

Attachment B1

Draft Resourcing Strategy 2024 – Part 1



Draft Resourcing Strategy 2024

The City of Sydney acknowledges the Gadigal of the Eora Nation as the Traditional Custodians of our local area.

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Cover image: Team sport at King George V Recreation Centre in the Rocks. Photo by Chris Southwood / City of Sydney

Introduction

Sustainable Sydney 2030-2050 Continuing the Vision continues our vision for a more sustainable future. Ten targets enable change to be measured over time. Six guiding principles that consider the values expressed by the community will inform the City of Sydney in its decision-making.

Ten strategic directions provide a framework for action to be taken by the City of Sydney, other levels of government, civil society and by our communities. Ten project ideas building on past projects have been developed. These ambitious ideas illustrate ways the vision for the city could be realised by 2050.

The Integrated Planning and Reporting Framework provides the mechanism for the implementation of Sustainable Sydney 2030-2050 Continuing the Vision through the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (also referred to in this document as the community strategic plan) and other key documents such as this resourcing strategy.

Our resourcing strategy

To support the community's objectives expressed in the community strategic plan a long-term resourcing strategy is required as part of the Integrated Planning and Reporting Framework.

This resourcing strategy should be read in conjunction with the City's operational plan which we review annually.

In deciding the activities to be undertaken and the level of service to be provided the City needs to consider its available resources – its workforce, its financial sustainability and assets.

The actions and plans contained within the resourcing strategy ensure that the City has the necessary resources to carry out its planned activities, maintain its assets to sustain their useful life, and meet our communities' priorities now and into the future.

The City also includes in the resourcing strategy details on its information technology resources and how we engage with the community to inform on our activities and seek feedback.

Overall, the operational plan and related resourcing strategies provide for the necessary resources and levels of service to implement the proposed projects and operate programs for the City.

This serves to both inform and test the aspirations in the strategic plan and how Council's share of the required actions might be achieved while maintaining the long-term sustainability of the organisation.

The following diagram illustrates our integrated planning and reporting framework suite of documents and how they are interrelated. It is adapted from the NSW Office of Local Government Guidelines, available from olg.nsw.gov.au

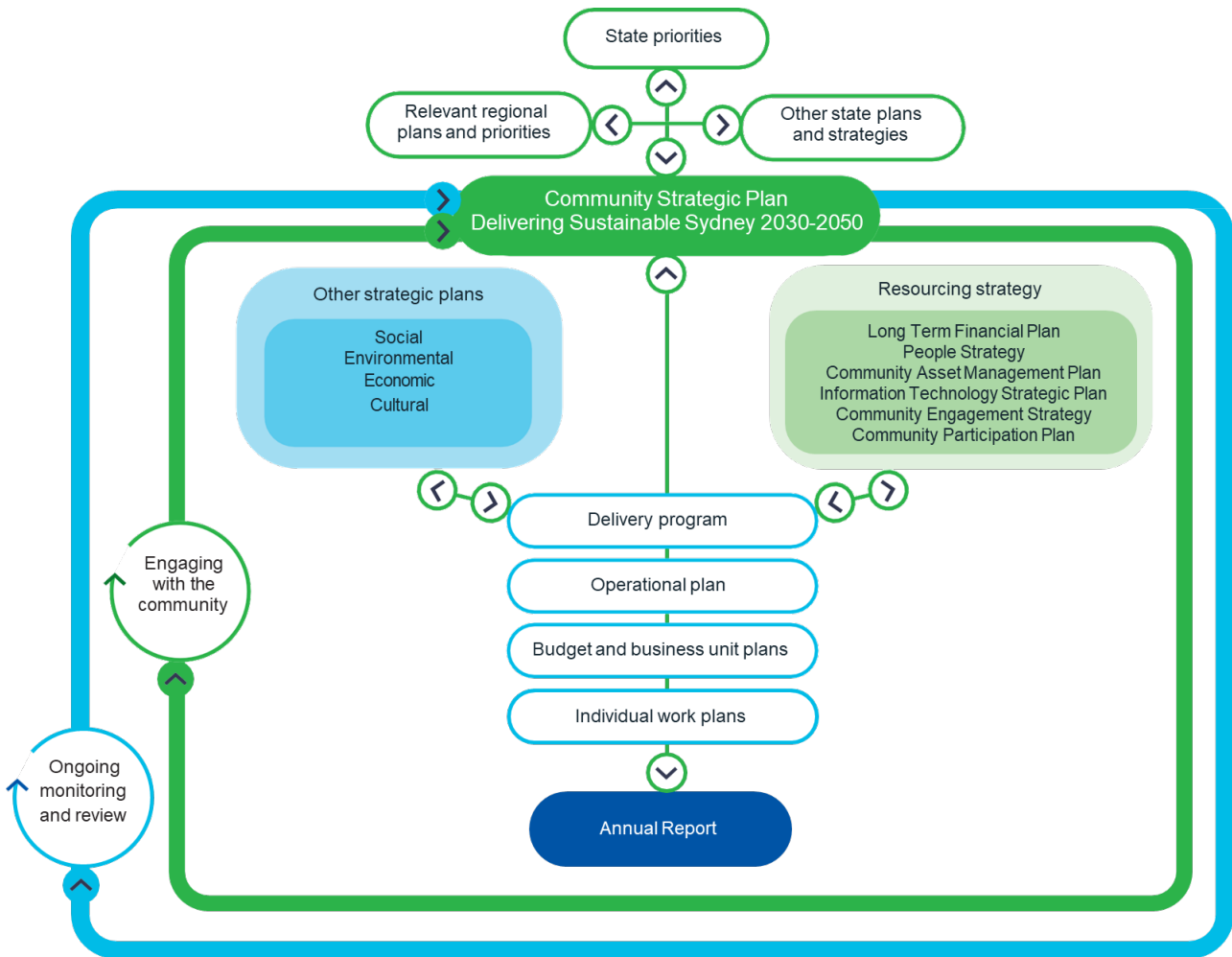


Figure 1. Integrated planning and reporting framework diagram, adapted from Office of Local Government

How the documents relate

The suite of integrated planning documents represents the City of Sydney’s response to the statutory framework for planning and reporting.

The Community Strategic Plan Delivering Sustainable Sydney 2030 (the community strategic plan) is the highest level plan that the City will prepare. It was adopted by Council in June 2022.

Our community strategic plan was developed with, and on behalf of, the communities we serve. It identifies the communities’ main priorities and aspirations and guides all our other strategies and plans which help us to achieve these. The community strategic plan is structured around 10 strategic directions. We update this plan every four years, in line with government requirements, and to adapt to changing circumstances and community aspirations.

The City’s Delivery Program 2022-26 (the delivery program) acts as the link between the long term community strategic plan and the annual operational plan and it identifies the actions we will take over the next four years that support the community strategic plan outcomes. The delivery program structure reflects the community strategic plan with activities aligned with the 10 strategic directions.

The delivery program acts as the link between the long term community strategic plan and the annual operational plan

The delivery program also identifies priority projects and programs with key performance indicators and targets that contribute to the outcomes under each strategic direction in the community strategic plan.

Our operational plan is an annual plan with more details of individual activities. It sets out the specific projects, programs and activities to be delivered in the year ahead and is aligned with our delivery program. It also includes the City's revenue policy for rates and annual charges, the fees and charges schedule, and other relevant budgetary information.

The Integrated Planning and Reporting Framework includes a reporting process to communicate how we are progressing to the Council and the community.

To support the community's objectives expressed in the community strategic plan a long-term resourcing strategy is required as part of the Integrated Planning and Reporting Framework. The resourcing strategy ensures the City has adequate resources to achieve the planned outcomes for which it is responsible, while maintaining the long-term sustainability of the organisation.

The resourcing strategy

Effective resource planning ensures Council will focus not only on the short-term issues and the range of service delivery indicated in the one-year Operational Plan, but also on the medium and long-term challenges as we respond to meeting our communities' vision for a more sustainable future as articulated in the community strategic plan. This refreshed resourcing strategy underpins the directions within the community strategic plan and builds on previous plans, ensuring that the shared vision for our city is realised.

It takes stock of what has already been achieved and responds to the feedback we've received from our community. It also takes account of changes in relevant federal and NSW government policies and commitments as well as the long term economic, social, cultural and environmental trends and challenges for Sydney.

The community strategic plan and this resourcing strategy recognises that the City does not act alone and that partners including state and federal agencies, non-government organisations, community groups and individuals have a role to play in delivering responses to achieve the community outcomes.

This strategy contains 5 key resource areas which in terms of community priorities, money, assets, technology and people respond to the long term strategic aspirations for:

- Financial planning
- Workforce planning
- Asset management planning
- Information and technology planning
- Community engagement

Our 5 resource areas underpin technical and policy guidance to guide the strategic implementation of our integrated planning. Moreover, resourcing strategy initiatives are reviewed annually to ensure they remain appropriate for the changing environment and to incorporate community feedback and undergo a full comprehensive review following each Council election.

Long term financial plan (LTFP)

The long term financial plan is a 10 year plan that identifies current and future financial capacity to act on the aspirations of the community strategic plan, including providing high quality services, facilities and infrastructure to the community.

Financial sustainability is one of the key issues facing local government due to several contributing factors including growing demands for community services and facilities, constrained revenue growth and ageing infrastructure.

The LTFP provides information on what can be funded by the City, including continuing to provide services at levels necessary to meet the objectives of the community strategic plan. It is an important document, which aims to balance community aspirations and goals against financial realities.

Contained in the plan are:

- assumptions used to develop the plan;
- projected income and expenditure, balance sheet and cash-flow statements; and
- methods of monitoring financial performance.

Balancing expectations, uncertainty of future revenue and expenditure forecast are some of the most challenging aspects of the financial planning process. As such, the longer the planning horizon, the more general the plan will be in the later years. Every effort has been taken to present the most current estimates and project scopes to be included in this plan.

The long term financial plan includes a “base case” version reflecting the City's best estimate of revenue and expenditure in the face of global inflationary pressures and as the economy continues to recover from the pandemic. Additionally, two alternate scenarios are included in the financial schedules.

Alternate scenario 1 shows the impact of sustained inflation over the short term (until 2025/26), then decreasing and returning to the Reserve Bank of Australia's inflation target range, driving an increase in the expenditure base. Scenario 2 shows the impact of reduced income from developer contributions resulting from uncertainty of future development cycles and the ownership of income flows. The scenarios reflect unfavourable outcomes for the City of Sydney.

Community asset management plan (CAMP)

The second part of the Resourcing Strategy deals with asset management planning, in particular the Council's Asset Management Policy, Strategy and specific asset category plans.

Our infrastructure assets enable us to provide services to the community. Management of these assets is a critical area of local government responsibilities, governed by legislated standards.

These assets need to be managed in the most appropriate manner on behalf of and to service the community. This plan ensures appropriate standards for maintenance and the renewal of key assets to service the community, as well as detailing asset status and resource requirements.

The City is responsible for infrastructure assets including land. The Community Asset Management Plan is the summary of the relevant strategies, plans and actions for the assets critical to our operation.

The City's asset management planning framework includes:

- Council's overall vision and goals and supporting asset management vision and goals
- Sustainable Asset Management Policy
- Infrastructure Asset Management and Service Delivery Strategies.

People strategy (PS)

The People Strategy 2022-2026 outlines the key issues impacting the City's workforce and seeks to guide people related decision making, priorities and investment to support the outcomes in the community strategic plan.

The strategy has 3 core objectives:

- energising our people and our workplaces by fostering a 'people first' culture
- adapting our ways of working for the future
- strengthening our employee value proposition and recruitment experience to attract and retain diverse, skilled people.

The People Strategy 2022–2026 forms an important part of our resource planning, ensuring that we can deliver on our business goals and are future-ready. The strategy recognises evolving community needs and the skills our people require to address the social, economic and environmental sustainability challenges ahead. For the purposes of the Integrated Planning and Reporting Framework, the People Strategy is the City's workforce plan.

Key organisational statistics have been updated within this revised version to reflect current employee data and trends.

Information and technology strategy (ITS)

The Information and Technology Strategy sets the information and technology direction and priorities to meet our community strategic plan outcomes, community needs and government information and data policies. The plan guides information and technology related decision making, priorities and investment.

Community engagement strategy (CES) including the community participation plan (CPP)

Community participation is a guiding principle of effective and accountable local government. We are required to engage the communities that we serve – the people, organisations and businesses that have a stake in the future of Sydney and are impacted by the decisions made by the City of Sydney.

Our community engagement strategy is a framework for how we engage local communities in the decisions made at the City of Sydney. It outlines the legislative requirements, guiding principles, approaches and processes we use to ensure our engagement is clear, accountable, meaningful, inclusive and accessible. It describes the role communities play in our decisions about projects, policies, strategies, programs and services.

The City of Sydney’s community participation plan is included in the community engagement strategy document to make it easier for community members to understand. However, it can read as a stand-alone plan that responds to the requirements of the Environmental Planning and Assessment Act. We apply a community participation plan in carrying out our planning functions which meets the requirements of the Environmental Planning and Assessment Act, which specifies community planning panels and mandates community consultation in planning matters for all councils in the Greater Sydney region and other specified areas. It describes mandatory requirements that the City of Sydney must meet for public exhibition and notification processes for land use planning matters.

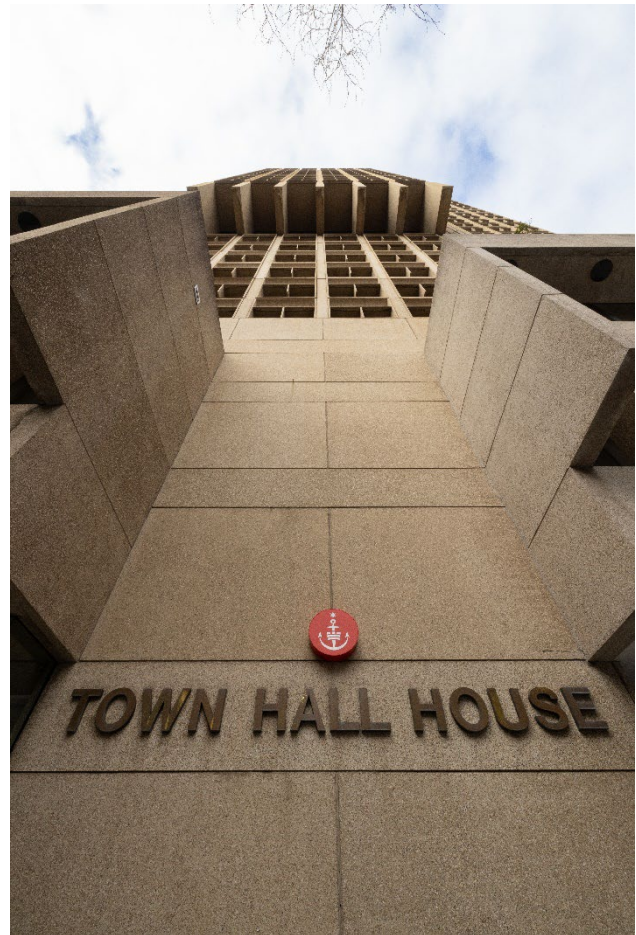


Figure 2. Town Hall House exterior. Photo by Abril Felman / City of Sydney

Common challenges in the resourcing strategy

A number of major challenges are common across all parts of our resource strategy and are discussed briefly here rather than repeating these issues in each of the parts of the resource strategy.

