WILLOUGHBY CITY COUNCIL
City of Diversity

Securing Willoughby's future: have your say



Willoughby City Council is inviting community members to have their say about four rate rise options.

This brochure explains why Council is exploring these options, along with more detail about each option and how you can have your say.

Have your say by 5 November 2023 at www.haveyoursaywilloughby.com.au

Have your say on four rate rise options:

Reduce Services



3.5% rate increase

Maintain Services



12% rate increase

Increase Services



15% rate increase

Increase Services and Infrastructure



20% rate increase

www.haveyoursaywilloughby.com.au

About your rates and Council's financial options

Around 43% of Council's revenue comes from rates paid by landowners. These rates pay for more than 70 services, including upgrading roads and stormwater infrastructure and caring for parks and sporting fields.

Some 95% of community members are satisfied with the services that the Council provides.

Over the past two years, because of low NSW Government rate peg limits and the cessation of Council's Infrastructure Levy in 2022, Willoughby ratepayers have seen their average rates fall by 3.2%. At the same time, inflation has risen by 12.1%. Council has the second lowest average residential rate in Northern Sydney.

Council has prepared four rate rise options for community feedback, each with an accompanying rate increase to apply from 1 July 2024.

These options are known as:

- Reduce Services
- Maintain Services
- Increase Services
- Increase Services and Infrastructure

Inflation has outstripped Council's rates by 15.3% since 2021

↑12.1%
Consumer price index increase 2021-23

↓3.2%
Willoughby City Council average rate decrease 2021-23

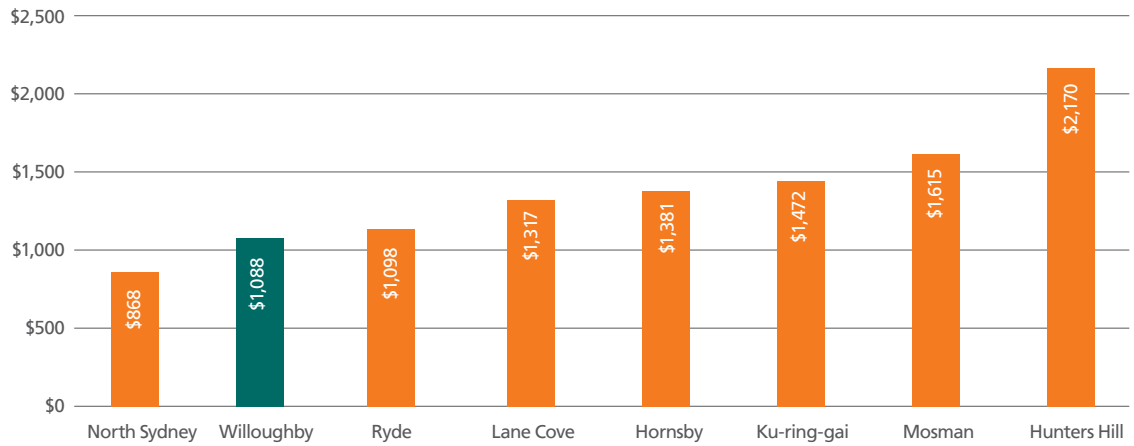
The Reduce Services option would involve Council undertaking widespread service cuts, while at the same time increasing rates in line with the NSW Government rate revenue peg (assumed to be 3.5%).

The other three options would involve Council applying to the NSW Government for a special rate increase.

Each of the options also include cost cutting and revenue targets. These targets will ensure Council continues its existing work to find savings, and new non-rate revenue sources, to reduce the impact of any rate increase.

Council has considered alternatives to these rate rises, including raising debt, selling assets or relying on government grants, but does not consider these to be feasible or timely.

Willoughby has the second lowest average residential rates in Northern Sydney



All figures are for the 2023/24 financial year, with the exception of Ku-ring-gai for which 2021/22 figures are the latest available. North Sydney figure excludes infrastructure and environmental levy.

Why Council needs to secure Willoughby's future

Willoughby City Council entered the COVID-19 era in a healthy financial position, recording surpluses totalling $48.3m in the three years to 2018/19.

Since that time, and as shown in the chart below, Council has been impacted by a range of external factors, including:

- $20.6m in COVID-19 pandemic revenue losses
- Wild weather requiring infrastructure repairs
- High inflation forcing up costs by 12.1% in the two years to June 2023
- The NSW Government capping Council's rate revenue at just a third of these inflation levels and shifting costs onto local government

In addition, Council's temporary Infrastructure Levy ceased in June 2022. This action resulted in a $2.96 million reduction in rate revenue and a $38 fall in average residential rates in 2022/23.

