

Integrated Planning and Reporting Program and Budget 2025/26 – Adoption

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 in 2024, 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. An updated draft community strategic plan was exhibited from 8 April 2025 to 6 May 2025. A total of 226 responses were received. The feedback from the public was largely positive and broadly supports the vision and directions as set out in Community Strategic Plan.

On 12 May 2025, Council then endorsed the remaining suite of Integrated Planning and Reporting documents, including a draft Delivery Program, draft Operational Plan and draft Resourcing Strategy, as well as the draft Outdoor Dining Guidelines, to be placed on public exhibition for public comment from 13 May 2025 to 9 June 2025 in accordance with the requirements of the Local Government Act 1993. There were 21 submissions received on the draft Delivery Program, Operational Plan and Resourcing Strategy documents. There were no submissions received for the draft Outdoor Dining Guidelines.

The details of the various issues raised and the entire suite of Integrated Planning and Reporting documents, have been assessed by staff. The issues raised in the submissions, together with responses and staff recommendations, are included in Attachment B.

A summary of the proposed changes to the exhibited documents is included in Attachment C.

Council is required to review and re-determine the senior positions and reporting structure of the organisation within 12 months of the council election in accordance with section 332 of the Local Government Act 1993. The high level organisational structure containing the senior positions was included in the draft 2025/26 Operational Plan and it is recommended that Council endorse the structure and senior positions as exhibited as part of this report.

This report recommends that this suite of Integrated Planning and Reporting documents, as attached to this report, are either endorsed or adopted in accordance with the requirements of the Local Government Act 1993 and recommends Council approve the Outdoor Dining Guidelines as exhibited.

Recommendation

It is resolved that:

- (A) Council note the Engagement Report for the updated Community Strategic Plan Delivering Sustainable Sydney 2030-2050, including submissions and survey results for the draft community strategic plan, as shown at Attachment A to the subject report
- (B) Council note the submissions received from the community, and staff responses, on the draft Delivery Program, Operational Plan and Resourcing Strategy documents as shown at Attachment B to the subject report;
- (C) Council note the proposed changes to the documents, including fees and charges, as incorporated within the Operational Plan and Resourcing Strategy, and set out in Attachment C to the subject report;
- (D) Council endorse the updated Community Strategic Plan - Delivering Sustainable Sydney 2030- 2050 (2025), as shown at Attachment D to the subject report;
- (E) Council adopt the 2025-2029 Delivery Program, as shown at Attachment E to the subject report;
- (F) Council adopt the Operational Plan 2025/26, as shown at Attachment F to the subject report;
- (G) Council adopt the Long Term Financial Plan, Asset Management Planning documents consisting of the Asset Management Strategy (including the Asset Management Policy) and the Community Asset Management Plan, Community Engagement Strategy and community participation plan, and the Information and Technology Strategy within the Resourcing Strategy 2025, as shown at Attachment G to the subject report;
- (H) Council endorse the People Strategy (Workforce Management Strategy) within the Resourcing Strategy 2025, as shown at Attachment G to the subject report;
- (I) Council adopt the draft Operating and Capital Budgets and future years' forward estimates as reflected in the Operational Plan 2025/26 and 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 Operating Result 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 \$23.4M;
- (iv) Capital Works (Technology and Digital Services) of \$24.0M; and
- (v) Net Property Divestments of \$122.3M;
- (J) Council adopt the Rates Structure, Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges discussed within the subject report and included within the Operational Plan 2025/26;
- (K) Council endorse the organisational structure and senior positions included within the Operational Plan 2025/26;
- (L) Council approve the Outdoor Dining Guidelines shown at Attachment H to the subject report;
- (M) Council note that the City will 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 the appropriate monetary contributions from businesses for the consideration of Council, and as a result, the City will not be accepting any new applications for on-road dining for at least 2 years; and
- (N) authority be delegated to the Chief Executive Officer to approve minor editorial corrections and to finalise document design, artwork and accessibility prior to publication