The major challenges for the City include:

- Ongoing recovery activities related to the Covid-19 pandemic
- planned growth in population and workers/visitors leading to an increase in demand for services and infrastructure;
- redevelopment of major urban renewal areas; and
- dynamic local and global economic conditions.

The City will be undergoing significant renewal in key urban sites. The City will be involved in projects requiring a major allocation of resources to support, deliver or maintain key community infrastructure and services as the sites are constructed and new communities form.

The City will partner with the NSW government to help with the transformation of the area around Central Station and creation of the new Tech Central innovation precinct. As this area develops the City will require resourcing to create liveable, open, connected and green spaces.

The City will also participate in the provision of more sustainable energy production within the City environs requiring technical expertise and financial resources.

Improving the access to and around the city is also a key challenge addressed in the Resourcing Strategy, mostly in terms of funding and asset management of major infrastructure works. The City's resources and that of the communities are significantly linked to the local and global economic conditions affecting property development, employment and investment in key infrastructure by other parties.

The Resourcing Strategy has been developed based on the current legislative and structural framework and does not incorporate any proposed legislative or structural amendments.

The Resourcing Strategy should be read in conjunction with the other documents in the integrated planning suite, particularly the community strategic plan, delivery program and operational plan.



Figure 3. Hyde Park and the Archibald Memorial Fountain. Photo by Abril Felman / City of Sydney



Draft Long Term Financial Plan 2024/25 to 2033/34

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Cover image: Hyde Park in bloom, Sydney – Photo by Chris Southwood / City of Sydney

Introduction

Background

A long term financial plan is a key Resourcing Strategy document required under the NSW Integrated Planning & Reporting framework.

The City of Sydney's (the City's) Long Term Financial Plan recognises its current and future financial capacity to continue delivering high quality services, facilities and infrastructure to the community while undertaking the initiatives and projects that will contribute toward the goals set down in its Community Strategic Plan, Delivering Sustainable Sydney 2030-2050.

Local government operations are vital to the community, and it is important for stakeholders to have the opportunity to understand the financial implications arising from the City's Community Strategic Plan, Delivery Program

and annual Operational Plan, and be assured that these plans are financially achievable and sustainable.

This financial plan provides a ten year overview of the City's projected annual income and expenditure, capital works and asset delivery, acquisitions and disposals of property and the resultant projected cashflows.

The financial plan highlights the impact of the City delivering infrastructure, public domain works and facilities across the Local Government Area, whilst continuing to undertake the maintenance and renewal works required to sustain existing infrastructure and facilities at a satisfactory standard, befitting a global city.



Image 1: Yes 23 referendum campaign signage in front of the Town Hall



Image 2: Sydney New Years Eve event at Circular Quay

The Long Term Financial Plan demonstrates that the City has the financial capacity to progress the significant initiatives of the Delivery Program, and provides an ongoing prudent financial budgeting framework to facilitate future decision-making, ensuring that the City is well-placed to pursue strategic goals without risking the long term financial sustainability of its operations.

The plan is based on a recommended “base case” scenario and two additional scenarios to the base case have been added, modelling the impacts of:

- a. Sustained inflation over the short term (until 2026/27), then decreasing and returning to the Reserve Bank of Australia’s inflation target range, driving an increase in the operating expenditure base.
- b. Reduced income from developer contributions resulting from uncertainty of future development cycles and the ownership of income flows.

The scenarios reflect unfavourable outcomes for the City of Sydney. Details on each case are included in the plan below and additional financial schedules are also included.

Projecting over the ten year timeframe of this Financial Plan necessitates the use of a variety of underlying assumptions. The Long Term Financial Plan will therefore be closely monitored, and regularly revised, to reflect changing circumstances.

Current Financial State and Key Risks

The goals and objectives set out in the Community Strategic Plan form the basis for this plan. The City’s recent strong financial position has been built upon a diverse income base, significant business rate income and its commitment to control and deliver services, facilities and infrastructure that are both effective and efficient.

Cost of living crisis

An extended period of high inflation has resulted in significant economic and financial hardship for many of the City’s businesses and residents. The cost of living has risen disproportionately to wages for a prolonged period, straining household budgets and altering consumer spending patterns.

The City of Sydney remains in a strong financial position in the face of some economic uncertainty, which can be attributed to sound financial management over the preceding years. This enables the ongoing transformation of the urban environment and the ability to respond to emerging issues like food insecurity in order to meet the needs of residents and workers alike.

IPART rates peg determination

The rates peg is the annual allowable increase to a Council’s general income in a given financial year, which is dictated by the Independent Pricing and Regulatory Tribunal (IPART).

IPART implemented a new methodology to calculate the rates peg for all Councils in 2024/25 to more accurately reflect the increase in costs for each Council, and better account for the diversity among NSW Councils.

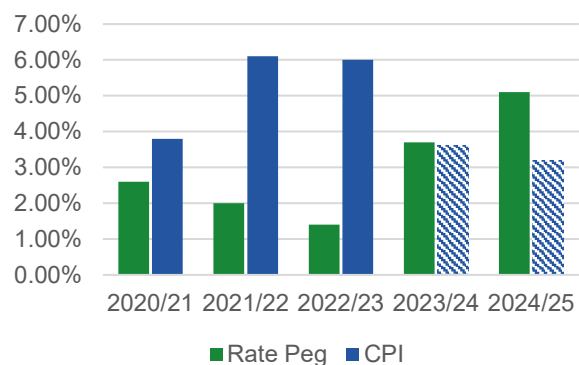
The new methodology to calculate the rate peg is based on forward looking measures of the change in “base costs” of:

- Employee costs
- Asset costs
- Other operating costs

For some councils, the rate peg was further adjusted for council-specific changes in Emergency Services Levy contributions or population growth or both. Further information is available on [IPART’s website](#) regarding the new methodology for calculating the rate peg.

The rate peg assessed by IPART for the City has been set at 5.1% for 2024/25 as seen in the below chart. The shaded columns are forecast Consumer Price Index (CPI) at the time of writing.

Figure 1: CPI and Rates Peg



Financial Sustainability

The City supports the definition of financial sustainability set out in the TCorp report *Financial Sustainability of the New South Wales Local Government Sector* and reiterated in the Independent Pricing and Review Tribunal (IPART) methodology that:

“A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community”.

The key principles driving the City’s long term planning include:

1. The Community Strategic Plan, Delivering Sustainable Sydney 2030-2050 will continue to guide City of Sydney action, with annual reviews of progress and priorities as part of our annual Integrated Planning and Reporting process.
2. Diverse and innovative public engagement processes will help us understand the needs and expectations of our residents, businesses, workers, students and visitors.
3. Effective internal governance arrangements will help deliver current and new projects and programs to meet the needs and outcomes agreed with our communities.
4. Agreed targets and outcomes incorporated into the City’s annual planning and budgeting processes.
5. Long-term financial planning will manage operating costs to deliver operating surpluses to fund infrastructure and facilities.

6. A People Strategy to foster a “People First” culture, adapt our ways of working, and strengthen our value proposition and recruitment experience.
7. Infrastructure and asset maintenance monitored on a targeted basis to maximise renewal levels without over-servicing.
8. Policies and procedures regularly reviewed to improve the City’s approach and respond to emerging needs and community expectations.
9. Develop sustained collaboration, partnerships and new ways to involve and empower communities to achieve Sustainable Sydney 2030-2050 Continuing the Vision.
10. Regular assessment of funding projections to determine appropriateness of debt to meet the need for future infrastructure.

The City continues to progress the formal transfer of certain land parcels controlled by the NSW Department of Planning, Housing and Infrastructure. Further parcels of land currently under the control of Property and Development NSW are the subject of ongoing discussions regarding future transfer to the City.

From 1 July 2018, the *Crown Land Management Act (2016)* introduced changes to the management of Crown land by councils. Specifically, councils are required to manage their dedicated or reserved land as if it were public land under the *Local Government Act 1993*.

Apart from land already dedicated to the City, the Long Term Financial Plan does not include provision for owning, controlling, maintaining or operating assets currently controlled by NSW or Federal Government entities. No future amalgamations or boundary changes have been anticipated or modelled in this plan.



Image 3: *People on the streets of Sydney, Christmas retail weekend 2023*

Economic conditions

Key economic conditions are a significant external impact to the City's financial position, with key influences including:

- Consumer Price Index (CPI) for Sydney
- IPART's rates peg
- Escalating construction costs
- Property market performance
- Declining revenue from Federal Financial Assistance Grants in real terms
- Urban Renewal and development trends (as driven by property market performance)
- Employment market trends
- The state of financial markets (including official interest rates)

High inflationary pressure

The impacts of inflationary pressures on the City's financial performance in 2023/24 has been forecasted to continue into the early years of the forward estimates. This will continue to

be assessed by the City over the next iteration of the Long Term Financial Plan.

Alternative scenario 1 in the attached schedules illustrates the potential impact on the City's operating expenditure should inflation remain elevated for longer than anticipated in the "base case" of this Plan.

Other economic assumptions in the plan

Inner-Sydney commercial property market uncertainty, following a period of unprecedented and sustained growth, has been exacerbated by the aggressive interest rate increases. Aside from influencing the performance of the City's substantial commercial property holdings, the state of the property market will also directly impact the City's ability to acquire and divest property holdings.

The rate of wages growth is a significant issue for the City in managing its underlying operating expenditure over a ten year timeframe, as employee costs currently represent approximately half of the City's total operating expenditure excluding depreciation. The City has assumed future wages increases

Long Term Financial Plan 2024/25 to 2033/34

broadly in line with the Local Government (State) Award.

The unprecedented pace of interest rate increases has been aggressive as a response to sustained inflationary pressures. This is driving higher financial investment income in the early years of the Long Term Financial Plan. However, it is expected that the City's financial investment portfolio will return to more normalised and pre-covid returns of approximately 3% per annum from 2028/29 onwards.

Although the City's portfolio of financial investments has historically outperformed industry benchmarks, this plan reflects conservative investment return assumptions in the medium to long term. Further, the financial position of the City is affected through adjustments to provisions, in part determined by reference to long term bond rates, and fixed asset revaluations.

Other significant financial risks in asset management and service planning together with ongoing review of contracts and services include:

- increased levels of service expected by the community and other stakeholders
- new services expected to be delivered by local government and potential government cost-shifting
- additional asset maintenance costs (new parks, roads, cycleways, facilities etc)
- limited competitive supply for some specific service areas.

The City adopts conservative assumptions in financial projections, to mitigate the risk of economic fluctuations adversely affecting financial sustainability. The assumed escalation rates for both income and expenditure are regularly reviewed and updated as appropriate.

reserves, and to internally fund its capital works program. The City's closing cash and equivalent investments balance at 2022/23 was \$730.4M.

The City of Sydney entered the 2023/24 financial year in a strong financial position due to more than a decade of stable progressive government, professional corporate administration, a policy commitment to prudent financial management, and strategically sound investments.

The City has long sustained a strong liquidity position, along with diversity in significant alternative income streams to supplement a substantial rating base.

Figure 2: Balance sheet summary

Book value of assets	\$14.68B
<i>(including)</i>	
Land	\$8.69B
Buildings	\$1.81B
Roads Infrastructure	\$1.49B
Stormwater Drainage	\$0.37B
Parks	\$0.32B
Cash & Investments	\$730.4M
<i>as at 30 June 2023</i>	
Operating Result *	
2022/23	\$157.0M
2023/24 (Forecast)	\$116.1M
*Excludes capital income, interest, and depreciation	

Current Financial Position – City of Sydney

Since the amalgamation of the (former) South Sydney City Council, parts of Leichhardt City Council and the City of Sydney in 2004, the City has delivered consistently strong operating performance results, which have enabled the City to accumulate significant cash

Financial Principles and Assumptions

The City of Sydney remains committed to operating within a financially sustainable framework, to ensure that its community and other stakeholders can rely upon the ongoing provision of a full and diverse range of high-quality community services, facilities, and infrastructure.

The City plans to maintain its financial position and performance, to ensure resilience and maintain capacity to adapt and respond to emerging community needs in a measured and equitable manner.

Key principles employed in the financial planning and modelling process include:

- Financial sustainability
- Maintaining diversity of income sources
- Generating significant operating surpluses
- Maintaining tight control over expenditure and staff numbers
- Delivering best value services, facilities, and infrastructure
- Effective and efficient utilisation of funding sources to fund capital works and asset acquisitions
- Prudent financial investment
- Considering appropriate use of debt, internal borrowing and private financing arrangements.

The Long Term Financial Plan continues the City's commitment to maintain tight control over its financial position and performance, an achievement that has been continually demonstrated through strong operating results. The funds generated from operations are used to commence new initiatives and programs, and to fund delivery of the City's extensive capital program. However, the suitability of utilising debt and/or private financing will be considered, for appropriate initiatives and projects.

The Operational Plan and forward projections have been set to continue the City's high standards of service and to adequately allow for all known and anticipated changes over the coming ten year period. Unexpected cost pressures will always arise (as evidenced by the Covid-19 pandemic), along with increasing service demands. However, in responding to these challenges, the City will continue to underpin its quality services with a value for money approach through competitive procurement processes, internal controls and the completion of business improvement programs incorporating customer feedback to ensure effectiveness and efficiency.

For the "base case" of the long term financial model, income and expenditure projections are conservatively modelled on the upper end of the Reserve Bank targeted range of inflation. Elements of income and expenditure that are subject to wider fluctuation have been modelled accordingly (refer Assumptions below).

As noted above, the annual operational budget plans for significant operating surpluses, which, combined with the City's interest earnings and capital contributions, provide funding for ongoing capital works projects and programs that are designed and constructed to provide the City's world class facilities.

The City will continue to prudently manage its cash reserves and investments, to ensure that appropriate financial reserves are available to meet the City's liabilities and commitments as they fall due and manage cash flow demands to ensure responsible financial management and control. While externally restricted reserves will be maintained in accordance with legislative requirements, a number of internally restricted reserves are used to ensure that funds are set aside to directly support priority initiatives and projects in the Community Strategic Plan.

Long Term Financial Plan 2024/25 to 2033/34

Both internal and external reserves are defined in the *Financial Forecasts - Capital and Assets* section of this Plan.

The City closely monitors its financial performance and publishes several key financial indicators within its quarterly budget review statements to demonstrate its financial health and sustainability.

Assumptions

The City's 2024/25 financial year budgets (as detailed in the Operational Plan and included in the attached schedules) form the basis of the financial projections within the Long Term Financial Plan. The underlying Income Statement and Balance Sheet are taken to substantially represent "business-as-usual". The underlying income and expenditure form the basis of the later years in the plan, having been escalated by appropriate indices, with appropriate adjustments.

Broadly, the Plan utilises forecast annual CPI growth as an indicative guide to annual income and expenditure movements. Appropriate adjustments are made where income or expenditure items are known to escalate on a different basis.

Where new initiatives/projects that will impact operating income and/or expenditure are anticipated, additional adjustments are made to long term projections in the model.

