focus on its information technology platform to ensure the efficient provision of an enterprise resource platform (ERP) and associated infrastructure and software application systems. Over a three-year period commencing in 2024/25, Council is investing in its ERP to ensure it has a modern and efficient technology platform. This platform will enable Council to operate in a protected cloud base environment ensuring optimisation of its organisations process and practices.

Additional Funding Streams
Council will continue to supplement rates and other income sources with grants from State and Federal Government for specific projects. To increase the likelihood of success in securing additional income via competitive grants, Council is altering the approach to funding allocation within future Delivery Programs to separate larger projects into phases such as design and delivery. This approach provides multiple benefits including that the construction costs will be more accurately estimated, reducing the likelihood of cost overruns and will enable Council to have projects that are 'shovel ready' with design documentation completed, which substantially increases the success rate for competitive grants. Securing grants for projects enables Council to reduce the amount required from its own funds which can then be re-directed where there may be a funding shortfall. Council has a dedicated Grants Co-ordinator (1 FTE) who is focussed on identifying funding opportunities, applying for and managing successful grant funding agreements for upcoming projects ensuring maximum success rate and positive relationships with funding bodies.

b. Indicate whether these have been incorporated in the council's Long Term Financial Plan, if not, explain why.

The LTFP refers generally to efficiency improvements and cost containment through the implementation of advanced technology and the resulting customer service improvements and optimisation of resources and assets. The LTFP states that funds made available through these efficiency savings would be used in a number of ways including supporting the rebuilding of working capital, improvements in services, accelerating the renewal of gaining infrastructure or reducing rates. As savings are achieved opportunities will be considered and changes to the LTFP will be applied.

The LTFP refers to grant funding but states that only grants that are recurrent or already secured are included as any other funding is not guaranteed.

7.4 How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?

In the text box summarise data which demonstrates how the council has improved productivity and indicate its performance against that of comparable councils.

Northern Beaches Council is the 4th largest in NSW and one of the most complex LGA's to manage owing to the variety of environmental, social, community and economic indicators within our responsibilities.

Even with such complexity, size and depth of Council's required service delivery, Council has met or performed better than industry benchmarks (both sector wide and its own OLG Group Category) in its workforce ratios, again demonstrating Council's dedication to organisational efficiency and organisational sustainability.

Council's full time equivalent (FTE) staff per head of population (223 in 2022/23) remains near average with the OLG's - NSW Medium to Large Metro Council Group, as well as being better than average with the LGNSW - NSW Large Metro Council Group in the number of approved positions (FTE) within Council's establishment where Council has 1,284 (2022/23) compared to the average of 1,389.

Another measure of workforce efficiency that is considered a meaningful industry benchmark is the overall operating expenditure associated with workforce as a percentage of total operating expenditure. Council has continued to maintain a percentage of 39.1% (2022/23) which is in line with the industry average of 39.12% (2022/23) for very large urban councils.

The cost of the governance and administration per capita reflects the level of expenditure required to manage the Council per resident in the community. The lower the cost of governance and administrative indicates an efficiency in the administration of a council enabling a greater level of funding that can be subsequently directed towards community facing services. In 2022/23 Council had the 4th lowest expenditure per resident of 18 Councils in the OLG's Medium to Large Metro Council Group with respect to expenditure on governance and administrative expenditure.

Council constantly reviews its organisational design to ensure efficiency at a service and infrastructure delivery level and respond to the changing needs of our community. Since it was established in 2016, Council has reduced its overall establishment FTE positions from a level of 1,315 FTE to 1,287 in 2024/25. This is a net decrease of 28 positions or 2% - attributable to a reduction in back-office operations due to efficiency gains (through innovation and improved processes and practices) offset by an increase in a number of community facing services. This reduction is even more significant considering that in its first 3 years of operation Council was bound legislatively to 'no forced redundancies' as a protection for amalgamated staff.

For more information, please refer to the Productivity Journey and Improvement Plan.

Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references
	Productivity Journey and Improvement Plan 2024	Page 1 - 21
	Revised Long Term Financial Plan 2024-2034 – Special Variation Update	Page 13, 14, 23, 41, 46

8 Council certification and contact information

Councils must submit a declaration in the specified form. It should be completed by the General Manager and the Responsible Accounting Officer.

8.1 Certification of application and declaration

Prepare a document in the form indicated below. Please sign (electronic signature is also acceptable), scan and submit it with your application.

This is to be completed by General Manager and Responsible Accounting Officer.

Name of the council:	Northern Beaches Council

We certify that to the best of our knowledge the information provided in the Part A application form and this SV Part B application form is correct and complete. We have completed the checklist for the Part A and B application forms and also provided all relevant attachments as requested (see Table 11, Table 12 and Table 13).

General Manager (name):	Scott Phillips
Signature and Date:	3 February 2025
Responsible Accounting Officer (name):	Caroline Foley
Signature and Date:	3 February 2025

Note: These signatures will be redacted before publication of the application.