Attachments

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| Attachment A. | Community Engagement Report - Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (2025 update) |
| Attachment B. | Summary of public exhibition submissions - draft Delivery Program 2025-2029, Operational Plan 2025/26 and Resourcing Strategy 2025 |
| Attachment C. | Register of Proposed Changes to Draft Integrated Planning and Reporting Documents. |
| Attachment D. | Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (2025 update) |
| Attachment E. | Delivery Program 2025-2029 |
| Attachment F. | Operational Plan 2025/26 |
| Attachment G. | Resourcing Strategy 2025 |
| Attachment H. | 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 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 more detailed Operational Plan that will set out council's budgets, programs and projects 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 and a workforce plan, to demonstrate councils have adequate resources to achieve the planned outcomes while ensuring the council's long-term sustainability for its community and stakeholders.
4. Council endorsed Sustainable Sydney 2030-2050 Continuing the Vision on 27 June 2022 which continues our vision for a more sustainable future and adopted our Community Strategic Plan Delivering Sustainable Sydney 2030-2050 which guides the development and planning for the City of Sydney local government area. This document is the highest-level plan within the Integrated Planning and Reporting Framework and provides the mechanism for the implementation of the vision for our city. It builds on the work already undertaken to realise Sustainable Sydney 2030, responds to relevant global trends and policy frameworks, and encapsulates our communities' values and aspirations underpinned by research and analysis of data.
5. Council on 7 April 2025 endorsed the updated draft Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (2025) to be placed on exhibition.
6. On 12 May 2025, Council endorsed a draft Delivery Program 2025-2029, draft Operational Plan 2025/26 and a draft Resourcing Strategy 2025, to be placed on public exhibition for public comment from 13 May 2025 to 9 June 2025 in accordance with the requirements of the Local Government Act 1993.

Community Strategic Plan Delivering Sustainable Sydney 2030-2050

7. The draft Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (2025) was made available through the City's Sydney Your Say website from 8 April 2025 to 6 May 2025. Feedback was invited via a short survey, email or phone. There were 1,447 unique pageviews of the Sydney Your Say page.
8. A comprehensive campaign was conducted and this included:
 - (a) Online engagement, including Sydney Your Say webpage and survey
 - (b) Face-to-face workshops
 - (c) A Lord Mayor letter emailed to almost 6,000 stakeholders
 - (d) Promotion through the City's community e-newsletters, and through libraries and community centres and on various social media channels.

9. The City received 226 submissions including:
- (a) 112 online survey responses from individuals and organisations, and 97 survey responses from young people
 - (b) Open-ended responses provided feedback on the following areas:
 - (i) Strategic directions (over 95 comments)
 - (ii) Targets (58 comments)
 - (iii) Project ideas (89 comments)
 - (iv) General comments (65 comments)
 - (c) Survey results indicated overall support for the community strategic plan, with 87% participants agreeing/strongly agreeing with the plan's 10 strategic directions. Young people agreed or strongly agreed with the 10 strategic directions at a higher rate than the overall consultation sample, with 92% of young people agreeing/strongly agreeing with the strategic directions.
 - (d) People felt the most important transformative project ideas to achieve were 'The Green City', 'Building on housing for All', 'Three Linked City Squares' and 'Metro as Catalyst' (12%). There were 17 emailed submissions that have been reviewed and responded to by staff, from individuals and organisations that include statements of support as well as detailed feedback that raised issues and opportunities.
 - (e) Based on community feedback received some minor editorial changes were made including document design and image updates, and re-ordering of some text.