Significant adjustments include:

- Fluctuating developer contributions as a result of development activity in the Green Square precinct and Central Sydney Plan
- Capital Grants expected to be received – particularly for City cycleways
- Allowances for asset maintenance growth as a result of new infrastructure/facilities
- The cost of administering local government elections
- Adjustments to operating expenditure reflecting new and evolving services over time
- Adjustments in respect of ongoing impacts for a number of the City's revenue-generating assets as a result of changing economic conditions, and yields following commercial acquisitions

The Capital Program is forecast over the ten year timeframe of the Plan. In later years, where specific projects may not have yet been fully identified, provisional sums are included reflecting historical works patterns, and in line with renewal requirements identified as part of the Asset Management Strategy.

As capital projects are forecast to be completed, corresponding income and expenditure (including depreciation) impacts are factored into future financial results.

Other assumptions relating to specific income and expenditure types are included within this Long Term Financial Plan.

In preparing the Plan, the City undertakes a wide range of sensitivity testing, via a sophisticated financial modelling tool, in order to arrive at what it considers to be the most realistic and balanced scenario. The attached schedules reflect the City's forecast financial position and performance.

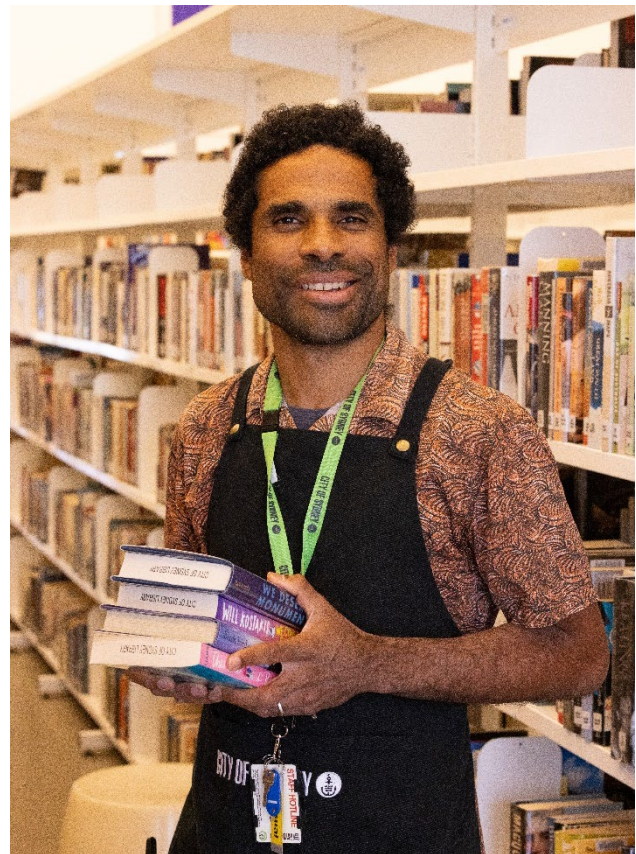


Image 4: *Kings Cross library, located at 50-52 Darlinghurst Rd, Potts Point*

Financial Forecasts – Continuing Operations

Note that the categories below refer to the Income Statement in the first financial schedule attached to this plan.

Income from continuing operations

This section includes a review of the major sources of income received by the City, including explanatory information along with a discussion of the risks and assumptions.

The City aims to maintain a diverse income base, with income sources outside Rates and Annual Charges being vital to reduce the burden on ratepayers of funding all of the City's ongoing operations, minimising the impact of rate-pegging. In addition to the operating income below, details of capital income – also used to partially fund the City's capital works program – are detailed later in this section.

Rates and Annual Charges

Rates and Annual Charges are the City's primary source of annual income, contributing over half of total operating income, a proportion which has remained relatively constant since the Council boundary adjustment of 2004.

Rates income

In accordance with NSW legislative requirements, the City calculates rates on individual assessments by applying an ad valorem (rate in the dollar) multiplier to each rateable (unimproved) land value and subjecting it to a minimum amount.

The City maintains three rating categories:

1. a CBD business rate;

2. a general business rate; and

3. a general residential rate for the entire local government area (LGA)

The City's minimum business and residential rates apply to assessments where the resulting ad valorem amount falls below the adopted minimum amount. This is to ensure that all ratepayers make a reasonable contribution towards the services and facilities provided, which is particularly relevant given the number of strata properties with relatively small proportionate land values within the City.

The City's annual rates income represents 41.5% of Income from Continuing Operations (as reflected in the attached schedules of this plan for the 2024/25 year). CBD business rates represent approximately 21.2%, other business rates 9.0% and residential rates 11.4%, of total income from continuing operations. The City's property distribution is not conducive to achieving an equitable unimproved land value-based tax, with 76% of residents on minimum rates, reflecting Sydney's high density living. However, these minimum rates do not produce a rate levy that reflects an individual owner's capacity to contribute to the cost of Local Government operations, nor their likely consumption of City services.

The State Government constrains the growth of annual rate income for all councils by setting a general maximum rate increase. This 'rate cap', also referred to as the 'rate peg' is determined by the Independent Pricing and Regulatory Tribunal (IPART), as delegated by the Minister for Local Government.

Note that the City's general rates base can also grow when new properties are developed within the area that require additional local government services, where the sum of the rates paid by strata owners exceed the original rate value or where crown lands (normally rate-exempt) are being leased for private purposes.



Image 5: An aerial view of Town Hall House and Sydney Town Hall

These changes do not always result in increased rate amounts because business land developed into residential land will often result in lower overall rate revenue for the site, and any net increases that are gained will then reduce the allowed population factor. The completion of major urban redevelopments within Sydney has generated additional income during recent years, although significantly less than that required to fund the increase in services demand of new residents.

The City is looking closely at its rating path and the best way to equitably align its rating structure to service this growth. The City will continue to explore options that will improve the fair and equitable distribution of the rates burden for all our ratepayers.

As mentioned above, the IPART determined the 2024/25 rate peg for the City at 5.1%. Beyond 2024/25, the City has estimated future average general rate increases of 2.75% per annum allowing for IPART approved increases and development growth.

The City will continue to advocate for a more equitable and flexible rating system. The Plan assumes a continuation of the current NSW rating system.

Pensioner Rates & Charges Exemptions

The City continues to provide 100% rebate of rates and annual charges for eligible pensioners within its local government area. This scheme provides an additional rebate on top of a mandatory rebate for eligible pensioners and in total, the scheme currently costs approximately \$3.9M per year.

While this cost has remained reasonably constant, City officers continue to assess long term trends to ensure the sustainability of this policy and consider the long term benefits and impacts of this scheme.

Domestic Waste Management Charges

The *Local Government Act 1993 (NSW)* requires domestic waste to be a full cost recovery service, and all costs associated with the administration, collection, recycling, disposal, treatment, and community education are entitled to be recouped from residential ratepayers.



Image 6: *Ultimo recycling pop up*

These charges amount to \$66.5M for the 2024/25 financial year, including the gradual accumulation of a reserve providing funding for future waste treatment options, as outlined in the Advanced Waste Treatment Master Plan: 2013-2030 and the Waste Strategy and Action Plan, adopted in 2017/18 financial year. This is an important initiative to supplement the City's existing efforts to promote and provide recycling and green waste services to assist in the reduction of the total amount of waste being directed to landfill.

Stormwater Charges

The legislation also provides the City with the ability to collect a further \$2.1M each year to improve its stormwater networks. 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 that are currently undertaken. The City plans to expend significant sums towards these important infrastructure improvements in the coming ten years, and this

contribution has assisted with the preliminary planning of network enhancements, and in the future will contribute to the delivery of works identified within the Stormwater Management Plan.

User Charges and Fees

User charges and fees are derived from patrons of the City's facilities and services and organisations seeking to use the public domain. Fees and charges income provides around 17.6% of the City's budgeted Income from Continuing Operations for 2024/25.

This category of income includes parking meter and parking station income, planning and building regulation fees, aquatic centre income, venue hire, advertising space income, filming fees and work zone fees. There is a mixture of commercial, regulatory and statutory fees in addition to user-based fees, which are subsidised to provide wider community outcomes.

User charges and fees are determined annually, published in the Operational Plan, and

Long Term Financial Plan 2024/25 to 2033/34

incorporated within the annual operating budget. Assessment of the fees is based on:

- the cost of providing the service
- whether the goods or service are provided on a commercial basis
- the capacity of the user to pay
- the impact of the activity on public amenity
- competitive market prices
- prices dictated by legislation; and
- factors specified within relevant local government regulations, as applicable.

The Long Term Financial Plan assumes that fees will rise, in general terms, in line with CPI projections over the course of the ten years. The level of fees and charges income will fluctuate moderately from year-to-year depending on patronage and demand for facilities and services.

Parking Income

Parking income is derived from the City's network of parking meters and two car parking stations located in Goulburn Street in the Central Business District, and in Kings Cross. Total parking income makes up around 7.0% of the Income from Continuing Operations for the City in 2024/25.

Other Revenues

Commercial property income

The City's commercial properties portfolio generates approximately 9.0% of the Income from Continuing Operations in 2024/25 and has been a key revenue source for many years.

The City's long-term aim is to maintain and ideally increase the level of income derived from property over the next ten years, to support the anticipated additional demand for community services over the same period, and to ensure that the burden of the City's operational costs are not borne solely by the ratepayer.

The City has primarily invested within the CBD and the major 'gateways' leading into the city centre. This category of income also includes revenue generated from the ninety-nine year lease of the City-owned Queen Victoria Building (QVB) to private operators, to which the City has a residual revenue share entitlement.

The City's accounting approach for tenancies under the City's Accommodation Grants Program (AGP) is to recognise gross income and corresponding gross expenditure. The equivalent commercial rate of rent for these properties is shown as income, with the reduction provided under the AGP recognised as a non-cash (or "in-kind") grant expense.

The yields generated by the commercial portfolio are subject to ongoing review in order to identify properties with sub-optimal returns, which may be addressed through either refurbishment, development or disposal if appropriate.

The size and diversity of the portfolio presents an opportunity to grow this stream of income through careful management, divestment and potential re-investment in suitable properties, which assists in alleviating funding pressures on the City's ratepayers.

There is risk to some of the City's commercial property income following the Covid-19 pandemic. Over the past few years, Council provided relief measures in line with the Federal Government's Code of Conduct for Commercial Tenancies. These measures included implementing payment plans for tenants under financial distress. Following the conclusion of the Federal Government's Code at the end of 2021/22, the City continues to act in good faith and support tenants where possible to allow for a reasonable recovery period.

Beyond the short to medium-term impact of Covid-19, the Long Term Financial Plan assumes that rental income will generally grow in line with CPI increases over the longer term, subject to acquisitions or divestments of income generating property. Commercial property markets are subject to demand and supply dynamics that impact on vacancy levels and the rents that can be negotiated.



Image 7: Inside the Queen Victoria Building in Sydney CBD

Enforcement income

Enforcement income refers to the gross revenue generated from the City's ordinance and parking enforcement activities in maintaining a safe city. In 2001, the State Government transferred its powers to the City to enforce parking infringements within the CBD. Further parking enforcement responsibilities were transferred to the City as a result of the 2004 Council amalgamation (with the former South Sydney City Council) and boundary transfer (with the former Leichhardt Municipal Council).

The gross income from enforcements represents approximately 4.8% of the City's Income from Continuing Operations in 2024/25. However, after paying processing fees to Revenue NSW and deducting other operating costs, 50% of the net income is then remitted to the NSW Government (for CBD and former South Sydney zones), so the City actually only retains income equalling approximately 1.3% of Income from Continuing Operations.

The City utilises its enforcement resources to monitor parking and ordinance issues.

The Long Term Financial Plan incorporates an increase for annual CPI adjustments, reflecting

the annual increases previously approved by the State Government. Net enforcement income levels over the longer term may also be influenced by:

- Increase of salaries and wages, or other costs associated with the service
- Improved compliance levels

Grants and Contributions Provided for Operating Purposes

The City receives grant funding from other government bodies to supplement its other sources of income and provide additional funding for specific projects or programs where there may be shared outcomes.

The City is presently allocated in the order of \$7.0M annually from the Commonwealth Government in the form of the Financial Assistance Grants. These are general purpose grants paid to local councils under the provisions of the Commonwealth *Local Government (Financial Assistance) Act 1995*.

Long Term Financial Plan 2024/25 to 2033/34

These funds comprise an unconditional grant, and a smaller local roads component.

Other specific grants are allocated to individual projects or programs, either as part of a National or State scheme, or as a result of a specific grant funding application. The City also participates in projects between other councils and authorities that may also be funded directly by grants from other parties.

The Long Term Financial Plan allows for notional annual increases in line with CPI. Other grant programs have been reviewed and modelled based on their individual project timelines. It is assumed that in the future, new grants will be received but will be offset by commensurate expenditures, resulting in no net financial impact.

There is an ongoing risk that the funding methodology applied to the allocation of the Federal Financial Assistance Grants could be altered and that the City receives a reduction in grant allocations. If this was the case, the City would need to assess its response to any proposed change.

Sponsorship is sought and utilised by the City, as either cash or value-in-kind (free use of a private space) to obtain additional resources with which to support specific events, activities or programs. Sponsorships can also enhance the success and public exposure of these activities. Additional sponsorship is actively sought to allow the City to enhance, extend or reduce the cost of current activities or programs, or to develop new ones.

The market for sponsorship remains extremely tight and competitive, and the City as a public authority also maintains an appropriate Grants and Sponsorship policy, to ensure the highest levels of probity and transparency to protect the City's reputation.

Interest and Investment Income

The City invests funds that are surplus to its current needs in accordance with the approved "Minister's Orders" and its own Investment Policy and Strategy, which is reviewed annually and approved by Council.

The City's Investment Policy and Strategy for the Management of Surplus Funds was last endorsed by Council in October 2023. It again

reflects a prudent and conservative approach, to achieve reasonable returns ensuring the safeguard of the City's funds for the purposes intended, whilst giving preference to Socially Responsible Investments. The City continues to take the opportunity to invest funds in a Green Tailored Deposit product brought to the market by Westpac, as well as Green Term Deposits offered by the Commonwealth Bank of Australia.

The City has steadily developed relevant internal cash reserves to be applied towards major Community Strategic Plan projects over the next ten years, in addition to the external restrictions of funds required by legislation.

The size of the financial investment portfolio and interest rate returns determine the revenue generated from the Council's cash investment portfolio, and the investment income derived is therefore expected to decline with the utilisation of cash reserves in the delivery of the major projects for which they have been set aside. This is reflected in Figure 5 – projected cash and investments balances graph illustrated later in this plan.

Grants and Contributions Provided for Capital Purposes

Developer Contributions

Development contributions provide significant funding towards the cost of essential public facilities, amenities and infrastructure provided by council, reflecting the increased demand generated by increases in resident and worker populations.

The City adopted a new contributions plan for Central Sydney in November 2021 under Section 7.12 of the *Environmental Planning and Assessment Act (1979)*. The Central Sydney Contributions Plan (2020) imposes a levy based on development cost, with thresholds and contribution rates as follows:

- From \$0 - \$249,999 a contribution of 0% shall apply;
- From \$250,000 - \$499,999 a contribution of 1% shall apply;
- From \$500,000 - \$999,999 a contribution of 2% shall apply; and over \$999,999 a contribution of 3% shall apply.

