Public Exhibition - Integrated Planning and Reporting Program and Budget 2025/26

File No: X115821

Summary

The Integrated Planning and Reporting framework for NSW local government requires the City to demonstrate that its plans and objectives are appropriately resourced and can be achieved as it delivers functions and services, maintains its assets, and remains financially sustainable over the long term.

Following the local government elections last year, Council is required to review its suite of Integrated Planning and Reporting documents before 30 June 2025 to ensure that the revised plans reflect the intentions of the current Council.

Council adopted Sustainable Sydney 2030-2050 Continuing the Vision on 27 June 2022 which continues our vision for a more sustainable future. The City incorporated this vision into the Integrated Planning and Reporting framework and developed a suite of documents to support the key directions, targets and major objectives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050. A revised draft community strategic plan has been on exhibition from 8 April 2025 with the feedback to be considered by Council in June 2025.

The draft Delivery Program 2025-2029 identifies the specific activities, projects and resources required to progress the goals and targets within the Community Strategic Plan. The Delivery Program proposes the key 4-year outcomes that align to the objectives of the ten strategic directions of the Community Strategic Plan and integrates these within the City’s long term strategic framework.

The draft Operational Plan 2025/26 provides an annual instalment of the City's Delivery Program 2025-2029 and identifies the specific plans and activities to be undertaken during the forthcoming year to achieve the deliverable outcomes. It also contains the draft Operating Budget, Capital Budget and Revenue Policy including the proposed rates, waste and stormwater charges along with the other proposed user fees and charges for the year.

The draft Resourcing Strategy 2025 supports the activities outlined in the Delivery Program, comprising a Long Term Financial Plan, a People (Workforce) Strategy, an Asset Management Plan and an Information and Technology Strategy. A revised Community Engagement Strategy is also included within the Resourcing Strategy, articulating the City’s objectives and approach to community engagement. The Resourcing Strategy demonstrates the City’s commitment and capacity to deliver the strategic outcomes in a planned manner to ensure the long-term financial sustainability of the Council.

It is worth noting that the City, like all councils in NSW, continues to face underlying financial pressures to its financial sustainability. Local government rates are councils' largest source of income, and under the NSW rate peg system, annual increases are approved by the Minister for Local Government on the recommendation of the Independent Pricing and Regulatory Tribunal (IPART). A general rate increase of 4.1% has been approved for 2025/26, while this is in line with recent CPI increases it does not reflect the City's cost experiences of rising labour, materials, contracts, service and construction costs.

The Long Term Financial Plan identifies the City's key income and expenditure items, the underlying assumptions that underpin our financial modelling, and the anticipated financial risks to the City in relation to these items.

In February 2025, Council requested the Chief Executive Officer to investigate financially responsible options to accelerate the delivery of the 'Town Hall Square' project for consideration as part of the 2025/26 budget including project scope and costings, such that works commence by 2028. The draft Long Term Financial Plan, presented as part of this suite of documents, has incorporated the significant capital cost, operating revenue and expenditure and resultant funding implications of this project over the next 10 years. A Council report outlining the details of this significant project is the subject of a separate report seeking Council endorsement in May 2025.

In March 2025, in response to the Lord Mayor Minute– Permanently Waiving Outdoor Dining Fees, Council resolved that the City investigate permanently waiving application and licence fees for outdoor dining for Council's consideration as part of the 2025/26 budget, bring a report to Council on the outcome of the City's investigations into locations where the footpath can be permanently extended into road space for outdoor dining, and, writing to all businesses with an outdoor dining approval to advise them of the permanent fee waiver and the application process if they wish to continue their outdoor dining after 30 June 2025.

Draft Outdoor Dining Guidelines have been developed to allow for the current arrangements for on-road dining to be extended until 30 June 2027 to provide time for the City to investigate those locations where the footpath can be permanently extended into road space for outdoor dining, consider the criteria for the extension of the footpath and appropriate monetary contributions from businesses for consideration by Council. The draft Long Term Financial Plan assumes the Outdoor Dining Fees are waived over the 10 year life of the plan and includes a capital budget to enable the commencement of the delivery of permanent on road dining infrastructure.

