let's talk...

BUSINESS RATES

Why is Council proposing rate changes?

North Sydney Council delivers a wide range of services to the community and local businesses. These include maintaining footpaths, roads, streetscapes, public place waste collection, traffic and transport management, town centre activation, community events, environmental initiatives, business support and strategic planning for the future of the area.

Through recent community engagement, Council have heard a strong message: residents value these services and want current service levels maintained, with improvements in some areas.

Over the past three years, Council has been on a determined path of improvement – strengthening financial management, governance and efficiency. These efforts are projected to deliver $66 million in savings and productivity gains over the next decade.

Despite this progress, our current financial position can no longer sustain the level of service and infrastructure our community expects and deserves.

That's why Council is seeking your feedback on three proposed rate options to help repair and renew the infrastructure we all rely on everyday. Have your say - consultation closes on Wednesday 3 December 2025: yoursay/northsydney.nsw.gov.au/lets-talk-rates

What are the financial pressures Council is experiencing?

A range of structural and external factors have contributed to Council's financial position.

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

These financial pressures are compounded by two critical and intersecting sustainability challenges: ageing infrastructure and population growth. Many of our assets are reaching end of life, and current asset management systems are outdated.

As of 30 June 2025, Council estimates $157 million is needed to bring assets to a satisfactory standard, with the backlog forecast to rise considerably over the next decade without additional funding.

CALCULATING YOUR RATES

Use the rates calculator to see how rate options could impact you

What are the proposed rate changes?

Council is seeking community feedback on three rate options. Two involve a permanent increase in rates above the NSW Government rate peg (known as special rate variations) to fund improved infrastructure outcomes.

Average business rate

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

Minimum business rate

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

How do North Sydney's business rates compare with other Councils?

Comparing average business rates across different Local Government Areas (LGAs) can be challenging due to the varying size and character of landholdings.

Business rates are based on unimproved land values. Therefore, there can be considerable variance in business rates depending on whether there are multiple businesses on one block of land, or only one or two businesses on a block of land.

Those LGA's with high density property holdings owned individually will by nature have a higher average rate than those with smaller individual landholdings or strata developments.

Average business rates across councils

Council	2025–2026	2026–2027	2027–2028	2028–2026
Burwood	$ 9,218	$ 9,596	$ 9,884	$10,181
Parramatta	$15,142	$15,869	$16,345	$16,835
Strathfield	$10,116	$10,874	$11,200	$11,536
Sydney	$15,030	$15,872	$16,348	$16,838
Average	***$12,376***	***$13,053***	***$13,444***	***$13,847***

Average business rates proposed options for North Sydney

Option	2025–2026	2026–2027	2027–2028	2028–2026
1 Rate Peg Only	$7,193	$7,481	$7,705	$7,936
2 SRV	$7,193	$8,583	$9,476	$10,059
3 SRV	$7,193	$8,810	$10,190	$11,137

Source: https://economy.id.com.au Note: Comparative rates are calculated based on the averages included with the IPART Final Report - North Sydney 2025 for the 2024–2025 year which is calculated using OLG's time series data as at 2023–2024 (latest available). These rates have then been escalated by 2025–2026 and 2026–2027 rate pegs or special variation approvals for each council. The 2028–2029 year has been escalated by an assumed rate peg of 3%.

What will each option mean for businesses in North Sydney?

Option 1: Rate Peg only

Under this option, business rates would increase by:	Impact:
▪ 4% in 2026–2027 ▪ 3% in 2027–2028 ▪ 3% in 2028–2029	▪ Services would need to be reduced, including maintenance of town centres. ▪ Infrastructure would continue to deteriorate. ▪ Assets most at risk, such as stormwater systems and community buildings, could be subject to failure. ▪ A lack of investment in new infrastructure would place additional pressure on existing assets as the population grows.

Option 2: Special Rate Variation

Under this option, rating revenue (including rate peg) would increase by:	What This Would Deliver:
▪ 20% in 2026–2027 ▪ 10% in 2027–2028 ▪ 6% in 2028–2029	▪ 80% invested in infrastructure renewal – The majority of the additional income would go towards repairing ageing assets and addressing the critical infrastructure backlog. ▪ Modern systems for efficiency and transparency – New corporate systems would be rolled out over four years to reduce risk, improve productivity, and enhance reporting and decision-making. ▪ Better care for parks and open spaces – A small increase in operational funding would maintain our parks and gardens, including new open space at Berry's Bay. ▪ Faster development application processing – Continued improvements in DA assessment times would help businesses and residents receive decisions sooner. ▪ Sustained service delivery – Council could maintain existing service levels across all areas. ▪ Asset condition improvements – The proportion of infrastructure in poor or very poor condition would reduce from 14% to 10% over the next ten years. ▪ Critical backlogs prioritised – Funding would focus on essential repairs and renewals to reduce future risks. ▪ Smarter management systems – Corporate and infrastructure systems would support better customer service, planning and asset management.

Option 3: Special Rate Variation

Under this option, rating revenue (including rate peg) would increase by:	With this additional funding, Council could deliver everything in Option 2, plus:
▪ 23% in 2026–2027 ▪ 15% in 2027–2028 ▪ 9% in 2028–2029	**Stronger Focus on Fixing What's Worn Out** ▪ Greater investment in renewing assets in poor or very poor condition, reducing the infrastructure backlog from 14% to 7% over the next decade. ▪ Critical backlogs prioritised to ensure essential assets remain safe and functional. **Targeted Upgrades to Community Infrastructure** ▪ Enhancements to existing open spaces – improved drainage, bushland walking paths, and multi-purpose facilities. ▪ Accessibility upgrades to make community spaces easier for everyone to use. ▪ Support for traffic management and active transport initiatives. ▪ Stormwater harvesting and reuse projects to boost sustainability and resilience. **Planning for Growth and Community Needs** ▪ A holistic review of parking across the local area. ▪ Master plans for key sites, particularly those near Metro stations or along the foreshore. ▪ Local programs promoting accessibility, inclusion, and social connection. ▪ Strategic planning initiatives to address community priorities such as affordable housing.

Making Rates Fairer for Everyone

A ‘minimum rate’ is the lowest amount charged to any business, and it typically applies where multiple businesses are on the one block of land, such as an office tower or business park.

Council is proposing to increase the minimum business rate over the next three years, to better reflect the cost of delivering services to all businesses.

In North Sydney 33% of business assessments pay the minimum rate, generating only 4% of total business rating revenue; while 67% of business assessments pay ad-valorem rates, generating 96% of business rating revenue.

North Sydney’s minimum business rate is $743 per annum and the third lowest in Metropolitan Sydney. In comparison, neighbouring councils charge: Lane Cove ($1,096), Willoughby ($1,496), and Northern Beaches ($1,605).

Increasing the minimum is important to ensure everyone contributes fairly to the cost of local services and infrastructure. It also ensures that as more high-density developments are built, there is enough funding to support the extra demand on services and facilities

Help with financial hardship

Council recognises cost-of-living pressures. There are a wide range of financial hardship support options available for the community. This includes pensioner rebates, flexible payment plans, deferral and other options.
Find out more: **northsydney.nsw.gov.au/FinancialHardship**

Have your say

WE WANT TO HEAR FROM YOU

Consultation closes on Wednesday 3 December 2025:
yoursay.northsydney.nsw.gov.au/lets-talk-rates