Long Term Financial Plan 2024/25 to 2033/34

The Central Sydney Contributions Plan (2020) was granted ministerial approval and came into effect commencing 26 November 2021. This iteration of the City's Long Term Financial Plan includes contributions and capital works associated with the Central Sydney Contributions Plan (2020).

The predecessor plan for Central Sydney, made under Section 61 of the *City of Sydney Act (1988)* allowed for contributions amounting to 1% of the total development cost, to be levied by Council on building projects over \$200,000.

The Central Sydney Development Contributions Plan 2013 was the City of Sydney's Section 61 plan until it was superseded by the section 7.12 Central Sydney Contributions Plan (2020) described above. The plan, adopted in July 2013, operated on a recoupment basis, with contributions income applied to previously completed works, and also incorporated future works items, a number of which were carried forward into the new Section 7.12 plan.

Contributions levied under the Central Sydney Development Contributions Plan 2013 will continue to be collected, where developments approved prior to 26 November 2021 proceed to construction. Contributions received under the Central Sydney Development Contributions Plan 2013 have substantially reduced in the 2023/24 financial year, reflecting the transition to the new section 7.12 plan.

The remainder of the City of Sydney local government area (eastern, western and southern precincts) is covered by the City's Section 7.11 Plan – the City of Sydney Development Contributions Plan 2015. This plan reflects population and development projections, and a list of essential infrastructure and facilities works to support that development. The plan incorporates the entire local government area (excluding Central Sydney).

NSW State Government requirements restrict the maximum amount of Section 7.11 developer contributions that can be levied for new residential dwellings and the types of infrastructure and facilities that can be funded through the developer contributions system. In accordance with a Ministerial Direction effective from 16 September 2010, contributions levied on residential development are capped to \$20,000 per dwelling or lot created. This cap has not been subject to indexation since its inception, representing a decline in real terms.

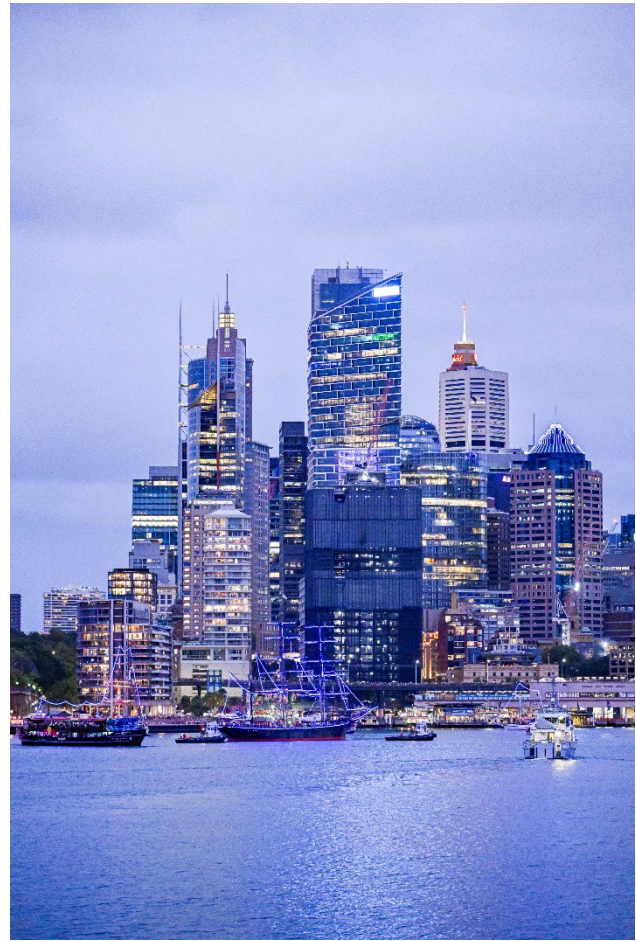


Image 8: *City Skyline as viewed from Jeffrey Street Wharf on New Years Eve*

The cap, combined with the financial pressures associated with rate pegging, significantly constrain the City's ability to fund its capital program. As a result of the contributions cap, it is currently anticipated that a new Section 7.11 plan would not significantly alter existing contributions rates for most new dwellings.

Long Term Financial Plan 2024/25 to 2033/34

Development contributions are heavily reliant on the property development cycles influenced by demand, availability of land stock, interest rates and access to funding. As a result, there are substantial risks of cash flow not aligning with planned expenditure to be funded by development contribution funding, leaving funding “gaps” that need to be supplemented by other sources until contributions are received. Moreover, there remains uncertainty regarding the ownership of future cash flows from developer contributions.

The use of Voluntary Planning Agreements (VPAs) and, in the case of Green Square, the Floorspace Bonus Scheme and Developer Rights Scheme (DRS) will also continue to deliver significant public benefits where the City is able to negotiate positive outcomes with developers. Agreements with developers to provide Works-in-Kind contributions will continue to be linked to the delivery of essential infrastructure, where this mechanism is effective. Alternatively, monetary contributions will further assist in directly funding specific capital works projects. The Long Term Financial Plan conservatively projects consistent annual section 7.11 contributions income, based on recent average annual income. Though the plan adopts a consistent average, it should be noted that contributions income may be subject to fluctuation from year to year, depended on development activity. The contributions funding will partly offset the cost of meeting the associated increase in demand for new infrastructure and facilities.

Careful planning and regular reviews of forecasts and contributions plans over the life of the Long Term Financial Plan will reduce the risk of committing to significant expenditure for projects without appropriate financial support from developer contributions.

Alternative Heritage Floorspace Scheme

The Central Sydney Planning Committee (CSPC) resolved on 17 March 2016 to establish an Alternative Heritage Floor Space (HFS) scheme. The scheme allows developers within Central Sydney to lodge bank guarantees with the City, in order to delay the deadline for the purchase of required HFS.

If, at the maturity date of the planning agreement, the developer has not purchased the required HFS, the bank guarantee/s become payable. In the event that the City redeems a bank guarantee for cash, the funds will be held as restricted cash within the Heritage Conservation Fund, pending the identification of an appropriate avenue for disbursement towards projects with a significant heritage related component.

Capital Grants

Capital grants are received by the City for specific projects to assist in the funding of community facilities or infrastructure. The grants provide supplementary funding that can assist in accelerating the commencement of a project, demonstrate a shared commitment from the other party or provide a greater benefit arising from the additional funding.

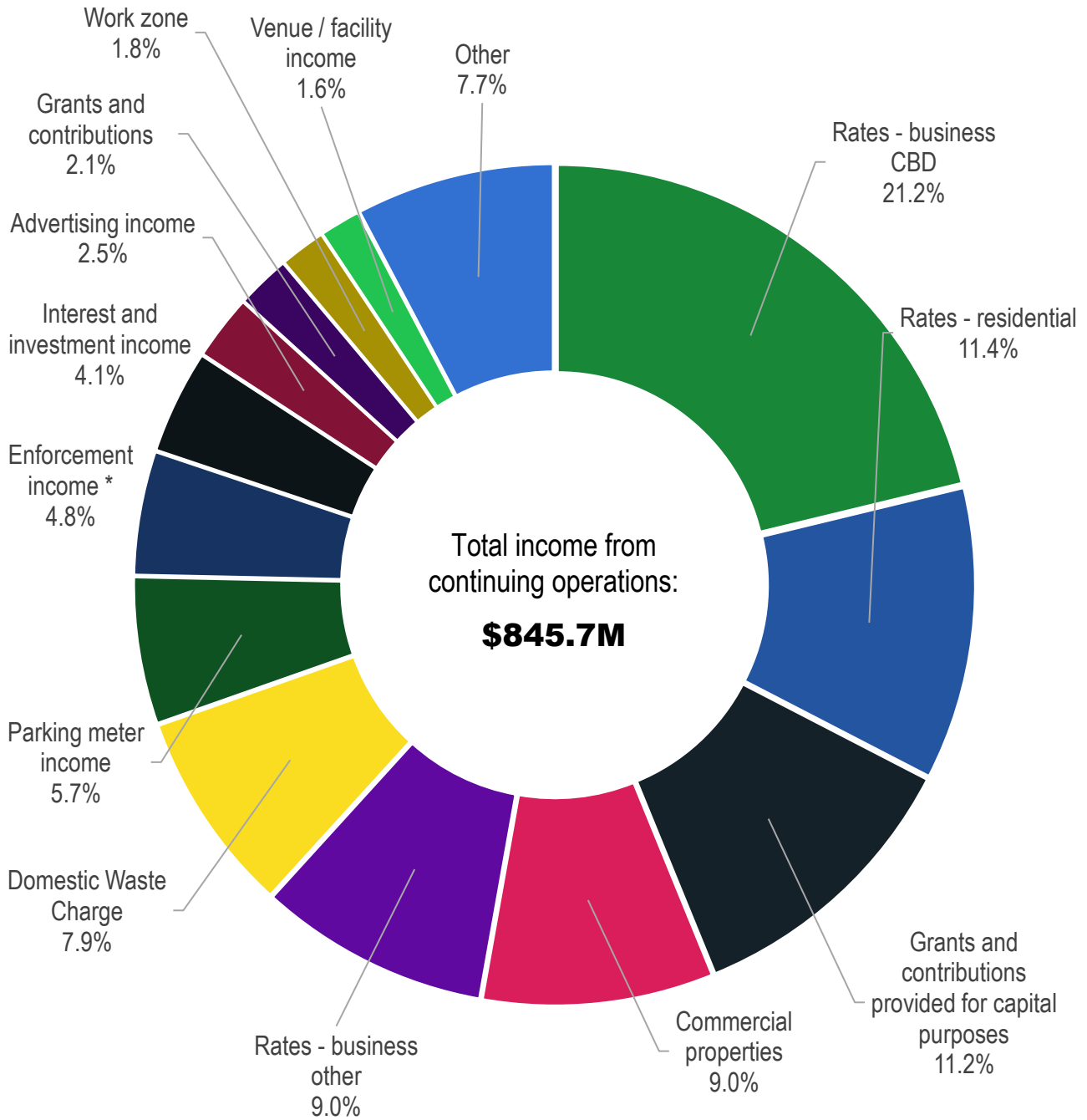
A number of proposed projects over the next ten years will require significant additional sources of funding for the projects to progress. Each of these projects is assessed, and where the funding sources are known, included in the Long Term Financial Plan.

The plan incorporates known committed grants, and a conservative allowance for capital grants income in future years, based on historical availability of grant funding assistance. As specific projects are identified as eligible for grants, the income and budgeted capital expenditure are matched within the plan.

A significant allowance has been made for anticipated grants from NSW Government towards the construction of new cycleways, consistent with the NSW Government's City Access Strategy. This is further detailed in the *Financial Forecasts – Capital and Assets* section of this Plan.

Total Income Summary 2024/25

Figure 3: Income Sources as a % of Income from Continuing Operations[^]



* Note that once processing fees and profit share (returned to NSW State Government) and collection costs are deducted from gross enforcement income, the net value represents approximately 1.3% of income

[^] Income from Continuing Operations consists of Operating Income, plus significant amounts for Capital Grants & Contributions and Interest and Investment Income

Expenses from continuing operations

This section includes a review of the City's major expenditure commitments over the next ten years, together with background information and a discussion of any key risks and assumptions.

Operating expenditure is expected to increase in general terms over the next ten years and an average increase for annual CPI growth has been applied to all costs, unless specifically modified on the basis of other data or assumptions.

Employee benefits and on-costs

The City is a leading NSW local government employer, both directly through its full time equivalent workforce in the order of 2,000 budgeted full time equivalent positions and indirectly through the services it contracts to ensure an efficient, affordable and sustainable service delivery model for the community.

The City aims to build upon its reputation as an "employer of choice" in order to attract and retain quality staff that it will continue to develop, support and assist. The challenge in a competitive marketplace is to achieve these goals and enhance the City's service delivery capability while maintaining salary and wages that are sustainable over the longer term.

Direct employee costs represent 48.0% of the City's total operational expenditure (excluding depreciation), rising from approximately 45% in 2004/05, therefore warranting specific strategic planning, ongoing monitoring and tight management control to ensure financial sustainability.

The City's People Strategy has been prepared in line with the development of this financial plan. Future salary and wages costs will be determined as part of periodic award negotiations between the City and relevant unions. The plan contains provisions for increases in line with recent Local Government (State) Award trends over the ten year period.

Materials and Services

Materials and services expenditures are another significant proportion of total operating expenditure, with the amount expended fluctuating moderately from year to year, depending on the specific needs and priorities of the services and projects within this category.

The category includes costs for services contracted to external parties for waste collection, facilities management, road maintenance and parks maintenance.

The City has significant infrastructure and facility asset holdings that need to be maintained to a quality standard, whilst providing a broad and diverse range of quality services for its community. Expectations for increasing levels of service and new community facilities and assets will lead to future cost pressures.

Asset management and service planning, together with ongoing reviews of contracts and services, will aim to defray some of these increasing cost demands.



Image 9: *Martin Place Christmas tree decorations in 2023*

Other Expenses

“Other Expenses” incorporates costs relating to ordinary goods and services which are recurrent in nature. It also includes the costs for producing large community events, payments to utilities, donations to other organisations, communication expenses and contributions to other levels of government that can significantly change over time.

The City commits significant funding to its ongoing community events (including New Year’s Eve, Lunar New Year, Sydney Streets Festival etc). While there are cost pressures associated with producing and staging these events, there are often discretionary elements and the City has been successful at managing these events within the overall budget framework for major events. Programming is reviewed annually to ensure adequate funding has been allocated for specific events.

The City also manages a large and diverse annual Grants and Sponsorship program to ensure that financial support is available for the development and delivery of community projects and programs that align with the City’s

strategic plan outcomes. These programs are tightly managed to ensure that the City supports a broad and diverse range of grant applications that satisfy set criteria, within the approved program.

As noted in the Commercial Property Income section above, the plan accounts for tenancies under the City’s Accommodation Grants Program (AGP) as gross income and gross (in-kind) grant expense, reflecting the value of rental abatement provided to tenants under the program.

An analysis of recent trends and project assumptions has identified several items that are likely to increase at higher than the CPI rate. The major items have all been examined and longer term assumptions determined for the following items.

Local Government Elections

The Plan anticipates the NSW Electoral Commission charging around \$1.7M for the cost of running the local government elections every four years. The plan therefore allows for elections in 2024, 2028 and 2032.

State Government Levies

The City recognises that State Government levies are a legitimate mechanism to distribute the burden of funding certain services and can be used as a financial disincentive to promote a reduction in certain activities, however the levies should be apportioned equitably and used for the nominated outcomes in a transparent manner.

The City contributes in excess of \$15.6M annually to the State Government in the form of direct levies. The increase in these changes, in some cases arbitrarily set by the State Government, has in recent years risen significantly higher than CPI for the same period.

Some of the levies paid by the City to other agencies include:

- Waste and Environment Services Levy applied to all waste disposed to landfill (over \$4.8M annually)
- Fire & Emergency Services Levy assigned to each council in NSW to partially fund metropolitan and rural fire services (\$6.8M annually), no longer partially subsidised by the NSW State Government
- Parking Space Levy which applies to commercial car parking spaces within the CBD (\$1.9M annually)
- Contributions to the Sydney Region Development Fund managed by the Department of Planning, Industry and Environment (\$0.8M annually).