This report recommends that this suite of Integrated Planning and Reporting documents is endorsed for exhibition and comment by the public, in accordance with the requirements of the Local Government Act 1993 and recommends Council approve the public exhibition of proposed changes to the Outdoor Dining Guidelines.

Recommendation

It is resolved that:

(A) Council endorse the suite of Integrated Planning and Reporting documents for public exhibition for a period of 28 days, including:

(i) the draft Delivery Program 2025-2029 as shown at Attachment A to the subject report;

(ii) the draft Operational Plan 2025/26 as shown at Attachment B to the subject report; and

(iii) the draft Resourcing Strategy 2025 as shown at Attachment C to the subject report;

(B) Council endorse the draft Operating and Capital Budget, and future years' forward estimates, as reflected in the Operational Plan 2025/2026 and draft Resourcing Strategy 2025 including:

(i) Operating income of $748.5M, operating expenditure before depreciation of $631.4M for an Operating Result of $117.1M, and a Net Surplus of $108.9M after allowing for interest, depreciation and capital contributions;

(ii) Capital Works expenditure of $268.7M and a capital works contingency of $8.0M;

(iii) Plant and Assets net expenditure of $23.2M;

(iv) Capital Works (Technology and Digital Services) of $24.0M; and

(v) Net Property Divestments of $122.3M;

(C) Council endorse the draft Rates, Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges discussed within the subject report and included within the draft Operational Plan 2025/26;

(D) Council approve the draft Outdoor Dining Guidelines shown at Attachment D to the subject report for public exhibition; and

(E) authority be delegated to the Chief Executive Officer to approve any minor editorial and document design corrections prior to exhibition.

Attachments

Attachment A. Delivery Program 2025-2029

Attachment B. Operational Plan 2025/26

Attachment C. Resourcing Strategy 2025

Attachment D. Draft Outdoor Dining Guidelines June 2025

Background

1. In October 2009, the NSW Government enacted the Local Government (Planning and Reporting) Amendment Act 2009, which set a new framework to integrate the various statutory planning and reporting processes as required by the Local Government Act 1993 and the Environmental Planning and Assessment Act 1979.

2. The Integrated Planning and Reporting framework requires a number of strategic planning and resourcing documents, with alignment to the term of the elected council. The requirements include a long-term community strategic plan (at least 10 years), a delivery program for the term of the council (generally 4 years), and a detailed operational plan that will set out Council's projects and activities for the coming 12 months

3. These documents are all underpinned by a resourcing strategy including a long-term financial plan, an asset management plan, workforce strategy and an information and communication technology strategy, to demonstrate that councils have adequate resources to achieve the planned outcomes while ensuring the council's long-term sustainability for its community and stakeholders.

4. Council adopted Sustainable Sydney 2030-2050 Continuing the Vision on 27 June 2022 which continues our vision for a more sustainable future, along with our Community Strategic Plan Delivering Sustainable Sydney 2030-2050 which guides the development and planning for the City of Sydney local government area. It builds on the work undertaken thus far to realise Sustainable Sydney 2030, responds to relevant global trends and policy frameworks, encapsulates our communities' values and aspirations and is underpinned by research and analysis of data. As the highest-level plan within the Integrated Planning and Reporting Framework, it provides the mechanism for the implementation of the vision for our city.

5. A separate report has been endorsed by Council on 7 April 2025 to exhibit the refreshed draft Community Strategic Plan for 28 days ending on 6 May 2025.

6. The draft Delivery Program 2025-2029 integrates the City's corporate planning and budgets with the draft Community Strategic Plan and guides the implementation of its major strategic directions. The Delivery Program incorporates all of the elements required under the legislation and reflects the Council's planned outcomes and projects.