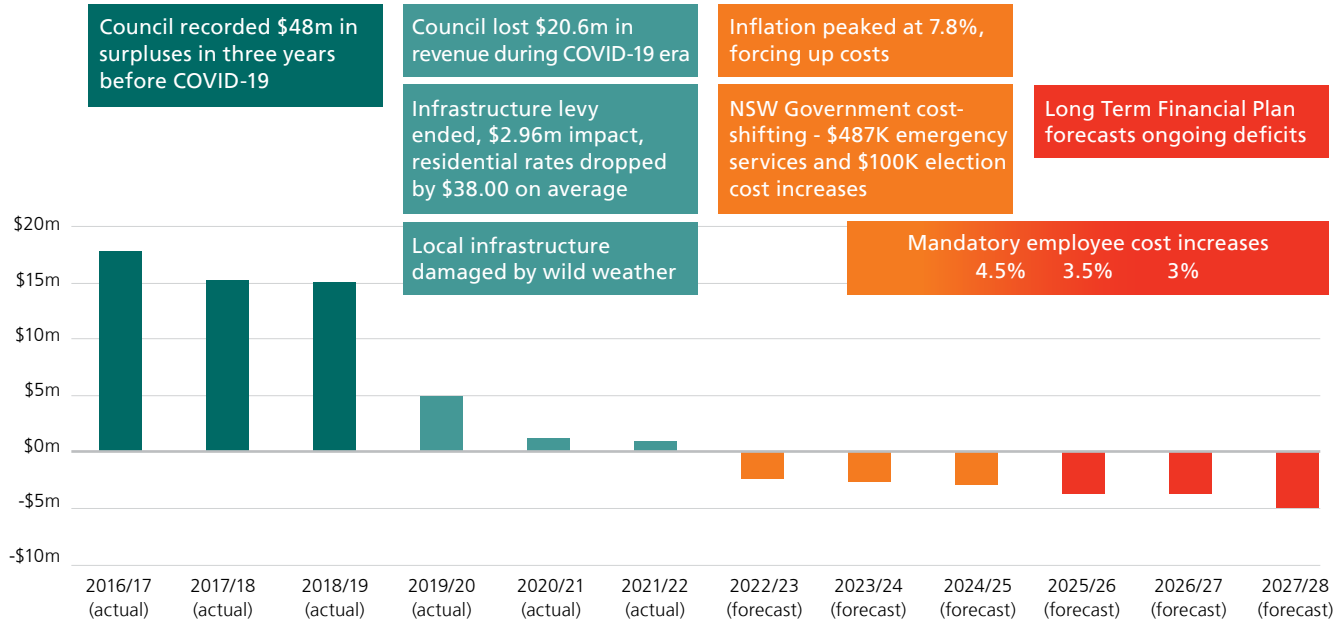
These and other issues have resulted in Council moving from surpluses (in other words profits) to deficits (in other words losses) – a financial situation that is not sustainable.

New forecasts show that, without substantial change, Council could get into financial difficulty by mid 2025.

In addition, with Willoughby's population estimated to grow by 12% between 2016-2036, and increased community expectations, Council is under more pressure to enhance services, particularly when it comes to caring for public areas and delivering new community infrastructure.

Council is now seeking community feedback on rate rise options to deal with the above challenges.

Issues driving the Council from profits to losses



This chart shows Council's annual operating results (actual from 2016/17 to 2021/22 and forecast from 2022/23 to 2027/28). The forecast losses from 2024/25 assume that Council has not implemented any of the rate rise options outlined in this brochure.

Have your say on these options

Willoughby City Council is now seeking community feedback on four rate rise options.