The Waste and Environment Services Levy has historically increased at a rate deliberately set greater than CPI as a price deterrent to additional waste. In 2024/25, the levy rate is anticipated to again rise, although in line with CPI only. The charges for waste and environment levy for domestic waste are fully recovered from ratepayers directly through the Domestic Waste Management Charge, as required by legislation.

The City is also subject to the State's Parking Space Levy, which has again risen disproportionately over recent years, with little advance notice and has had a significant impact on the cost of public and private parking within the City. There are also concerns over what benefits to public transport have been achieved through the use of these specifically quarantined funds.

The City contributes to the Sydney Region Development Fund, to assist with funding a proportion of the loans required for the State to procure lands for open space, transport etc. The City believes that this funding mechanism should be made available to offset the costs of strategic lands acquired by the City in delivering essential infrastructure and open space in the Green Square urban renewal area.

Parking Enforcement Agreement

The Enforcement Income section referenced the 2001 agreement that transferred responsibility to the City for parking enforcement in the CBD, and the requirement for the City to share equally the net revenue with the NSW Government (for the CBD and South Sydney precincts), after deducting all costs associated with this important regulatory and traffic management function.

The City expects to return around \$4.0M to the State Government in 2024/25, as per the agreement. This amount fluctuates with the volume of infringements, processing costs and collection rates, however this is linked to the respective enforcement income. In addition, the City will pay Revenue NSW in the order of \$5.9M for the processing of infringement notices.

Asset and Infrastructure Maintenance

The City's Asset Management Strategy incorporates the over-arching framework, policies and strategies to manage the critical assets under the City's control, a key measure of long term sustainability.

The plan provides estimates of the planned maintenance levels for each of the major categories of infrastructure assets and the Long Term Financial Plan includes forward estimates for asset maintenance activities including new assets developed, together with provisions for projects that refurbish, upgrade or create new community facilities and essential infrastructure.

The Long Term Financial Plan and Asset Management Plan together demonstrate the City's capacity to fund the required maintenance and renewal of its critical operational and community assets, in a condition appropriate to meet the needs of the community and the expectations of a global city over the next ten years.

Depreciation, amortisation and impairment

Depreciation of assets is a non-cash expense that systematically allocates the financial benefit of a fixed asset, and recognises degradation of its capacity to continue to provide functionality over time.

Depreciation provides an approximate indicator of the reduction of the asset's estimated useful life, on the proviso that it is maintained in a standard condition. Depreciation is based upon each asset's value and an annual rate of depreciation calculated on the estimated useful life for each asset class.

Depreciation is not influenced by other factors such as CPI and will only change if asset values or useful lives vary, or assets are acquired or divested. NSW Office of Local Government requires that all assets are revalued to "fair value" within a five-year cycle.

Valuation and depreciation methodologies are regularly reviewed, as part of cyclical asset revaluations and in the interim, as improved

asset data becomes available. Updated asset condition data is incorporated into depreciation calculations, with the aim of better aligning asset depreciation with consumption of economic benefit as closely as practical, using available information.

However, depreciation – a notional calculation of asset consumption over its useful life – is not a measure of the required renewal expenditure on an asset in any given year. It does not inherently reflect the actual physical degradation of the asset condition. Depreciation is therefore merely a guide towards the funds that should be allocated towards the renewal of assets either on an annual basis or in the provision of internal reserves to be used for major renewal projects.

The City's investment in new community facilities and other assets, and periodic revaluation of existing assets will see the depreciable asset base rise over time.

This Plan assumes a continuation of present-day depreciation methodology, and accordingly increases in depreciation expense have been modelled in line with anticipated project completion dates.

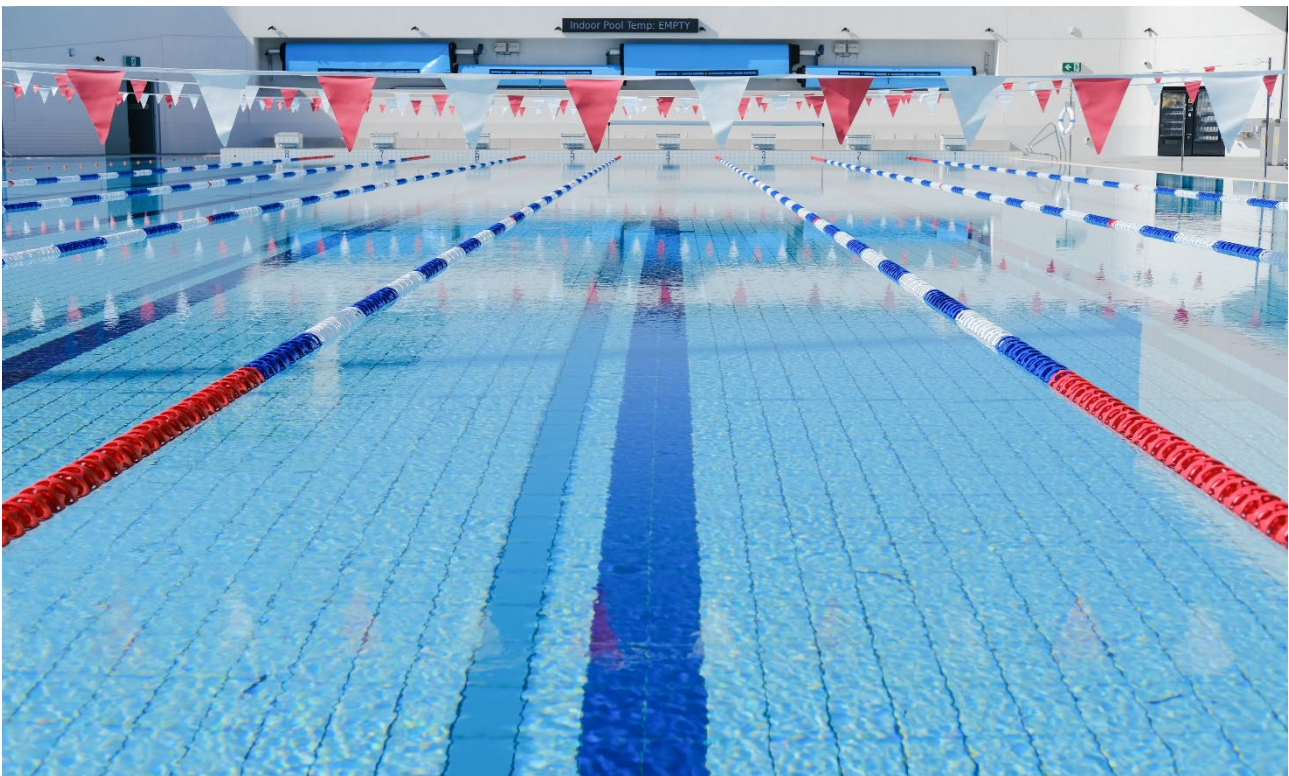
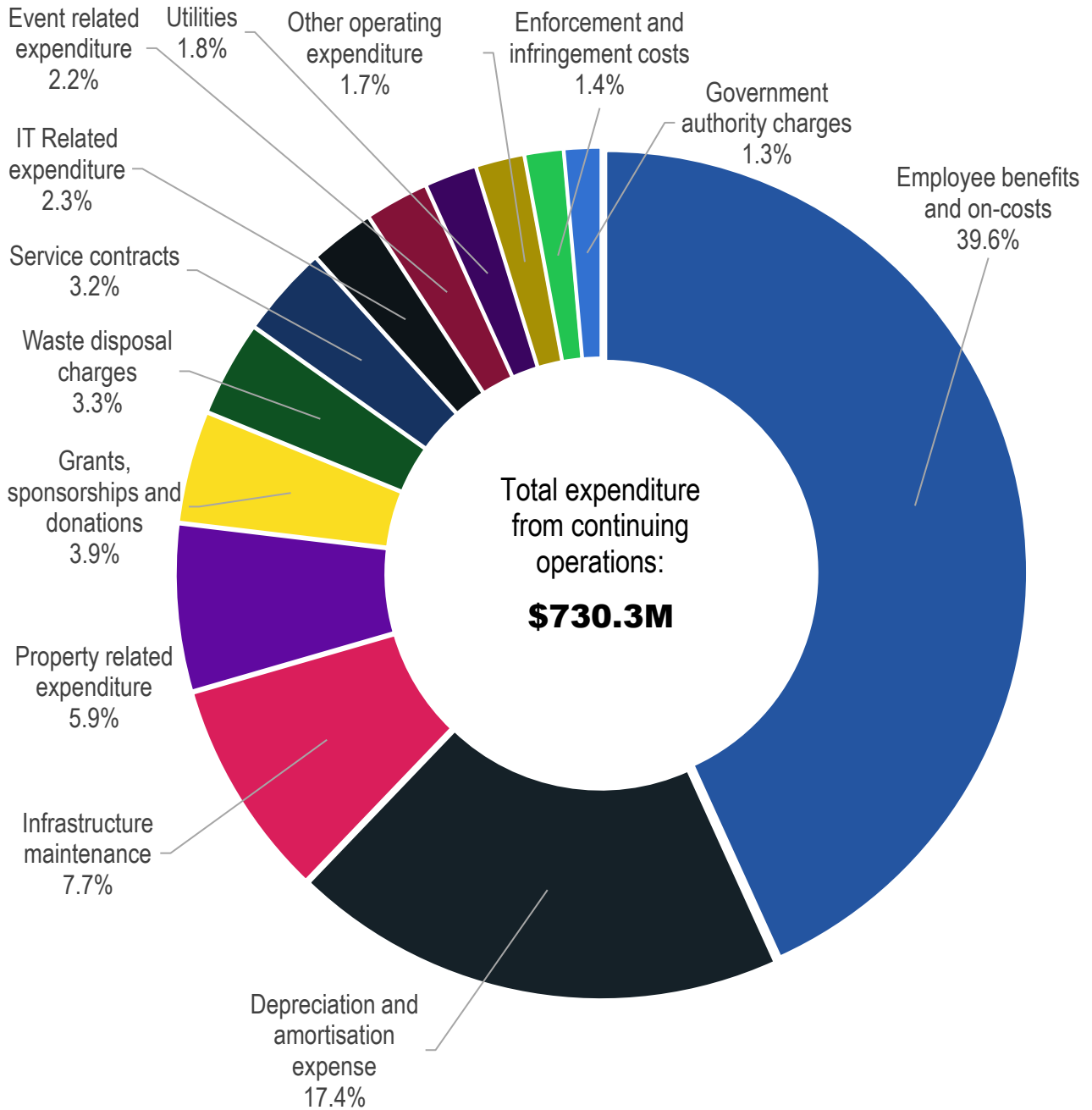


Image 10: *City of Sydney Gunyama 50m indoor pool*

Total Expenditure Summary 2024/25

Figure 4: Expenditure Sources as a % of Expenditure from Continuing Operations*



* Expenditure from Continuing Operations consists of Operating Expenditure, plus expense amounts for Depreciation and Capital Project related costs

Financial Forecasts – Capital and Assets

Capital Works Expenditure

Consistent with previous Long Term Financial Plans, the City continues to plan for an extensive capital expenditure program, with approximately \$2.2 billion of expenditure forecast for the construction of infrastructure and facilities over the next ten years.

This significant capital program requires careful planning and financial management, in order to ensure that delivery is achievable whilst maintaining operational service standards.

Asset and Infrastructure Renewal and Upgrade

The City will fund the renewal and upgrade of its infrastructure assets through the allocation of funds to its ongoing maintenance and capital works program. In cases where there is a requirement for major funding outside of this program, this will be achieved by the diversion of funds into an internally restricted reserve fund.

The program for asset renewal, enhancement and for the creation of new assets will be informed by the City's Asset Management Strategy. Over the long term, proposed capital expenditure for replacement, refurbishment and augmentation of key asset classes is expected to meet or exceed the required level, as identified in the Asset Management Strategy.

Capital Works Program

The City, through its capital works program, delivers vital improvements to the City's public domain, roads, footways, stormwater, parks and open spaces, properties, pools and other community facilities. New or replacement facilities are designed and constructed to meet growing community needs, while the existing

portfolio of infrastructure and community facilities require upgrades and renewal in addition to their annual maintenance programs.

The capital works program funds the design, construction and refurbishment of City-controlled infrastructure, and is integrated with the asset management strategy plans, with a strong focus on quality service delivery and whole of life planning and management for each asset class.

Capital works funding is the largest program of expenditure in the City's budget over the next ten years and is therefore the subject of rigorous planning to ensure a sustainable level of funding for the timely delivery of key projects.

The ten year Capital Works schedule incorporated estimates of the scope, value and timing of the works and projects based upon the City's priorities, current level of knowledge and best estimates.

The ten year Long Term Financial Plan provides for the funding of the City's significant projects, in order to progress the goals and outcomes within the Community Strategic Plan.

In addition to the major initiatives, the ten year plan also allocates funds for capital programs that both enhance the City's asset base, and also for all of the City's rolling programs of asset upgrade and renewal to ensure that its public domain infrastructure (including roads, footpaths, drains), traffic management, open space and parks, properties, pools and other community facilities are all maintained in accordance with the relevant asset management plans, and to a quality expected by the community and other stakeholders.

Asset Enhancement Projects

Asset enhancement project groupings incorporate capital works projects resulting in new, extended and/or augmented assets. Whilst these projects may, at times, provide an implicit renewal benefit for existing assets, the main driver for the works is an increased service provision to the community.

Bicycle Related Works

The City is planning to continue construction of its adopted bike network to provide safe connected cycling infrastructure to encourage more people of all ages and abilities to ride safely, both in the city centre and surrounding areas.

Significant capital grants related to the delivery of new cycleways have been incorporated into the plan. These grants are anticipated to be received from the NSW Government based on their own priorities, and expenditure on a number of new cycleways projects is contingent upon the receipt of these grant funds. Should the grants not be received, expenditure on the proposed program will not be achievable, and will need to be revised accordingly. The City continues to work closely with the NSW Government to align project priorities.

Open Space, Parks and Trees

Works to expand and enhance the City's Open Space supply are focused on increased quantity of open space, improved quality and community amenity. The program includes large provisional sums budgeted to deliver the new Open Space envisaged by the City's Development Contributions Plan, addressing increasing future demand created by the City's new population. Significant projects include:

- Gunyama Park Stage 2 & George Julius Avenue North
- Federal Park Basketball Courts
- Mandible Street Sports Precinct



Image 11: *Eternity Playhouse in Darlinghurst*

Properties – Community, Cultural and Recreational

The City manages a diverse portfolio of properties and has provided funds for their renewal, refurbishment or enhancement to continue the safe, efficient and sustainable operation of the buildings by commercial tenants, community patrons and staff.

Future provision has been made for the construction of new and upgraded community facilities, in order to meet increased demand as a result of a growing population. As project priorities and opportunities are identified, these provisional sums will be assigned to specific projects. Renewal of community and recreational facilities is forecast to meet the requirements identified in the Asset Management Strategy, over the ten years of the Plan. Major projects include:

- Green Square school and community facilities
- A future recreation facility at Huntley Street Alexandria.
- Waterloo Town Centre Community Facilities.