7. The draft Operational Plan 2025/26 identifies the actions and activities planned for the next financial year, together with a range of indicators that will measure progress towards delivery of the City's outcomes. The draft Operational Plan also incorporates the City's proposed revenue policy for rates and annual charges, the fees and charges schedule, and other relevant budgetary information.

8. The draft Long Term Financial Plan describes the City's major categories of income and expenditure, and the likely risks and opportunities that may influence the City's financial capacity to continue to deliver services. This plan updates the previous year's plan and reiterates the City's financial position, current financial strategies to maintain sustainable operating surpluses to enable the delivery of major capital works programs that provide long lasting community benefits, and the measures it will use to monitor the Council's financial performance and sustainability.

9. The Long Term Financial Plan includes a "base case" version reflecting the City's best estimate of revenue and expenditure and is based on the rates peg of 4.1% for

2025/26 and minimum future rates peg of 3.5% for the future years, in line with the long term average increase.

10. Two other scenarios have been modelled to test the impact on the City's financial position. These are,

    (a) Sustained high inflation over the early years of the plan, then decreasing and returning to the Reserve Bank of Australia’s inflation target range, driving an underlying increase in the expenditure base.

    (b) Conservative estimates of income from developer contributions resulting from uncertainty of future development cycles and the ownership of income flows.

11. The City’s Asset Management Plan provides revised asset strategies, policies and short-term objectives relevant to the assets under management by the City, and reflects the progress completed since the initial Asset Management Policy was adopted in 2008. As shown in the 2023/24 Financial Statements, the City is responsible for the care and control of assets (including land) valued at $15.4 billion.

12. A significant body of work by the units responsible for the City’s major asset classes continues to validate the integrity of the data collected for this infrastructure. The vast majority of assets are in a satisfactory (or better) condition, and the revised Asset Management Plan and Long Term Financial Plan incorporates estimates for the required renewal and ongoing maintenance of the City’s major assets, based upon the volume and condition assessment of each asset group.

13. The City's Workforce Strategy referred to as the People Strategy, has been updated to reflect the key workforce metrics and outlines the strategic directions for our workforce development.

14. The Information and Technology Strategy outlines the major information and technology initiatives and goals and was refreshed this year to reflect current trend and opportunities. Note that the IPR guidelines do not include this strategy as a required component.

15. The revised Community Engagement Strategy incorporates the Community Participation Plan required by the Environmental Planning and Assessment Act. This means that the City's guiding documents on consultation and engagement are available to the community in one place. The relevant sections constituting the Community Participation Plan, including notification requirements, are clearly identified in the Strategy.

16. Minor amendments have been made to the Community Engagement Strategy and minor edits were also made to the Community Participation Plan.

17. In March 2025, in response to the Lord Mayor Minute – Permanently Waiving Outdoor Dining Fees, Council resolved the City: investigate permanently waiving application and licence fees for outdoor dining for Council's consideration as part of the 2025/26 budget; bring a report to Council on the outcome of the City's investigations into locations where the footpath can be permanently extended into road space for outdoor dining; and, writing to all businesses with an outdoor dining approval to advise them of the permanent fee waiver and the application process if they wish to continue their outdoor dining after 30 June 2025.

18. The Al Fresco Dining program commenced in November 2020 as a joint initiative with NSW Government to revitalise the city during and following the Covid pandemic. At the time, indoor space restrictions severely limited the trading capacity of many businesses. The program supported businesses by expanding the dining area onto adjacent roadway.

19. To assist in establishing the program, the City waived outdoor dining footpath rental fees to provide further support for local businesses and these waivers are due to expire on 30 June 2025. The program has resulted in more than 800 businesses now offering outdoor dining, on the footpath and/or on-road.

20. This report recommends Council approve for public exhibition proposed changes to the Outdoor Dining Guidelines. The draft Guidelines allow for the current arrangements for on-road dining to be extended until 30 June 2027 to provide time for the City to investigate those locations where the footpath can be permanently extended into road space for outdoor dining, consider the criteria for the extension of the footpath and appropriate monetary contributions from businesses for consideration of Council.