	Reduce Services	Maintain Services	Increase Services	Increase Services and Infrastructure
	Option 1	**Option 2**	**Option 3**	**Option 4**
	Council will undertake service cuts and find new revenue sources to maintain a balanced budget, without increasing rates above the NSW Government rate revenue peg. Council will have limited ability to fund new services or community projects and will be vulnerable to the impact of future financial, climate and growth shocks.	Council will be able to recover from the 12.1% inflation increase from the last two years and continue to provide highly valued services. In addition, Council will be able to accumulate modest funds for community projects and asset renewal, and have a buffer for future financial shocks, extreme weather and growth.	In addition to delivering all the outcomes under Option 2, Council will be able to set aside an additional $2m a year for improved public area maintenance. This funding will allow Council to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and boost urban tree canopy, making our much-loved outdoor areas more attractive to use and enjoy.	In addition to delivering all the outcomes in Option 3, Council will also be able to set aside an additional $2.5m a year for new community infrastructure, particularly infrastructure which supports a healthy and connected community and caters for future growth. This could include funding, for example, to upgrade sports pavilions, cycling and walking paths and parks and playground facilities, complete the Dougherty Centre upgrade or close the funding gap needed to build the Gore Hill Indoor Sports Centre.
KEY FIGURES				
Proposed rate rise percentage	3.5%	12%	15%	20%
Cost cutting target[1]	$2.8m	$1m	$1m	$1m
New non-rate revenue target	$0.5m	$1m	$1m	$1m
Average annual surpluses which, subject to financial shocks, could be re-invested in new community services and projects	$0	+$5.22m	+$4.77m	+$5.05m
KEY OUTCOMES				
Removes deficits in 9 years between 2024/25 and 2032/33	✓ (5 out of 9 years)	✓ (all 9 years)	✓ (all 9 years)	✓ (all 9 years)
Allows Council to withstand future financial shocks and collect reserves for infrastructure	✗	✓	✓	✓
Maintains existing highly valued services	✗	✓	✓	✓
Allows asset upgrades and renewals to the level required	✗	✓	✓	✓
Provides a stable environment for staff retention and morale	✗	✓	✓	✓
Additional $2m a year for public area maintenance and urban tree canopy	✗	✗	✓	✓
Additional $2.5m a year for new community infrastructure	✗	✗	✗	✓
POTENTIAL INCREASE IN AVERAGE RATES[2]				
Residential ratepayers	$38 / year | $0.73 / week	$130 / year | $2.50 / week	$163 / year | $3.13 / week	$218 / year | $4.19 / week
Business (general) ratepayers	$228 / year | $4.38 / week	$783 / year | $15.05 / week	$979 / year | $18.82 / week	$1,305 / year | $25.09 / week
Business (Chatswood Town Centre) ratepayers	$273 / year | $5.25 / week	$936 / year | $18 / week	$1,170 / year | $22.50 / week	$1,561 / year | $30.01 / week

1 Revenue and cost-cutting targets for the Reduce Services option would be met across 2024/25 and 2025/26. Targets for Maintain Services, Increase Services and Increase Services and Infrastructure options would be met in 2024/25

2 Shows proposed rate change in 2024/25, which would be built into the rate base and therefore stay in place permanently and increase in subsequent years in line with the NSW Government rate peg only

FIND OUT MORE

More detailed average rate change tables, including showing the potential Special Rate Variation percentage and changes in in future years, are available as part of the analysis of each rate rise option at www.haveyoursaywilloughby.com.au/swf

How to have your say

Council is undertaking a comprehensive community awareness and engagement program in relation to the rate rise options.

This will include a webinar on Tuesday, 10 October and in-person community engagement sessions for residents and businesses, with two translated sessions for Mandarin and Cantonese speakers, being held between 17 October and 2 November.

Please register for the above events and find out more about the proposed options at
www.haveyoursaywilloughby.com.au
or by scanning the QR code on this page.

At the above website, you will also be able to:

- Learn more about the options
- Fill in our online survey, make a comment or upload a submission
- If you have your latest rates notice handy, calculate your exact potential rate increase using our online calculator

To provide feedback, participants will need to be able to either register with, or log into, our online Have Your Say portal. This is easiest to do on a desktop computer.

Alternatively, please send a submission to:

Willoughby City Council,
PO Box 57,
Chatswood NSW 2057, Australia
(address the letter to Special Rate Variation Project Manager).

In addition, community members may receive a call from a research company conducting a randomly-selected survey.

Please have your say on or before Sunday 5 November 2023.

For queries (not submissions) please call (02) 9777 1000 or email - email@willoughby.nsw.gov.au

INFORMATION IN YOUR LANGUAGE

Traditional Chinese

Willoughby 市政府正在就指導其未來財務運營的四個選項徵求社區反饋意見，其中三個選項涉及到特別增加市政稅。我們邀請您於10月 17日參加社區參與會議。我們會在會議上提供翻譯服務。查詢更多資訊，包括繁体中文網頁，請瀏覽以下網站。
www.haveyoursaywilloughby.com.au

Simplified Chinese

Willoughby 市议会正在就指导其未来财务运营的四个选项征求社区反馈意见，其中三个选项涉及到特别增加市政税。我们诚邀您于10月26日参加社区参与会议，我们会在会议上提供翻译服务。查询更多信息，包括简体中文网页，请访问以下网站。
www.haveyoursaywilloughby.com.au

Japanese

ウィロビー・シティカウンシルでは、コミュニティの皆様から、カウンシルの将来の財政を導く4つの選択肢についてご意見を求めています。その3つには、カウンシル・タックスの特別増額が含まれています。詳しい情報は、日本語のウェブページを含めて、以下のウェブサイトでご覧いただけます。
www.haveyoursaywilloughby.com.au

Korean

윌로비 시티 카운슬은 향후 재정을 계획하는 4가지 방안에 대한 지역사회의 의견을 수렴하고 있습니다. 이 중 3가지는 카운슬 지방세의 특별 인상과 관련된 것입니다. 한국어로 된 웹페이지를 포함한 자세한 정보는 아래 웹사이트에서 확인하실 수 있습니다.
www.haveyoursaywilloughby.com.au