Deteriorating Infrastructure

This is a 'business as usual' option based on Council's current financial operating model for the next ten years.

2026/27 PROPOSED RATE REVENUE INCREASE	
Assumed rate peg[1]	3%
Special Rate Variation	0%
Total (assumed)	**3%**
ANNUAL ADDITIONAL FUNDING FOR RENEWAL AND UPGRADES	
Stormwater and drainage	$0
Buildings (E.g. halls, amenities and pavilions)	$0
Recreational facilities (E.g. sports fields, parks and open space)	$0
Footpaths – fix existing	$0
Footpaths – build new	$0
Other infrastructure upgrades (E.g. traffic and transport works)	$0
ADDITIONAL ANNUAL MAJOR PROJECT FUNDING	
St Ives Indoor Sports Centre construction loan	$0
Marian Street Theatre construction loan and operating subsidy	$0
OVERALL INFRASTRUCTURE OUTCOMES	
Infrastructure backlog in 2023/24[2]	$227m
Infrastructure backlog in 2034/35	$325m
POTENTIAL INCREASE IN AVERAGE RATES	
Average 2026/27 residential rate increase	$52 ($1 per week)
Average 2026/27 business rate increase	$173 ($3.33 per week)

1. Assumed NSW Government rate peg in 2026/27. The rate peg is expected to be announced by the Independent Pricing and Regulatory Tribunal (IPART) in September-October 2025.

2. Cost to bring local infrastructure to new condition.

What this will mean for your rates

Rates would increase annually in line with the NSW Government rate peg only.

Council is assuming the Government will set a rate peg of 3% in 2026/27, resulting in residential ratepayers paying an additional $52 (or $1 per week) in 2026/27.

Council's financial outlook

From 2026/27 to 2034/35, Council is expected to experience annual operating deficits (excluding capital grants) averaging $2.3 million per year.

This is because costs are expected to increase faster than revenue, and Council's budget will need to cover an annual $1.46 million loan repayment for the construction of the St Ives Indoor Sports Centre.

Impact on local infrastructure

Ongoing deficits mean Council would not be able to invest additional funds into asset maintenance and renewal.

This would lead to a significant increase in Council's infrastructure backlog (the cost to bring infrastructure to a new condition). This is estimated to increase from $227 million in 2023/24 to $325 million in 2034/35 (a 43% increase).

As a result, the quality of infrastructure will continue to decline, and Council will be required to spend increasing amounts on temporary repairs.

Infrastructure outcomes in this option

Buildings

Around half of Ku-ring-gai's buildings currently require refurbishment or rebuilding. Council would have limited ability to bring public buildings to community standards, including accessibility and energy efficiency.

Recreational facilities

Increased issues with deteriorating playing surfaces, sub-standard lighting, walkways and fencing. Reduced ability to upgrade parks and playgrounds.

Traffic and transport

Council would be less able to fund approved traffic and pedestrian safety improvements.

Stormwater

Much of Council's stormwater network consists of very old pipes that have never been renewed. Increased risk of localised flooding, road closures and contamination of local waterways. More potholes, subsidence and road repairs due a decline in asset performance.

Existing footpaths

About 20% of existing footpaths expected to fall into unsatisfactory condition in next decade. This would lead to a decline in accessibility and increased maintenance demands.

New footpaths

One in four streets across Ku-ring-gai (around 250km) currently have no footpath at all. At the current pace, it could take until the 2080s to complete footpaths on at least one side of every street, limiting safe and accessible walking routes for many residents.