21. In addition, some minor amendments to the draft Guidelines for on-road dining have been made to provide greater clarity on those areas that are unsuitable for outdoor dining and to remove the requirement for renewal applications to be re-notified where there are no changes to the hours of operations or size of dining area. Changes are shown in the attached draft guidelines, with additions in underline and deletions in strikethrough

22. If approved, the public exhibition of the draft Outdoor Dining Guidelines, shown at Attachment D will be placed on public exhibition for at least 28 days, after which submissions will be considered and the draft guidelines reported back to Council for adoption.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

23. The attached strategic documents meet the needs of our diverse community and are based on the significant engagement program conducted over recent years.

Organisational Impact

24. The Operational Plan and Resourcing Strategy actions will be implemented during the 2025/26 financial year. The organisation's resources will be aligned to the priorities identified for the 10 plus years, four-year and one-year periods of those plans.

25. The proposed budget for 2025/26 provides for all approved full-time equivalent (FTE) positions, along with the significant additional employment that the City supports through the provision of contracts to underpin a range of externally provided projects and services.

26. These positions are required to ensure the ongoing operation of the City, and to advance the outcomes determined within the community strategic plan. City staff continue to revise functional operations to determine where opportunities arise to improve effectiveness and efficiency of service delivery to ensure the organisation as a whole remains financially sustainable.

Social / Cultural / Community

27. The Community Strategic Plan represents the communities' aspirations for the future of the city, aims to achieve an equitable and inclusive city, where people can prosper and reach their full potential. It also aims to strengthen resilience in our community by making stronger the networks and connections that bind people and organisations together.

28. The Delivery Program, Operational Plan and Resourcing Strategy support the achievement of the desired social, cultural, economic and environmental outcomes contained within the Community Strategic Plan.

Financial Implications

29. The proposed 2025/26 budget projects an operating result, prior to interest income, depreciation, capital project related costs and capital contributions, of $117.1M.

30. Operating Income is budgeted at $748.5M with key components described in this report, and full details provided in the Operational Plan and the Long Term Financial Plan.

31. The real growth of the City's own sources of income, including general rates, are critical to enable our continued provision of quality services, facilities and infrastructure, and underpin our long term financial sustainability.

32. The Independent Pricing and Regulatory Tribunal (IPART) recommended to the NSW Minister for Local Government that NSW Council's general income may increase by a maximum 4.1% rate in 2025/26.

33. During 2023, IPART completed a review on the rate peg methodology and recommended a new approach comprising multiple components that better reflect the costs experienced by councils.

34. For the 2025/26 year, the following components have been endorsed for the City:

    (a) Base cost change of 3.6%

    (b) Emergency services levy factor of 0.0%

    (c) Election cost adjustment of 0.01%

    (d) Population growth factor is 0.4%

    resulting in a total allowed rate peg increase of 4.1%.

35. The Rates and Annual Charges for 2025/26 are budgeted to be $442.1M, of which ordinary rates are $373.1M. Rates and Annual Charges include the following key elements:

    (a) rates will be based upon the 1 July 2022 unimproved land valuations as supplied by the Valuer General of NSW;

(b) rates will comprise a cent in the dollar (ad valorem) rate, based on the unimproved valuations of the residential and business properties, subject to the application of a minimum rate contribution;

(i) Residential - Ordinary Rate - the City proposes to continue a single residential category of rateable land;

(ii) Business - Ordinary Rate - the City proposes to adopt a business ordinary rate; and

(iii) Business – CBD (Central Business District) Rate - a business subcategory rate for rateable land in the Central Business District as a centre of activity, as shown in the map contained within the draft Operational Plan 2025/26

(c) the proposed rates for the 2025/26 rating year are:

Category/Subcategory	**Minimum Rate ($)**	**Ad valorem** **(rate in the dollar)**
Residential - Ordinary Rate	$ 695.90	0.00103709
Business - Ordinary Rate	$ 890.50	0.00316528
Business subcategory - CBD Rate	$ 890.50	0.00816989

36. The City continues to review its rating models each year to improve the fair and equitable distribution of the rates burden for all of our ratepayers. In a high density local government area, that has experienced significant population increase and the NSW Government forecasts ongoing increases, the City is investigating the best way to equitably align its rating structure to service this growth.