Properties – Investment and Operational

Capital works on the City's commercial (income-generating) and operational (e.g. depots, administration buildings) properties are generally renewal-driven.

Public Art

The City is continuing the delivery of the Green Square public art strategy, commissioning a range of new public artworks within the Green Square precinct.

The Eora Journey in the public domain identifies sites or histories of significance and reveals them so that in time our city's Indigenous story will be fully expressed. Yananurala, the harbour walk will share and celebrate new and old stories of Aboriginal and Torres Strait Islander people along the Sydney harbour foreshore.

These major programs are in addition to smaller, individual public art projects.

Public Domain

The City is committed to delivering innovative urban design projects that improve the quality and scope of the public domain for residents, workers and visitors together, and ensuring the ongoing safety of users of the public domain.

The ten year capital works program incorporates both the construction of new and expanded assets, as well as upgrades that improve the public domain.

The public domain category of works includes:

- City centre Sydney Square upgrade
- Dixon Street public domain improvements
- Crown Street public domain improvements
- Pemulwuy precinct public domain improvements
- George Street North pedestrianisation (Hunter to Alfred Streets)

The City intends to create more people friendly streets surrounding the light rail and further develop the pedestrian boulevard to Railway Square by restricting through traffic and widening the footpaths to install more trees and street furniture.

The City is extending the pedestrian boulevard of George Street from Hunter Street, Wynyard to Essex Street. This project builds on the success of the completed George Street boulevard between Hunter Street and Rawson Place. It includes:

- 5,900m² of new pedestrian space
- wider footpaths by restricting through traffic
- up to 20 new trees
- new street furniture

This project will see our vision of a fully pedestrianised George Street from Circular Quay to Central a step closer, with over 20,000m² of former roadway reclaimed for people.

Stormwater Drainage

Major stormwater drainage augmentation projects, arising from Flood Plain Management Studies and in response to community needs in areas experiencing residential growth, are included within the City's capital works program. Provisional sums have been included in the later years of the program, to enable the mitigation of potential flooding risks.

Asset Renewal – Rolling Programs

Asset renewal capital programs comprise groups of works focused on restoring and maintaining the service capacity of the City's infrastructure assets and facilities. Whilst a degree of upgrade to older assets is inevitable in most renewal works, the projects are chiefly initiated to restore the service capacity of existing assets.

Open Space, Parks & Trees

The City's parks, open spaces and trees (including City controlled Crown Reserves) are amongst the community's most highly valued assets. Our park and open space network encompasses approximately 216 hectares throughout the local government area, providing both active and passive places for the community's use and enjoyment.



Image 12: *King George V Recreation Centre, Cumberland Street*

Along with the continuation of the successful Small Parks and Playgrounds Program, the Street and In-Road Tree Planting Programs and works to enhance Public Domain Landscaping, renewal projects are continuing at Hyde Park, Harry Noble Reserve and Woolloomooloo playground.

Infrastructure – Roads, Bridges & Footways

Substantial capital programs are in place to continue the renewal of the City's infrastructure network, particularly: roads, bridges and footways (incorporating cycling and kerb and gutter infrastructure). The programs will ensure that these key asset groups meet or exceed the City's determined 'minimum service levels' and continue to provide the expected amenity to the community. Also captured within these projections is the ongoing CBD Paver In-fill Program, which has successfully improved public domain amenity by replacing existing asphalt and concrete footpaths with granite paving.

Properties Assets

The City manages a diverse portfolio of properties and the Long Term Financial Plan provides funds for their renewal, refurbishment or enhancement to continue the safe, efficient and sustainable operation of the buildings by commercial tenants, community patrons and staff.

Renewal works to the City's corporate and investment portfolio will focus on sustainability and building compliance, along with works to maintain the income generating capacity of commercial properties. Community properties renewal works will focus on meeting safety and environmental standards and maintaining asset service levels in line with community needs.

Public Art

Programs for the conservation of the City's array of public art incorporate a significant capital renewal program. These targeted restoration works are often highly specialised, and often involve heritage and artist consultation.

Public Domain

Whilst the Infrastructure – Roads, Bridges and Footways renewal programs are focused on major network asset renewals, public domain renewal programs comprise works on additional infrastructure and public space assets, ensuring that the assets are maintained to a satisfactory standard across the entire local government area.

The public domain category of works includes:

- Traffic and pedestrian improvement works
- Walls, fences, steps, street furniture, retaining structures, survey markers
- Lighting asset renewal and improvement

Stormwater Drainage

The City is undertaking a program of renewal and replacement of its existing stormwater network, in order to reduce the potential damaging effects of flooding. An extensive CCTV asset inspection project is ongoing, in order to identify priority rectification works on defective assets.

Prioritisation of Projects

The capital works program prioritises projects based on asset condition, risk, community need and other opportunities as they arise with other entities. Over shorter periods, some areas of the local government area may require more capital works than others to reflect short term needs and opportunities.

The need for new assets is constantly assessed and verified against current population and development projections, community feedback and alternative means of supplying services. A further consideration is the priority of refurbishing existing assets that provide community benefits or operational service that require regular refurbishment to enable the overall safety and quality of the facility to be maintained.

Continued growth within the southern section of the City's area will place additional emphasis on prioritising the provision of community facilities and essential infrastructure in line with the development of the significant sites.

Timing

The ten-year capital works schedule comprises a mixture of specifically identified and budgeted projects over the shorter term and contains provisional sums over the longer term for programs of work where individual project opportunities have not been determined as yet.

Capacity

Apart from funding constraints, the City has capacity constraints which determine the capital works program delivery timeframe. The constraints in project delivery include extensive community consultation programs, state government approvals, design, stringent procurement processes and availability of labour resources to project manage and implement the projects.

The ten year capital works schedule proposes an annual budget that reflects the demand and capacity. A small number of very large projects may be totally delivered by other parties and the City may elect to contribute to the project through financial means.

Future Capital Works Program

The City will generate the requisite funds through tightly controlled and well managed operations, interest earnings and capital contributions. Though the Long Term Financial Plan includes a challenging program to deliver year on year, it is considered appropriate, achievable, and financially sustainable.

Plant and Assets (including Technology and Digital Services Projects)

In addition to the renewal and expansion of the City's asset base delivered through the capital works program, the City undertakes a replacement (and, where appropriate) upgrade/expansion program for its plant and equipment type assets. Asset types include vehicles and plant, information technology hardware and equipment, library resources, furniture and fittings and other equipment.

Additionally, the City has a capital works program to deliver components under the Information and Technology Strategy,

incorporating the purchase, development, upgrade and implementation of new and existing software and systems.

The forecasts shown represent asset acquisitions (net of disposals, which aim to recover the residual value of the asset, where a sale is possible). The average annual allowance is in the order of \$42M combined for plant and asset acquisitions and capital works (Technology and Digital Services), which represents the long term target, with specific requirements determined within the Operational Plan each year.

For the purposes of this financial plan, provisional sums for future property acquisition and divestment have been included (including the utilisation of development contributions in acquiring new land for open space) to reflect how the prospective cash flows would impact the City's cash reserves and financial position.

Purchases of land related to the delivery of the overall Green Square Urban renewal project have been significant. Most of these purchases have been undertaken to facilitate stormwater and road infrastructure delivery. The intention remains to divest any residual lands that are not required, once the essential assets have been constructed or delivered.

Property Strategy – Acquisition and Divestments

The City controls a wide portfolio of operational, community, commercial and strategic property assets, which it needs to regularly review to confirm as appropriate in light of changing needs, operational and investment requirements.

Over the life of this plan, the City will identify other specific development, community, and investment opportunities for Council consideration within the framework of the City's property strategy. Each of these proposals would then lead to specific acquisition and divestment recommendations that would be brought to Council for their review and direction, subject to relevant community consultation where appropriate, before being formally approved or progressed.



Image 13: Glebe Town Hall

Cash (Funding) Forecasts

Incorporating the above forecasts for operating results, capital income and expenditure and asset acquisitions and disposals, the City projects cash and investments balances across the ten year period of the Long Term Financial Plan.

The projected balances incorporate cash and investments held by the City. The maturity profile of the City's financial investment portfolio will be determined on a "needs basis", taking into consideration the short term cash requirements of the City, whilst retaining sufficient cash reserves to fund the Capital Works Program. Consideration is given to the effect on the Unrestricted Current Ratio, a key liquidity measure, and on maximising investment returns earned on surplus cash.

The ratio of current vs non-current cash and financial investments as at 2023/24 is generally assumed to be consistent throughout the plan, with adjustments made where required by timing of expenditure and projected cash restriction balances.

Cash balance forecasts per the Long Term Financial Plan are summarised in the financial schedules attached to this document.

Cash Restrictions

A significant portion of the City's cash and investment reserves is restricted. These restricted balances are forecast to ensure that overall cash balances adequately cover the restricted amounts whilst retaining an appropriate level of working capital.

External restrictions represent cash holdings that have not yet been discharged in accordance with the conditions of their receipt.

Internal restrictions are made via Council resolution, generally in order to assign funds to specific projects/purposes or to provide contingency funds for unanticipated circumstances (e.g. Employee Leave Entitlements).

External Restrictions:

Development Contributions – 100% of cash Developer Contributions levied under Section 7.11, Section 7.12 and Section 61, Bonus Floor Space scheme and Voluntary Planning Agreements (including the Developer Rights Scheme for Green Square Town Centre) received but not yet expended in accordance with the applicable deed or contributions plan.

Contributions – Capital Works – 100% of cash contributions provided to the City by third parties that are yet to be expended on the project(s) for which they were provided.

Unexpended Grants - 100% of cash grants received not spent during the year are treated as restricted funds.

Domestic Waste – Any cash surplus from operations is held as a restricted asset to fund future capital expenditure or process improvements to the Domestic Waste collection business, including public education programs.

Stormwater Management – Funds received through the stormwater levy are set aside for various structural and non-structural programs used to reduce urban stormwater pollution. Unspent funds are held as restricted assets.

Public Roads – In accordance with section 43 (4) of the *Roads Act (NSW) 1993*, proceeds from the sale of (former) public roads are set aside for the acquisition of land for public roads, and/or carrying out works on public roads.

Internal Restrictions:

Public Liability Insurance – Monies have been restricted for 100% of the provision.

Employee Leave Entitlements – the employee leave entitlement provision is set aside to fund extraordinary movements of staff. Normal annual payments of leave entitlements are funded from operating income.

Workers Compensation Insurance – In accordance with actuarial advice, the City restricts funds for 100% of the provision, plus an additional "prudent margin".

Performance Bond Deposits – All security deposits are held as restricted funds.

Long Term Financial Plan 2024/25 to 2033/34

Commercial Properties – Funds from the divestment of excess commercial properties are set aside to reinvest and continue the revenue stream from (and maintain diversification of) Council's large commercial and investment property portfolio.

Green Square – Monies set aside in anticipation of Green Square infrastructure not funded by development contributions or grant funding.

Green Infrastructure – Monies set aside for implementing green infrastructure projects including water recycling to deliver enhanced environmental benefits to the organisation and community.

Town Hall Square - funding for construction costs of Town Hall Square set aside from increased rental revenue due to the extension of the available commercial lease terms for properties associated with the future Town Hall Square.

Renewable Energy – Monies set aside to develop renewable energy for the organisation that can be derived from wind, solar or geothermal sources.

Community Facilities – Cash proceeds from the divestment of properties that no longer fulfil community needs are set aside for the future acquisition or development of property to improved community spaces or replacement facilities that meet future community needs.

Operational Facilities – Cash proceeds from the divestment of surplus operational properties are set aside for the future acquisition or development of properties to supplement or replace buildings within the current operational building assets portfolio that provide infrastructure for the operation of the City's services.

Supported Accommodation Affordable and Diverse Housing Fund – Proceeds from the sale of selected properties (nominated by Council resolution) are set aside for the future acquisition of land to be utilised in the delivery of additional affordable housing within the LGA.

Heritage Conservation Fund – Monies received through the redemption of bank guarantees provided under the Alternative Heritage Floor Space scheme will be restricted, pending the identification of an appropriate option for their disbursement.

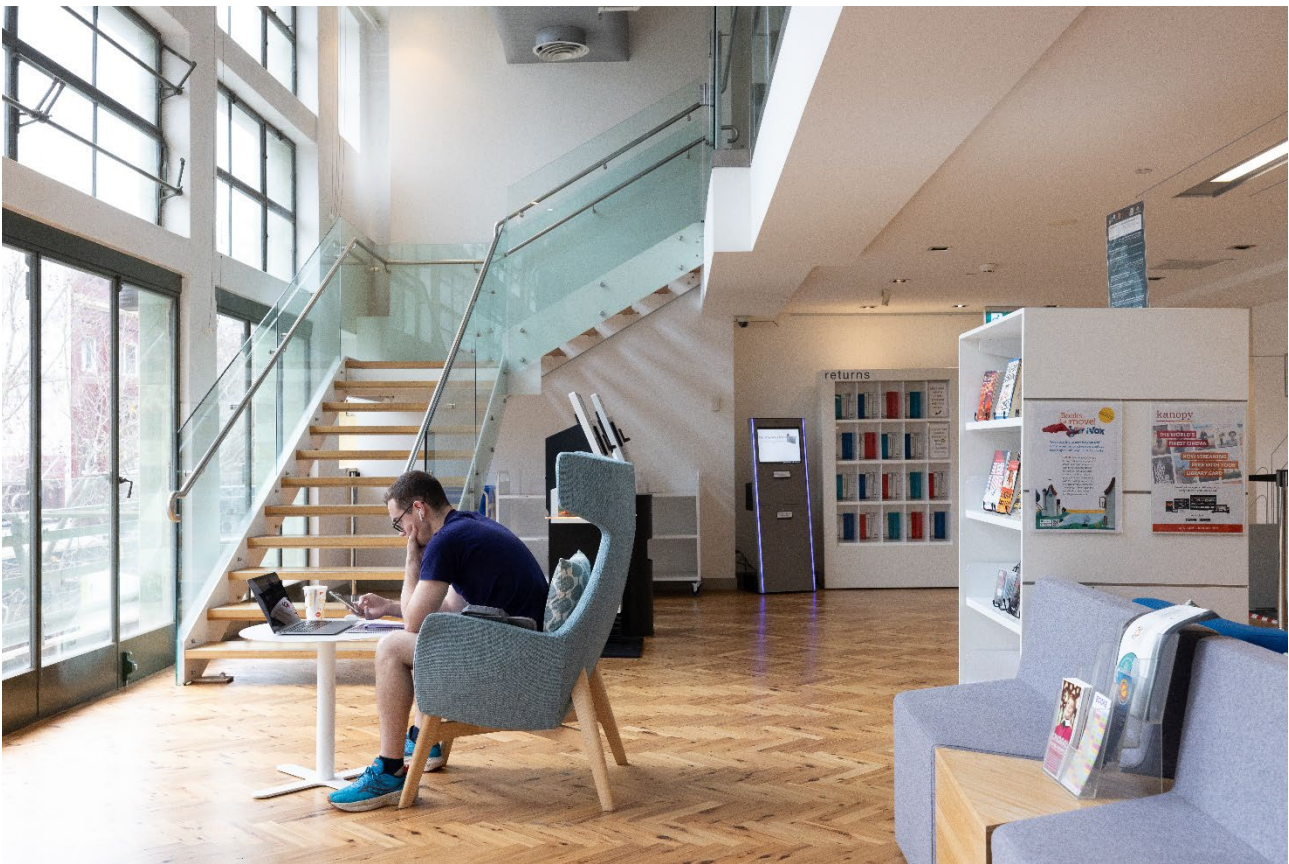


Image 14: Kings Cross Library, one of the City's network of nine branches

Financial Performance Targets

The City has a history of rigorous financial planning, monitoring and reporting, which facilitates a transparent understanding of performance, risks and issues that has served the City well. An early awareness of risks and issues allows the Council and the Executive to amend its plans to mitigate these arising risks and ensure the long term financial sustainability of the City.

