

20/11/2024

Dear Northern Beaches ratepayer

Re: Funding our future – Proposal for a Special Variation to rates

Council is proud to deliver services and infrastructure that support the Northern Beaches lifestyle our community values. To meet the needs of our community today and into the future, we want to talk to you about options to increase the rates you pay.

Rates income increases each year by the limit (called the 'rate peg') set by the Independent Pricing and Regulatory Tribunal (IPART), and recently this has been less than half the inflation rate. This means rates income is now \$24 million lower each year than it would have been if it had been keeping up with inflation.

Like many councils in NSW, Northern Beaches is facing growing financial pressure because of this widening gap between rates income and the escalating cost to maintain services like roads, footpaths, sportsfields, playgrounds and pools.

Additionally, ageing assets and the heavy cost of natural disasters, the COVID-19 pandemic, and ongoing cost shifting to Council from other tiers of Government is impacting Council's long-term financial sustainability.





Council has saved millions of dollars in back-office staff rationalisation and productivity improvements since amalgamation. But it's not enough to keep up with increases in the cost of delivering important services to our community.

What are the options?

There are 4 clear options, and we are asking the community for feedback.

The first option is the current path we are on, with a rate increase from 1 July 2025 in line with IPART's annual rate peg of 3.8%. This option does not achieve financial sustainability or provide funding to address the community's priorities. It will also mean cuts to services.

Three other options involve Council applying for an increase in rates (called a Special Variation) to generate funding for maintenance, infrastructure improvements, environmental programs, and community services.

	 Option 1 Reduce services	 Option 2 Maintain services	 Option 3 Improve services	 Option 4 Increase services
Impact	Increased maintenance backlog and cuts to services.	Retain services and address maintenance and environmental programs funding gap.	Option 2 + Improve facilities and deliver larger projects.	Option 2 + Option 3 + Accelerate infrastructure delivery and increase services.
Proposed rate increase over 3 yrs	Rate peg only	6% each yr + rate peg	8.3% for 2 yrs 8.4% in yr 3 + rate peg	10% each yr + rate peg
Cumulative rate increase over 3 yrs	10.7% Rate peg only	31.1% Special variation (incl rate peg)	39.6% Special variation (incl rate peg)	46.0% Special variation (incl rate peg)
Av residential rate increase by yr 3 ¹	\$181 yr \$3.47 wk	\$527 yr \$10.10 wk	\$673 yr \$12.89 wk	\$780 yr \$14.95 wk
Av business (general) ² rate increase by yr 3 ³	\$433 yr \$8.30 wk	\$1,263 yr \$24.19 wk	\$1,611 yr \$30.86 wk	\$1,869 yr \$35.80 wk



Learn more and have your say

Enter your address into the Rates Calculator to see what each option will mean for you. **Make your submission by 12 January 2025.**

We know our community want us to do more – from mowing the grass to building new playgrounds, repairing our roads, and fixing our stormwater system to protect our environment. But without additional funding we can't meet the needs of our community now or invest for the future.

Yours sincerely

Scott Phillips
Chief Executive Officer

Need assistance with information in your language or another format? Contact Council on **1300 434 434** or call Translation and Interpreting Service (TIS) on **131 450** for a free service.

¹ 2024/25 average residential rate is \$1,698, which is based on residential rates income divided by residential properties – it is the equivalent of rates based on a land value of \$1.63 million.

² Excludes the Manly CBD, Warriewood Square, Warringah Mall, strata storage unit facilities and special rates.

³ 2024/25 average business rate is \$4,066, which is based on business (general) rates income divided by properties within this category - it is the equivalent of rates based on a land value of \$1.15 million.

Estimates in rates do not include changes in rates which may occur from new land valuations or changes in the rating structure.