37. The Local Government Act 1993 requires councils to fully recover the cost of domestic waste management services. This budget proposes a pricing scheme formulated on a base domestic waste charge for each bin size, with a further flat surcharge applied for each additional weekly collection. This pricing methodology makes provision for properties requiring more waste collection to contribute a higher charge to reflect the level of service received, which satisfies the intent of the legislation as well as Council's desire to improve residential waste management.

38. Domestic Waste Management Charges reflect the availability of the service, and the volume and collection frequency for general household waste. These charges are proposed to increase on average by 3.9% in 2025/26. This represents the first increase in 3 years and reflects increased waste operating costs. The City is maintaining its commitment to increased waste education and to provide funding for investigation into a long-term solution for the treatment of nonrecyclable waste, to minimise the use of landfill.

39. Annual charges include a stormwater charge as allowed by the Office of Local Government. The charges remain at $25 per residential property, $12.50 per residential strata unit, and a pro rata rate of $25 for every 350m2 or part thereof for business properties. The funds raised from this charge are quarantined to improve the quality and quantity management of the City's stormwater network, over and above the existing works currently undertaken. Works envisioned include significant remediation where required, and the investigation and design of opportunities to enhance stormwater catchment for harvesting and re-use.

40. The City will continue its existing pensioner policy which provides all eligible pensioners a 100% rebate on their rates, domestic waste and stormwater charges.

41. A full schedule of the user fees and charges proposed for the year is included within the draft Operational Plan 2025/26. The proposed fees have been set in accordance with Council's pricing policy, which requires consideration of a number of factors including community service obligations, the cost of service provision, whether the goods or services are provided on a commercial basis, and the capacity of the user to pay.

42. In accordance with the City's long established budget parameters, other fees have generally been increased to accommodate the higher cost of service provision based on the projected CPI for the next year. During the formulation of the budget, the forecast CPI was set at 3.0%. This is the anticipated average rate of inflation over the 2025/26. Note that the Australian Bureau of Statistics published the CPI for the 12 months to 31 December 2024 at 2.4% which is lower than the peak of 7.8% in December 2022. Inflation is currently anticipated to continue to stabilise within to the Reserve Bank of Australia's (RBA) target range of between two to three per cent. Recent weeks have seen a substantial increase in economic uncertainty resulting from the unusual tariff policy settings implemented by the United States Government. The medium to long term effect on financial markets and inflation in Australia is unclear and its impact on the City's financial position will be monitored closely

43. In 2025/26, it is proposed to harmonise on street parking rates in the Villages with a single rate rather than peak and off peak rates. This simplification of rates is designed to encourage parking turnover, improve traffic flow and increase the opportunity for parking. For 2025/26, the proposed rate is $6.40.

44. The Revenue Policy sets out the categories whereby Council can waive or reduce fees for hardship, or any other category.

45. On 7 April 2025 via a Notice of Motion (NOM 12.8 - 07.04.25 - Extending the Fee Waiver for Community Spaces in the City of Sydney), Council requested that the Chief Executive Officer:

    (a) Investigate permanently waiving hiring and insurance fees for Council's consideration as part of the 2025/26 and forward budgets.

    The fee waiver is currently in place until 1 July 2029 as endorsed by Council in the budget approval for 2024/25. Costs provided in the CEO Update of 16 August 2024, and via the supplementary reports to the Operational Plan were correct to 30 June 2024.