Delivery Program, Operational Plan and Resourcing Strategy

10. The plans were made available through the City's Sydney Your Say website, which had 794 unique visits and 329 document downloads. The consultation also included:
- (a) City of Sydney News notification of the exhibition to 17,558 subscribers on 13 May 2025
 - (b) City's Sydney Your Say e-newsletter on 14 May 2025 to 5,045 subscribers
 - (c) Pyrmont Community Centre newsletter on 14 May 2025 to 704 subscribers
 - (d) Reginald Murphy Community Centre newsletter on 14 May 2025 to 558 subscribers
 - (e) City of Sydney library news to 31,634 subscribers on 21 May 2025
 - (f) King George V Recreation Centre news to 881 subscribers on 21 May 2025
 - (g) Stakeholder emails to community and resident action groups
 - (h) Posters displayed in city community centres

11. The City received 21 submissions through a combination of the Sydney Your Say website, direct email submissions and emails sent to councillors mostly in support of topics already received directly through the submissions process.
12. All submissions have been internally reviewed, with staff recommending no clarifications and changes to the exhibited content of the draft plans. The issues raised in the submissions, together with the responses and staff recommendations, are included in Attachment B.
13. Minor amendments to correct administrative errors and improve the clarity of the documents have also been made to the exhibited Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy, including minor changes to the draft Fees and Charges 2025/26 and are included in Attachment C.
14. The changes to fees and charges include updates to statutory fees as set by legislation released after the draft plans were placed on exhibition, minor formatting edits and the deletion of some fees.
 - (a) The NSW Department of Planning, Housing and Infrastructure recently issued the 2025/26 Fee Unit which underpins a significant number of development application fees that are levied under Schedule 4 of the Environmental Planning and Assessment Act 1979. These fees are being recalculated with the new rate and will be updated in the Council's Fees and Charges schedule prior to 1 July 2025. Council will be notified via a CEO Update when this is complete.
 - (b) The Revenue Policy has been amended to include a clarification that in certain circumstances, as set out in the terms of hire agreement, a cancellation fee may apply to bookings made of Council facilities.
 - (c) A number of fees that are no longer required that relate to a proposed small end of trip facility at 38 Sussex Street, Sydney have been removed for 2025/26.
15. Changes in line with the City's editorial guidelines and document design updates such as resizing tables, page breaks, and refreshing images and diagrams have not been included in the register. Also not listed are grammar / language improvements for readability, and minor edits to align wording between the suite of Integrated Planning and Reporting documents.
16. The proposed suite of Integrated Planning and Reporting documents to be adopted, including the 2025/26 budgets and incorporating the setting of the rates in accordance with the requirements of the Local Government Act 1993, are attached to this report.
17. Council is required to determine the senior positions and reporting structure of the organisation for the organisation within 12 months of the local government election in accordance with section 332 of the Local Government Act 1993. The senior positions were included in the 2025/26 Operational Plan, as they are every year. Reporting on this is also included in the Annual Report Statutory Returns. A separate council resolution is required to comply with legislative requirements.

Outdoor Dining Guidelines

18. In March 2025, Council resolved for the Chief Executive Officer to:
 - (a) investigate permanently waiving application and licence fees for outdoor dining for Council's consideration as part of the 2025/26 budget;
 - (b) 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,
 - (c) 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.
19. This report recommends Council approve the proposed changes to the Outdoor Dining Guidelines. The 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.
20. In addition, some minor amendments 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.
21. The Guidelines were exhibited alongside the Delivery Program and Operational Plan. No submissions were received.
22. The City currently has over 120 locations with on-road dining and is currently undertaking the detailed process of investigating and transitioning, where appropriate, locations to permanent footpath extensions for the purposes of outdoor dining. As this process is detailed and the work will take some time to complete the City will not accept any new applications for at least 2 years.

Key Implications**Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

23. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress.
24. The attached strategic documents meet the needs of our diverse community and are based on the significant engagement program conducted over recent years. It will be implemented via Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (2025 update) through the 2025-2029 Delivery Program and the 2025/26 Operational Plan. The resources required to implement the actions are included in the 2025 Resourcing Strategy.

Organisational Impact

25. The organisation's resources will be aligned to the priorities identified for the 10+ year, 4 year and one-year periods of the Community Strategic Plan, Delivery Program and Operational Plan.
26. The proposed budget for 2025/26 provides for all approved full time equivalent positions. The City also supports a significant number of additional jobs through the provision of contracts that underpin a range of externally provided projects and services.
27. These positions are required to ensure the ongoing operation of the City, and to advance the outcomes determined by Council. City staff continue to revise functional operations to determine where opportunities arise to improve effectiveness and efficiency of service delivery, to ensure the organisation remains financially sustainable.