8.2 Council contact information

IPART's formal contact with the council will be with the General Manager.

During the assessment period, IPART officers are likely to contact the council with detailed queries about the application and supporting documents. Councils should provide details of the primary contact for such inquiries where this person is a council officer who is not the General Manager. Council officer direct contact details will be redacted before publication of this application.

General Manager

General Manager contact email	

Note: These contact details will be redacted before publication of the application.

Primary council contact

Council contact email	
Council email for inquiries about the SV application	Council@northernbeaches.nsw.gov.au

Note: These contact details will be redacted before publication of the application.

Secondary council contact

Council contact email	
Council email for inquiries about the SV application	council@northernbeaches.nsw.gov.au

Note: These contact details will be redacted before publication of the application.

9 List of required attachments

To complete (adding rows as necessary):

- Name each document.
- Check the box to indicate that the document is being submitted with the application.

Table 11 Required attachments checklist

Name of attachment	The document is included	The document is not applicable
Mandatory forms/attachments:		
Application Form Part A (Excel spreadsheet)	☒	
Application Form Part B (this Word document)	☒	
Council resolution to apply for the special variation	☒	
Completed certification and declaration (see 8.1)	☒	
If applicable, to support the responses provided in Question 5 of Description and Context (see section 2) provide:		
Instrument for expiring special variation/s	☐	☒
OLG advice confirming calculation of amount to be removed from the council's general income	☐	☒
If applicable, to support the responses provided in Questions 6 AND/OR 7 of Description and Context (see section 2) provide:		
Declaration of compliance with conditions in past instruments (if applicable)	☒	☐
Evidence of compliance with conditions in past instruments (if applicable)	☒	☐
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan	☒	
Delivery Program 2024 – 2028 with SV addendum	☒	
Long Term Financial Plan	☒	
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure)	☒	☐
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (*Communication Collateral and Engagement Activities*)	☒	

Name of attachment	The document is included	The document is not applicable
Community feedback (including surveys and results). Confidential information should be redacted, or the entire document marked as confidential. (*Community Engagement Report*)	☒	
Willingness to pay study (if applicable)	☐	☒
Hardship policy	☒	
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	☐	☒
DRAFT Addendum to Delivery Program 2024-2027/28 (as exhibited)	☒	
Capacity to Pay Report – Morrison Low	☒	
Community Satisfaction Survey 2024 – Micromex	☒	
Productivity Journey and Improvement Plan	☒	
Pensioner Rebate Policy	☒	
ARIC advice on financial management	☒	
Confidential supporting material (i.e. not to be published on IPART's website):		
(List the documents)		

10 Checklists

We provide these checklists to ensure that submitted applications meet a minimum standard.

Meeting the requirements of these checklists **does not** guarantee a council will be approved for the SV it has applied for.

Table 12 Part A Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
Data provided in Part A application (i.e. proposed SV%, rates amount etc) are consistent with those contained in Part B application.	☒
Table 1.2 of "WS1-Application" lists all the tables in worksheets 1 -12 that council must complete, based on the nature of council's application. Please confirm that all the data requirements, as listed in table 1.2, have been completed.	☒
All completed tables (values and units – i.e. $ or $'000) have been completed correctly and verified to source. Please pay attention to the units specified for each table in each worksheet.	☒
WS 10 - LTFP agrees to the council's provided (adopted) LTFP.	☒
Dollar numbers provided in "WS10 – LTFP" are in dollars ($) not thousands ($'000) or millions ($M)	☒
If the council has an expiring or existing SV, it has incorporated this when filling out WS 2.	☒
Annual and cumulative percentages are rounded to 1 decimal place.	☒
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and *not* consolidated.	☒
If the council proposes an SV with both permanent and temporary components, the council has discussed the relevant data and modelling requirements prior to submission.	☒
Indication whether optional tables in WS 12 has been completed.	☒

Table 13 SV Part B Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
All required text boxes and tables have been completed.	☒
All applicable documents per the List of Attachments (Table 11) have been provided.	☒
The council has declared all SVs (including ASVs) approved since 2011-12 and provided annual reports that show compliance with the instrument reporting conditions, or explaining divergences.	☒
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	☒
The proposed SV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	☒
If applying for a multi-year SV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SV using compounding.	☒
The council has referenced community consultation materials that *at minimum* show the cumulative percentage of the SV and average total dollar increase (cumulative) per rating category.	☒
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	☒
The council has submitted a Minimum Rates Part B Application Form, if required.	☒
For OLG Criterion 5 (section 7), the council has provided concrete evidence and plans for past and future cost-containment and productivity strategies, as far as practicable.	☒

Important information

Submitting online

Applications must be submitted through IPART's LG Portal by 11:59pm on Monday, 3 February 2025. Councils should note a file size limit of 150MB applies to any individual document uploaded in the portal.

Confidential content

IPART will publish all applications (excluding confidential content) on our website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as **CONFIDENTAL**.

Publishing the council's application

Councils should also publish their application on their own website for the community to access.