The dollar value of fees waived are reported to Council as a supplementary report to the annual report. This enables Council to track the value of the revenue forgone for provision of this service across the City of Sydney's 42 venues for hire;

(b) undertake a review of the current definition of who has access to the free hire, including groups who have not been considered eligible under the current definition and bring a report to the Council on the findings of this review, so that Council can consider potential variations or expansion to the definition of ‘local community groups.

The current definition states that community groups can apply to have 100% of the venue hire and insurance fees waived for community spaces. To be eligible a community group must be located in or provide services predominantly to residents in the City of Sydney area or have a membership base and purpose within the City of Sydney area.

This fee waiver is not available to individuals or sole traders, for-profit-organisations, government agencies or political parties. It is also not available to community groups that don't reflect the inclusion and equity principles in the City of Sydney’s community strategic plan and our other plans including the reconciliation action plan and inclusion (disability) action plan.

Community groups whose events, activities and services are not predominantly provided for residents of the City of Sydney area are also not eligible.

46. City of Sydney staff conducted a review and:

(a) Self-help groups such as mental health support groups are eligible for the fee waiver, however many self-help groups prefer to make a small payment as part of the program to ensure participant dignity and accountability. These groups are generally given a fee waiver of 75% as a result;

(b) Social clubs run by volunteers which charge a small fee to cover costs (for example to pay for equipment like yoga mats), but don’t make a profit are not eligible. Charging a fee to participate is considered a fee for service. Groups charging a fee are not eligible.

(c) Art groups run by volunteers who charge a small fee to cover the cost of engaging a life model for a class, but otherwise charge no fees are not eligible. Charging a fee to participate is considered a fee for service. Groups charging a fee are not eligible.

(d) Union members who work in the city looking for a free space to hold a members’ meeting are not eligible;

(e) Groups who can be defined as a sporting club, for example a group of volunteers which gets together to practice dancing, or a LARPing (live action role play) group where the activity is open to the general public may be eligible as groups providing activities for public benefit and where no fee is charged are eligible. An assessment of the activity will be required to ensure it meets the conditions of the City's Community Insurance Policy prior to a determination being made;

(f) Groups of parents who live in the city looking to meet with other parents to run activities for their children are eligible for the fee waiver. This excludes children's birthday parties as they are considered private activities;

(g) Groups of artists, performers and musicians who live or frequently perform or exhibit in the City looking to hire free space for rehearsals or galleries are not eligible for the fee waiver as these are considered private activities. However, spaces for students and school groups are available for free through our rehearsal space program and artists and creative practitioners can access a heavily reduced rate as per the published fees and charges.

47. Following a review of the current fee waiver conditions, information will be added to the City of Sydney's website to make it clear that groups of people coming together to run activities such as sporting, wellbeing or social activities for public benefit are eligible for the fee waiver. Some of the examples provided above will also be included. The draft Long Term Financial Plan assumes that the current waiver conditions are maintained over the 10 year life of the plan.

48. Interest income is budgeted to be $30.4M, reflecting future forecast interest rate reductions, the expected opening cash balances, and the anticipated cash utilisation for the planned capital program and property divestments.

49. Capital Grants and Contributions are projected at $97.4M with $65.0M linked to contributions for major development activity within the local government area for the next year. A further $7.4M represents anticipated funding from the NSW Government to enable the delivery of bicycle lane related works.

50. Total Operating Expenditure is budgeted at $631.4M with a number of key components as described below, and further detail provided within the Long Term Financial Plan.

51. Salary and Wages related expenditure totals $319.0M, which provides for 100 per cent of permanent staffing (establishment) which is anticipated at slightly over 2000 Full Time Equivalent (FTE) as at July 2026. The budget also includes an adjustment for an award increase, agency hire costs, training, workers compensation and other employee related expenses. Note that at the time of writing the final amount of the 2025/26 award increase is still not confirmed, presenting an ongoing financial risk to the City's plans.