Risks

28. The community strategic plan identifies community priorities and aspirations for the local area. While the City of Sydney has a critical role in delivering projects, programs and services that support the community strategic plan, many other levels of government and organisations are also responsible to contribute to the targets and outcomes in the plan.
29. The Risk Appetite Statement provides guidance about the amount of risk the City of Sydney is willing to take in order to achieve our strategic goals, while ensuring the protection of our assets, reputation and the wellbeing of our employees and community.
30. We accept that in order to achieve our strategic vision and objectives that we must accept some risks that are proportionate to the potential reward, especially where growth, transformation and innovation is involved.
31. Our primary objectives in managing risk are to:
 - protect the wellbeing of our community, employees and stakeholders
 - safeguard our people, assets, reputation and financial resources
 - ensure compliance with applicable laws, regulations and standards
 - enable innovation and growth while balancing potential risks
 - optimise service delivery and operational efficiency.
32. The community strategic plan is consistent with the City of Sydney's risk appetite statement, specifically:
 - We comply with our legal and regulatory requirements.
 - We encourage considered risk taking that supports innovation, efficiency and the achievement of our strategic objectives.

Social / Cultural / Community/Environmental/Economic

33. 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.
34. The Community Strategic Plan includes a definition of the communities we serve drawn from the Community Engagement Framework. It includes the many people who rely on our area as the place they live, work, study, do business, access services and visit. As well, it recognises the global connections and obligations our communities have to others around the world and the responsibilities from this that arise for the City of Sydney
35. The Delivery Program, Operational Plan and Resourcing Strategy support the achievement of the desired social, cultural, environmental and economic outcomes contained within the Community Strategic Plan.

Financial Implications

36. The proposed 2025/26 budget projects an operating result, prior to interest income, depreciation, capital project related costs and capital contributions, of \$117.1M.
37. 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.
38. 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.
39. The Rates and Annual Charges for 2025/26 are budgeted to be \$442.1M, of which ordinary rates are \$373.1M (before pensioner rebates). 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) For the 2025/26 year, the following components have been endorsed for the City:
 - (i) Base cost change of 3.6%
 - (ii) Emergency services levy factor of 0.0%
 - (iii) Election cost adjustment of 0.01%
 - (iv) Population growth factor is 0.4%resulting in a total allowed rate peg increase of 4.1%.

40. 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.
41. 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

42. The Resourcing Strategy, which includes the Long Term Financial Plan, articulates the need for long-term financial sustainability as a fundamental principle of future planning and is always considered when planning for the delivery of the elements of the vision.
43. The draft budgets reflect our best estimates of required funding at this time, however we anticipate that there will be specific services and projects where we may need to refine funding requirements. Where these price fluctuations cannot be absorbed within the draft budgets, these requirements would be brought back to Council either directly or through the quarterly reports to progress delivery of the planned outcomes

Reserves

44. 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.
45. 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.

46. 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

47. 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.
48. 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.
49. Section 402 of the Local Government Act 1993 requires council to review the community strategic plan and then either endorse or develop or endorse a new community strategic plan before June 30 following the election.
50. Council is required to determine the senior positions and reporting structure of the organisation for the organisation within 12 months of the local government election in accordance with sections 332 and 333 of the Local Government Act 1993.

Critical Dates / Time Frames

51. Section 405 of the Local Government Act 1993 requires that councils must adopt a 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.
52. 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

53. 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

54. 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.

55. 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.
56. 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 in 2022.
57. The City's engagement programs and activities continue to be conducted in line with the City's Community Engagement Strategy, which was last adopted in June 2024.
58. 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.
59. 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.
60. 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.

JEAN-MICHEL CARRIERE

Executive Director Finance and Procurement