This diligence has continued under the Integrated Planning & Reporting (IPR) framework, incorporating input from the other key resourcing strategies of workforce planning, information and communications technology and asset management, and extended to include a longer term forecast horizon.

There are many indicators of financial sustainability. The City continues to develop and monitor a broad suite to ensure that it is aware of any significant concerns to its operational and capital plans. At a high level, the intention at this stage has been to focus on the following industry measures of financial operating sustainability.

Key Performance Measures

Financial performance measures are reported annually as part of the City’s annual financial statements. The City targets above benchmark performance where possible, and the following results are prepared in accordance with Office of Local Government required methodologies. With the exception of the Infrastructure Backlog Ratio, which is a snapshot by year, each ratio reflects a three-year average up to the year shown, commencing with 2024/25. Additional detail on projected performance against these ratios is included with the schedules attached to this Plan.

The projections included below are shown in green where the mandated benchmark level is met/exceeded. Benchmarks are set by the Office of Local Government.

Sustainability

Operating Performance Ratio

(Benchmark: greater than 0%)

Widely acknowledged within the sector as a core measure of financial sustainability, this ratio essentially measures a Council’s Operating Result excluding Capital Grants & Contributions (which are typically tied to delivery of new capital works). Performance at or above benchmark indicates that the City has the ability to internally generate sufficient funding for its ongoing operations.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
3.52%	2.21%	1.38%	1.11%

Own Source Revenue Ratio

(Benchmark: greater than 60%)

A measure of fiscal flexibility, Own Source Revenue refers to a Council’s ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
84.65%	87.39%	89.42%	88.94%

The City will continue to perform at levels in excess of the benchmark. The City will continue to seek a diversified income base, to minimise the burden on ratepayers in funding services and asset delivery.

Building and Infrastructure Asset Renewal Ratio*

(Benchmark: greater than 100%)

This measure is intended to indicate the extent to which a Council is replenishing the deterioration of its building and infrastructure assets (i.e. renewal expenditure as a proportion of annual depreciation expense). The implication of the benchmark is that a Council’s annual depreciation expense is the indicative level of required annual renewal of its assets.

The mandated use of depreciation in calculating the required level of asset renewal is flawed, as depreciation (an accounting concept) patterns do not necessarily match the decline of asset service potential and should therefore not be used as a benchmark level for asset renewals.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
112.51%	134.30%	107.69%	96.63%

* The City has utilised calculations of “Required Asset Renewal” from its Asset Management Plan (part of the IPR “suite” of documents) and the ratio projections above reflect this approach.

The City’s Capital Program is expected to generate capital renewal near or above benchmark levels for the entire ten years of the Long Term Financial Plan. Delivery of asset renewal works is not linear. The lower projected performance in outer years of the Plan marks a temporary decline in asset renewal works that follows several years where renewal works is significantly higher. This is expected to have minimal impact on the assets and their condition.

Infrastructure and Service Management

Infrastructure Backlog Ratio

(Benchmark: less than 2%)

Infrastructure Backlog, in the context of this ratio, refers to an estimated cost to restore the City’s assets to a “satisfactory standard”, typically through renewal works. With renewal cycles that typically take place over the longer term, it is not unusual that some backlog will occur. Maintaining this ratio at lower levels over the long term will indicate that the service capacity of assets is being effectively maintained.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
1.29%	0.60%	0.58%	0.72%

The City's projected Infrastructure Backlog ratio is subject to future assessments of asset condition, and therefore difficult to predict. However, the ratio result is expected to improve as targeted renewal works (per the City's asset management plans) are completed. Condition assessments of assets are also completed periodically, in order to better prioritise capital works.

Condition assessment methodology evolves regularly, as does official guidance from the Office of Local Government and the sector generally, regarding the assessment of any identified infrastructure “backlog”.

Asset Maintenance Ratio

(Benchmark: greater than 100%)

The extent to which a Council is adequately maintaining its building and infrastructure asset base is measured by expressing actual (planned) maintenance as a proportion of the “required” maintenance expenditure. A ratio result of greater than 100% will indicate the Council is exceeding its identified requirements in terms of maintenance, which in turn should impact positively upon infrastructure backlog and required renewal levels.

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Projected Performance:

2024/25	2027/28	2030/31	2033/34
100.05%	101.40%	101.74%	102.32%

Projections shown are within acceptable tolerance

This Long Term Financial Plan, in conjunction with the Asset Management Plan, addresses identified asset maintenance requirements. Maintenance budgets over the life of the plan are forecast to meet benchmark levels as maintenance requirements increase with a growing asset base. Maintenance levels are also considered in conjunction with infrastructure backlog and required asset renewal expenditure levels over time.

Debt Service Ratio

(Benchmark: greater than 0, less than 0.2)

The effective use of debt may assist in the management of “intergenerational equity” and help to ensure that excessive burden is not placed on a single generation of a Council’s ratepayers to fund the delivery of long term infrastructure and assets. Other strategies, not reflected in this performance measure, may also achieve an equivalent outcome, and a consistent program of capital delivery will also alleviate the need to excessively burden a particular set of ratepayers.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
301.65	285.50	281.87	283.58

The projected ratio result reflects future estimates related to a property leased by the City for a library. Under accounting standard AASB 16 - Leases, a notional 'interest' expense is calculated in respect of the lease. The ratio benchmark is greater than 2.00 : 1, which is significantly exceeded over the life of this plan, indicating that the City can comfortably accommodate this notional 'debt'.

Whilst the benchmark for this ratio requires a council to utilise at least some debt, the City’s history of sound, prudent financial management has resulted in the accumulation of cash reserves and underlying operating surpluses. This Long Term Financial Plan details the effective utilisation of these funds, facilitating

the delivery of the ten year capital program without the utilisation of borrowings.

Should circumstances change over the life of the Plan, the City will consider the use of debt, where appropriate, in delivering key projects. This may also encompass the use of internal borrowings, where restricted funds are not required for their specific purpose in the short to medium term.

Efficiency

Real Operating Expenditure per Capita

(Benchmark: less than 2%)

Whilst the difficulty of adequately measuring public sector efficiency is widely acknowledged within the Local Government sector, this measure nevertheless attempts to reflect the extent to which a Council provides “value for money” through savings in underlying (inflation-adjusted) operating expenditure over time, relative to the population serviced.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
Declining Trend	Declining Trend	Declining Trend	Declining Trend

The City’s continued strong financial controls are expected to result in better-than-benchmark performance over the ten years of the Plan. This reflects continued efficiency in providing new infrastructure, facilities and services to a growing residential population.

The City continues to argue for a measure that is reflective of the much larger population that utilise its services, infrastructure and facilities, including workers, students and visitors.

Other Key Performance Indicators

Operating Surplus

The City is budgeting an Operational Surplus (excluding capital income, interest earnings and depreciation expense) of \$119.1M for 2024/25 which is achievable and aligns with current performance levels.

Long Term Financial Plan 2024/25 to 2033/34

Performance against this target is monitored monthly by the Executive and reported to the Council and the public community as part of the Quarterly Budget Review Statement.

Cash Reserves

The City ensures in its planning process that it holds sufficient cash reserves to satisfy all of its legislative requirements (or external restrictions) as well as the internal restrictions (such as employee leave entitlements) that it has elected to set aside and appropriate amounts of working capital to ensure prudent financial controls and adequate working capital. This minimum total is at least \$250M.

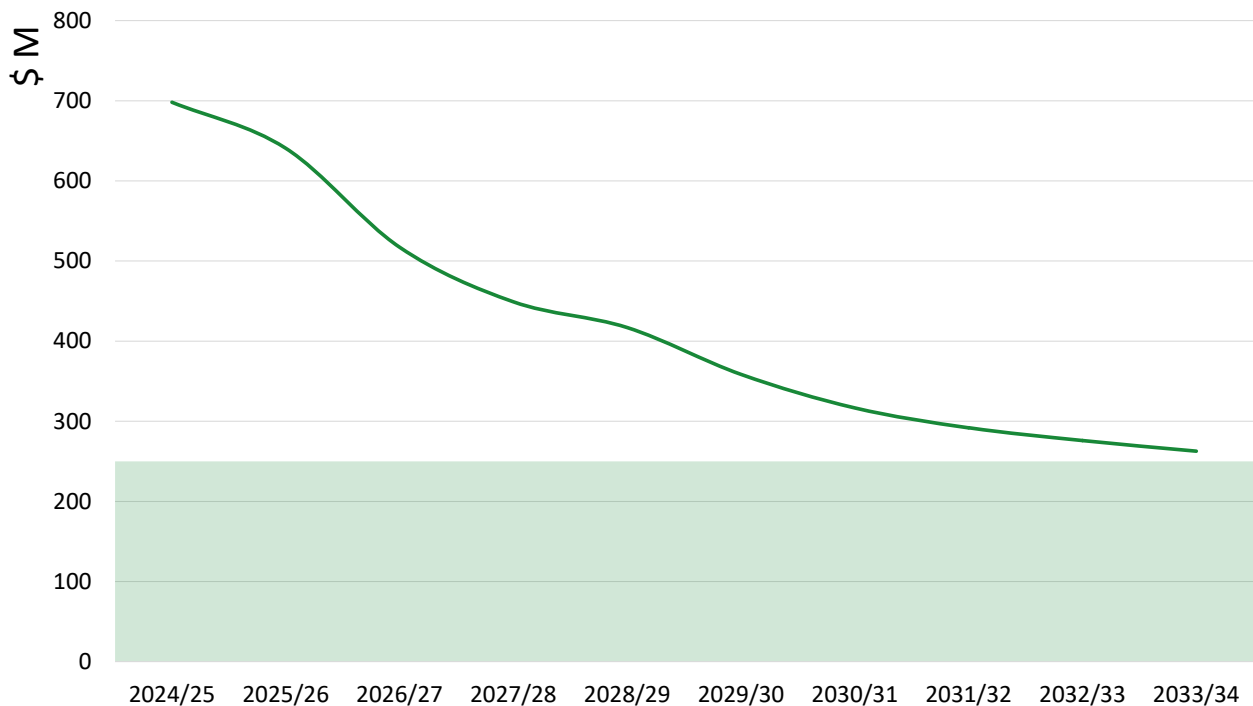
Figure 5 below illustrates the City's cash and investment balances as forecast over the next ten year period. Read in conjunction with the projected Unrestricted Current Ratio, sustainable liquidity levels are maintained over the period of the Plan, allowing the City to meet its obligations and deliver its capital program whilst maintaining operational service levels.

Fluctuations of projected cash balances are largely a consequence of projected proceeds from the divestment of surplus City-owned properties, and also significant capital works program expenditure.

Supplementary Performance Indicators

The Local Government Code of Accounting Practice and Financial Reporting (2023/24 financial year) prescribes a series of performance indicators to be compulsorily reported. The City uses these indicators (and respective benchmarks) as key parameters in the financial planning process. These mandated ratios incorporate those included within Fit for the Future, and some additional indicators as detailed below. The ratios (and brief descriptions of their purpose) are as follows:

Figure 5: Projected cash and investment balances



Long Term Financial Plan 2024/25 to 2033/34

Unrestricted Current Ratio (Liquidity)

(Benchmark 1 – 1.5 or higher)

The Unrestricted Current Ratio is specific to local government, measuring the adequacy of the City’s liquid working capital and its ability to satisfy its financial obligations as they fall due in the short term.

Restrictions placed on various funding sources (e.g. development contributions) complicate the traditional current ratio used to assess liquidity of businesses as cash allocated to specific projects is restricted and cannot be used to meet a Council’s other operating and borrowing costs. The City’s ratio was 4.27 for the 2022/23 financial year, reflecting cash reserves accumulated by the City in preparation for initiatives and major projects now underway. Reductions in later years reflect the utilisation of cash balances in delivering major capital works initiatives.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
3.54 : 1	2.43 : 1	1.88 : 1	1.63 : 1

Capital Expenditure Ratio

(Benchmark > 1.1)

This indicates the extent to which a Council is forecasting to expand its asset base with capital expenditure spent on both new assets, and replacement and renewal of existing assets. The benchmark is greater than 1.1.

The City questions the value of this ratio as an indicator of financial performance, given the disconnect between depreciation (a retrospective measure) and capital expenditure based on identified future need. Variable annual capital expenditure may also distort the ratio.

Projected Performance:

2024/25	2027/28	2030/31	2033/34
1.87	1.84	1.53	1.48

Cash Expense Cover Ratio

(Benchmark > 3 months)

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. The benchmark is greater than 3 months.

City staff actively monitor cash flow requirements and manage the maturity profile of investments to meet liquidity requirements.

Debt Service Coverage Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark is greater than 2. As the City has forecast to remain debt-free over the ten year period of the Resourcing Strategy, this ratio is not applicable.

Interest Cover Ratio

This ratio indicates the extent to which a Council can service its interest bearing debt and take on additional borrowings. It measures the burden of current interest expense upon a Council’s operating cash. The benchmark is greater than 4. The City expects to remain debt-free over the ten year period of the Resourcing Strategy, so this ratio will also not be applicable.

Rates and Charges Outstanding Percentage

This measure indicates a Council’s success at recovering its annual rates and charges, with higher percentages of outstanding debts indicating a potential threat to Council’s working capital and liquidity.

Whilst this ratio is not a mandatory financial performance measure, the Office of Local Government has previously advised a benchmark of a maximum 5% for metropolitan councils (8% for rural councils).

The City maintains a low outstanding rates and charges ratio in the order of 2%, well below the 5% benchmark for metropolitan councils. The City continues to monitor performance in collection of rates as a key measure of efficient financial management.

Long Term Financial Schedules and Scenario Modelling

The City has produced a number of financial reports to illustrate its plans and commitments over the ten year horizon of the Long Term Financial Plan.

The following briefly describes these schedules and any assumptions have not been previously discussed throughout the body of the plan.

Additional alternative schedules have been presented for the Income Statement and Cash Flow Forecast, to reflect potential adverse scenarios.

Income and Expenditure (Income Statement)

Income & Expenditure Statements have been provided at summary and detailed level to reflect the City's ten year operational plan, including the 2024/25 budget and future years' forward estimates.

The summary report provides a high level overview, accords with the discussion in this plan, and aligns to the required Annual Financial Reports format.

Scenario Modelling

Beyond the "base case" modelled in the main financial schedules, supplementary Income Statement and Cash Flow Forecast schedules have been included, modelling additional scenarios related to:

1. Sustained inflation over the short term (until 2026/27), then decreasing and returning to the Reserve Bank of Australia's inflation target range, driving an increase in the operating expenditure base.