52. The vast majority of the City's $312.4M non-salary related operational expenditure has not changed substantially, as it represents the ongoing business and service requirements of Council and its community, adjusted for relevant cost increases.

53. Further details on all operational expenditure items and underlying cost assumptions are provided in the attached Long Term Financial Plan.

54. For 2025/26 operational contingencies of $3.5M are proposed. These provisions cater for unforeseen circumstances and events that arise after the adoption of the budget. The utilisation of these contingent provisions are reported back to Council in each quarterly review of the City's financial and operational performance.

55. For 2025/26 the contingencies include:

    (a) General Contingency of $1.5M; and

    (b) CEO Contingency of $2.0M.

56. The draft capital works budget within the Long Term Financial Plan identifies each major project, rolling program and future project provision over the course of the 10 year planning horizon.

57. The proposed capital works program for 2025/26 totals $268.7M with a capital works contingency of $8.0M. It is includes asset enhancement programs of $103.1M and rolling capital renewal programs of $165.6M. These programs are set out in the Long Term Financial Plan financial schedules, including a list of the forecast amount and timing for all projects with total budgets greater than $5.0M.

58. The proposed capital works program will see the ongoing delivery of many major projects. The program prepared is in line with the agreed long-term financial parameters, representing the City's financial capacity to deliver the program each year, along with provisions for significant projects that may be delivered by third parties.

59. In February 2025, Council requested the Chief Executive Officer to investigate financially responsible options to accelerate the delivery of the 'Town Hall Square' project for consideration as part of the 2025/26 budget including project scope and costings, such that works commence by 2028. An initial review of the project scope, delivery timeframes and financial implications to bring forward the delivery of Town Hall Square has been completed and an allocation of $150M for the delivery of the 'Town Hall Square' project is included in the draft Long-Term Financial Plan.

60. Along with the capital cost, the loss of operating revenue and expenditure which is expected to be in the order of $6.2M has been included. In addition, savings in capital renewal expenditure and the acquisition of the final property required to complete the square has been incorporated. A detailed paper outlining the project will be presented to Council for approval in the current report cycle (May 2025) in a separate report.

61. The asset enhancement programs for the 2025/26 financial year include:

    (a) bicycle related works expenditure of $13.8M including significant work on Primrose Avenue Quietway, O'Dea Avenue Cycleway and Phillip Street to College Street Bike Network Link;

    (b) works for open space and parks of $15.7M which includes significant works on Gunyama Park Stage 2, the Crescent Basketball Hoop and commencement of preparatory work for the Mandible Sports Precinct project.

    (c) property improvement projects across the community and commercial portfolios of $17.3M;

    (d) public art projects of $1.3M which includes new public art Yananurala - Tar-ra/Dawes Point (Patyegerang), Yananurala - Site Lines and Conversations and the Bring Back Joy sculpture;

    (e) public domain asset enhancement works of $47.4M which includes amounts for George Street North Pedestrianisation, Dixon Street Public Domain improvements and the completion of Crown Street upgrade works;

(f) and stormwater drainage expenditure of $2.2M which is largely allocated to water quality infrastructure works.

62. The Long Term Financial Plan also includes funding provisions for the City's rolling asset renewal programs for public domain, building, streetscapes, parks, property related projects, pools, trees, stormwater drainage, and bicycle related works. The City is required to ensure it holds, upgrades and maintains its assets in an appropriate condition, to meet the community's expectations and ensure their sustainability over their useful lives.

63. The draft Plant and Assets budget provides for acquisitions of $23.8M with disposal proceeds of $0.6M, resulting in a net cost of $23.2M. The Plant and Asset budget includes the annual vehicle and plant replacement program net ($10.7M), library books and resources ($0.9M), information technology equipment replacement ($2.5M), miscellaneous minor purchases ($1.1M) plant equipment and furniture and fittings purchases ($8.0M).

64. The proposed budget also includes funds for the ongoing development and delivery of the capital component of the information technology and digital services project portfolio of $24.0M, as we continue to improve our digital service offering to our community in line with the Information & Technology Strategic Plan.

Reserves

65. The Long Term Financial Plan incorporates the City's cash reserves, including all of the external restrictions required by legislation to quarantine funds raised for specific purposes, including developer contributions, security deposits, and domestic waste and stormwater charges. It also incorporates internal restrictions where Council has resolved to set specific funding aside for employee leave entitlements, asset replacement, and significant strategic commitments such as the Supported Accommodation Affordable and Diverse Housing Fund, Green Square Infrastructure, and Green Infrastructure (energy, stormwater and waste). The amounts in these reserves is reported to Council as part of the Quarterly Reporting process.

66. The cash restrictions within the Long Term Financial Plan are intended to meet specifically identified Council commitments and are not designed to set aside amounts covering all future capital works.

67. This current version of the plan continues to provide for future cash funding and utilisation of the restricted cash reserves, reflecting the proposed timing of these major projects and commitments of the City.

Relevant Legislation

68. Local Government Act 1993. Section 8B sets out the principles of sound financial management that apply to councils. Section 8C sets out the integrated planning and reporting principles that apply to councils. Section 406 requires council to comply with the integrated planning and reporting guidelines established by the Executive of the Office of Local Government. Council must comply with these requirements when preparing a draft community strategic plan, the underlying delivery program and operational plans and strategies with respect to the council's activities.

Critical Dates / Time Frames

69. Section 405 of the Local Government Act 1993 requires that councils must adopt an Delivery Program and Operational Plan, including a statement of the council's revenue policy for the year covered by the operational plan before the beginning of each year.

70. Council is required to place the proposed new documents related to the Integrated Planning and Reporting legislation on public exhibition for 28 days. The Local Government Act 1993 requires the draft budget, and revenue pricing policy for rates, annual charges and fees be incorporated within that exhibition and consultation process.

Options

71. Council has the option to vary budget allocations, rates and fees and charges prior to, and after the 28-day exhibition period, prior to final approval.

Public Consultation

72. This suite of Integrated Planning and Reporting documents reflects the vast amount of public consultation and engagement undertaken with the City's community and other interested stakeholders in developing the original Sustainable Sydney 2030 Vision.

73. A comprehensive engagement program was undertaken from late 2018, through 2019, and detailed in a report to Council in December 2019 including reports from numerous engagement activities which are all available on the City of Sydney website. Information from ongoing engagement with communities on major strategies and projects throughout 2020 to 2022, including a survey of residents and businesses in 2020 on the impacts of the pandemic, informed the finalisation of Sustainable Sydney 2030-2050 Continuing the Vision and the Community Strategic Plan Delivering Sustainable Sydney 2030-2050.

74. The City's engagement programs and activities have been conducted in line with the City's Community Engagement Strategy which was adopted in June 2024.

75. A Community Insights Report has been developed and was presented to council as part of the exhibition of the draft Community Strategic Plan earlier this year. This report brings together what we heard from the community during our extensive community engagement program over the past 2 years.

76. The Community Insights Report analysed more than 13,500 pieces of community feedback across 27 key consultation projects between 2022 and 2024 to understand and confirm if community values and priorities have changed.

77. The outcomes from the Community Engagement over the past 2 years has helped inform the refresh of the community strategic plan, and in turn, the objectives in the draft Delivery Program and Operational Plan.

78. The draft Community Strategic Plan has been placed on public exhibition until 6 May 2025 and any relevant comments received during this period relating to the draft Delivery Program and draft Operational Plan will be assessed and incorporated into those documents accordingly.

79. Council is required to also exhibit the draft Operational Plan 2025/26 and the Delivery Program 2025-2029 for 28 days. The City elects to exhibit all of the draft Resourcing Strategy at the same time even though it is not a legislative requirement for all components to be exhibited.

JEAN-MICHEL CARRIERE

Executive Director Finance and Procurement