2. Reduced income from developer contributions resulting from uncertainty of future development cycles and the ownership of income flows.

Additional income and expenditure reports then provide more detailed information for the "base case":

- By main income and expenditure type
- By the City's organisational structure; and
- Distributed by the City's principal activities

Capital Works

The Capital Works budget within the Long Term Financial Plan identifies each major project, rolling program and future project provision over the course of the ten year planning horizon.

The proposed Capital Works program includes a total of \$2,235.3M comprising Asset Enhancement programs of \$953.6M, Asset Renewal programs of \$1,273.7M and a Capital Contingency sum of \$8.0M.

Balance Sheet (Statement of Financial Position)

The Balance Sheet reflects the City's financial assets, liabilities and equity over the ten years of the plan.

The ten year balance sheet reflects movements in cash and investments levels, the acquisition and divestment of assets and estimated movements in employee leave provisions, accounts payable and accounts receivable.

Long Term Financial Plan 2024/25 to 2033/34

Figure 6: Ten year timeframe



Cash Flow Forecast

The Cash flow Forecast takes the Net Surplus result from the Income & Expenditure Statement, adjusts for non-cash transactional movements and allows for the Capital Expenditure program to forecast the movements in the City’s total cash and financial investment balances.

Achieving this cash forecast is critical to ensuring the sustainability of the Long Term Financial Plan, and as such it will be one of the key measures that is regularly monitored and reviewed over the life of the plan.

Office of Local Government Performance Measures

Projections relating to key performance measures are included in graphical format to provide additional context and to indicate performance trends over the period of the Plan.

Consistent with the requirements of the Office of Local Government, the Long Term Financial Plan projects financial forecasts for the City for ten years, and is updated annually as part of the development of the Operational Plan.

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City of Sydney
Income Statement

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Income from Continuing Operations													
Rates and annual charges		419.2	430.9	442.8	455.1	1,748.1	467.8	480.8	494.1	507.8	522.0	536.5	4,757.0
User charges and fees		149.2	153.1	157.2	161.4	620.8	165.7	170.1	174.7	179.4	184.2	189.2	1,684.2
Interest and investment income		34.3	29.1	22.3	16.7	102.5	12.6	11.4	9.7	8.9	8.1	7.8	161.0
Other revenues		130.4	140.0	148.7	153.1	572.2	157.5	162.1	169.8	174.3	179.0	183.7	1,598.7
Grants and contributions provided for capital purposes		95.0	97.8	81.8	100.8	375.5	79.2	75.9	81.7	91.9	90.2	91.0	885.5
Grants and contributions provided for operating purposes		17.5	17.3	17.6	17.9	70.3	18.3	18.7	19.2	19.6	20.1	20.6	186.7
Total Income from Continuing Operations		845.7	868.3	870.5	904.9	3,489.4	901.1	919.1	949.2	982.0	1,003.5	1,028.8	9,273.1
Expenses from Continuing Operations													
Employee benefits and on-costs		289.3	298.5	305.5	314.6	1,207.9	323.6	332.5	342.1	352.4	362.9	374.6	3,296.1
Borrowing costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services		245.0	252.7	260.1	268.6	1,026.4	279.2	285.4	293.9	302.7	314.3	320.2	2,822.1
Depreciation, amortisation and impairment		126.8	128.2	129.8	132.0	516.7	133.8	136.3	137.9	139.0	139.9	143.1	1,346.7
Other expenses		69.2	74.3	73.2	75.1	291.8	72.1	79.8	82.4	85.0	87.7	90.4	789.3
Total Expenses from Continuing Operations		730.3	753.8	768.7	790.2	3,042.9	808.7	834.0	856.3	879.0	904.8	928.3	8,254.1
Net operating result for the year attributable to Council		115.4	114.5	101.8	114.8	446.5	92.4	85.0	92.9	103.0	98.7	100.5	1,019.0

Budgeted Income Statement

The City's budgeted Income Statement (and future year projections) is prepared with regard to International Financial Reporting Standards (AIFRS) and the NSW Office of Local Government's Code of Accounting Practice and Financial Reporting. The formatting of the statement above reflects this approach. The above Income Statement (and other financial schedules) reflect the City's "base case" Net Operating Result. Scenarios reflecting inflation lasting longer than anticipated impacting operating expenses, and developer contributions lower than anticipated impacting total income have also been modelled and are included after the "base case" scenario financial schedules.

Major non-cash items that may impact the City's financial results include:

- the incremental increase / decrease arising from the annual market revaluation of the City's investment properties
- the initial recognition of transferable Heritage Floor Space rights

These items will have no initial impact upon the budgeted funds available for the Council and are therefore excluded from the annual budget and future years' financial estimates. Expected realisation of these assets through anticipated sale/divestment is reflected in forward estimates as applicable.

City of Sydney
Detailed Income and Expenditure

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Operating Income													
Advertising income		21.5	22.2	22.8	23.5	90.1	24.2	24.9	25.7	26.4	27.2	28.0	246.6
Annual charges		68.6	70.6	72.7	74.8	286.7	77.0	79.2	81.6	84.0	86.4	89.0	783.8
Building & Development Application income		5.9	6.1	6.3	6.5	24.8	6.7	6.9	7.1	7.3	7.5	7.7	68.0
Building certificate		1.9	1.9	2.0	2.1	7.9	2.1	2.2	2.3	2.3	2.4	2.5	21.6
Child care fees		1.5	1.5	1.6	1.6	6.1	1.7	1.7	1.8	1.8	1.9	1.9	16.8
Commercial properties		75.9	81.8	88.8	91.3	337.8	93.9	96.6	102.4	104.8	107.4	110.0	953.0
Community properties		12.6	13.0	13.4	13.8	52.8	14.2	14.6	15.1	15.5	16.0	16.5	144.7
Enforcement income		40.7	42.0	43.2	44.5	170.5	45.9	47.2	48.7	50.1	51.6	53.2	467.1
Footway licences		0.0	2.0	2.1	2.1	6.2	2.2	2.3	2.3	2.4	2.5	2.5	20.3
Grants and contributions		11.9	11.6	11.7	11.8	47.1	12.1	12.3	12.6	12.8	13.1	13.4	123.3
Grants - Federal Financial Assistance Grants		5.9	6.1	6.3	6.4	24.7	6.6	6.8	7.0	7.3	7.5	7.7	67.6
Health related income		2.2	2.2	2.3	2.4	9.1	2.4	2.5	2.6	2.7	2.8	2.8	24.9
Library income		0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.2	0.2	2.2
Other building fees		13.4	13.8	14.2	14.6	55.9	15.0	15.5	16.0	16.4	16.9	17.4	153.3
Other fees		5.8	6.0	6.2	6.4	24.3	6.5	6.7	6.9	7.2	7.4	7.6	66.7
Other income		0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.3	0.3	0.3	0.3	2.5
Parking meter income		48.4	49.3	50.3	51.3	199.3	52.3	53.4	54.5	55.5	56.7	57.8	529.5
Parking station income		10.9	11.1	11.5	11.8	45.3	12.1	12.5	12.9	13.3	13.7	14.1	123.8
Private work income		6.8	7.0	7.2	7.4	28.5	7.7	7.9	8.1	8.4	8.6	8.9	78.0
Rates - business CBD		179.5	184.4	189.5	194.7	748.1	200.1	205.6	211.2	217.0	223.0	229.1	2,034.1
Rates - business other		75.7	77.8	79.9	82.1	315.5	84.4	86.7	89.1	91.5	94.0	96.6	857.9
Rates - residential		96.1	98.8	101.5	104.2	400.6	107.1	110.0	113.1	116.2	119.3	122.6	1,088.9
Sponsorship income		0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	0.4	0.5	4.0
Venue / facility income		13.6	14.0	14.4	14.9	57.0	15.3	15.8	16.3	16.7	17.2	17.8	156.1
Work zone		15.3	15.7	16.2	16.7	63.9	17.2	17.7	18.2	18.8	19.3	19.9	175.1
Value-in-kind - revenue		1.5	1.5	1.5	1.6	6.1	1.6	1.7	1.7	1.8	1.8	1.9	16.6
Operating Income		716.4	741.3	766.3	787.4	3,011.4	809.3	831.7	857.8	881.2	905.2	929.9	8,226.6
Operating Expenditure													
Salaries and wages		228.0	233.9	239.2	246.2	947.4	253.6	261.2	268.7	276.8	285.1	293.7	2,586.6
Other employee related costs		2.0	2.1	2.1	2.2	8.5	2.3	2.3	2.4	2.5	2.6	2.6	23.2
Employee on-costs		6.8	6.9	7.0	7.2	27.9	7.4	7.7	7.9	8.1	8.4	8.6	76.1
Agency contract staff		12.7	12.0	12.3	12.8	49.8	13.8	13.5	13.9	14.4	14.7	16.0	136.2
Superannuation		29.9	33.5	34.3	35.3	133.0	35.3	36.3	37.4	38.5	39.6	40.8	360.9
Travelling		0.2	0.2	0.2	0.3	1.0	0.3	0.3	0.3	0.3	0.3	0.3	2.7
Workers compensation insurance		6.9	7.1	7.3	7.5	28.9	7.8	8.0	8.2	8.5	8.8	9.0	79.1
Fringe benefit tax		0.7	0.7	0.7	0.8	2.9	0.8	0.8	0.8	0.9	0.9	0.9	8.0
Training costs (excluding salaries)		2.0	2.1	2.2	2.2	8.5	2.3	2.4	2.4	2.5	2.6	2.7	23.3
Employee benefits and on-costs		289.3	298.5	305.5	314.6	1,207.9	323.6	332.5	342.1	352.4	362.9	374.6	3,296.1

City of Sydney
Detailed Income and Expenditure

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Operating Expenditure (continued)													
Bad and doubtful debts		0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	0.5	0.5	5.0
Consultancies		4.9	5.0	5.2	5.3	20.5	5.5	5.7	5.8	6.0	6.2	6.4	56.1
Enforcement and infringement costs		9.9	10.2	10.6	10.9	41.6	11.2	11.5	11.9	12.2	12.6	13.0	114.0
Event related expenditure		16.4	16.2	16.7	17.2	66.6	17.8	18.3	18.8	19.4	20.0	20.6	181.4
Expenditure recovered		(5.3)	(5.4)	(5.6)	(5.7)	(22.0)	(5.9)	(6.1)	(6.3)	(6.5)	(6.7)	(6.9)	(60.2)
Facility management		11.6	12.0	12.4	13.1	49.1	13.5	13.9	14.3	14.7	15.2	15.6	136.4
General advertising		1.4	1.5	1.5	1.6	6.0	1.6	1.7	1.7	1.8	1.8	1.9	16.6
Governance		3.7	2.1	2.2	2.2	10.3	4.3	2.4	2.4	2.5	4.9	2.7	29.4
Government authority charges		9.5	9.8	10.1	10.4	39.7	10.7	11.0	11.3	11.7	12.0	12.4	108.8
Grants, sponsorships and donations		28.7	32.6	30.3	30.8	122.3	26.6	27.4	28.2	29.0	29.9	30.8	294.2
Infrastructure maintenance		56.0	60.2	60.7	62.8	239.7	64.7	66.7	68.7	70.7	72.9	73.8	657.3
Insurance		7.5	7.8	8.1	8.4	31.7	8.7	9.1	9.4	9.8	10.2	10.6	89.5
IT related expenditure		16.7	17.2	18.3	18.8	70.9	19.4	20.0	20.6	21.2	21.8	22.5	196.2
Legal fees		3.9	4.0	4.1	4.3	16.3	4.4	4.5	4.7	4.8	4.9	5.1	44.8
Operational contingencies		3.5	4.0	4.0	4.0	15.5	4.0	4.5	4.5	4.5	4.5	4.5	42.0
Other asset maintenance		3.8	3.9	4.0	4.2	16.0	4.3	4.4	4.6	4.7	4.8	5.0	43.7
Other operating expenditure		12.5	12.8	13.2	13.6	52.2	14.0	14.4	14.9	15.3	15.8	16.3	142.9
Postage and couriers		1.5	1.6	1.6	1.7	6.4	1.7	1.8	1.8	1.9	1.9	2.0	17.5
Printing and stationery		1.6	1.4	1.5	1.5	6.0	2.1	1.6	1.7	1.7	2.0	2.2	17.3
Project management and other project costs		1.4	1.5	1.5	1.6	5.9	1.6	1.6	1.7	1.7	1.8	1.9	16.3
Property related expenditure		42.8	44.0	46.0	47.3	180.1	48.8	50.2	51.7	53.3	54.9	56.5	495.5
Service contracts		23.3	24.0	24.7	25.4	97.4	26.2	27.0	27.8	28.6	29.5	30.4	266.9
Stores and materials		5.3	5.4	5.6	5.7	22.0	5.9	6.1	6.3	6.5	6.7	6.9	60.3
Surveys and studies		1.8	1.9	1.9	2.0	7.7	2.1	2.1	2.2	2.3	2.3	2.4	21.1
Telephone charges		2.6	2.7	2.7	2.8	10.8	2.9	3.0	3.1	3.2	3.3	3.4	29.6
Utilities		13.4	13.8	14.2	14.6	55.9	15.0	15.5	16.0	16.4	16.9	17.4	153.1
Vehicle maintenance		3.3	3.4	3.5	3.6	13.6	3.7	3.8	3.9	4.0	4.1	4.2	37.3
Waste disposal charges		24.4	25.1	25.9	26.7	102.1	27.5	33.8	35.0	36.2	37.4	38.7	310.8
Value-in-kind - expenditure		1.5	1.5	1.5	1.6	6.1	1.6	1.7	1.7	1.8	1.8	1.9	16.6
Other Operating Expenditure		308.0	320.7	326.8	336.9	1,292.3	344.4	358.0	368.9	380.0	394.1	402.5	3,540.3
Operating Expenditure (excluding depreciation)		597.3	619.2	632.3	651.4	2,500.2	667.9	690.6	711.0	732.5	757.0	777.1	6,836.3
Operating Result (before depreciation, interest, capital related costs and income)		119.1	122.1	134.0	136.0	511.2	141.3	141.2	146.8	148.7	148.2	152.8	1,390.2

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney

Detailed Income and Expenditure

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Add Additional Income:													
Interest and investment income		34.3	29.1	22.3	16.7	102.5	12.6	11.4	9.7	8.9	8.1	7.8	161.0
Grants and contributions provided for capital purposes		95.0	97.8	81.8	100.8	375.5	79.2	75.9	81.7	91.9	90.2	91.0	885.5
Less Additional Expenses:													
Capital project related costs		6.2	6.4	6.6	6.8	25.9	7.0	7.2	7.4	7.6	7.9	8.1	71.1
Depreciation and amortisation expense		126.8	128.2	129.8	132.0	516.7	133.8	136.3	137.9	139.0	139.9	143.1	1,346.7
Net Operating Result for the year attributed to Council		115.4	114.5	101.8	114.8	446.5	92.4	85.0	92.9	103.0	98.7	100.5	1,019.0

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney

Operating Budget

Organisation Summary - Operating Result (Before Depreciation, Interest, Capital-Related Costs and Capital Income)

	2024/25			2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	
	\$M	Income	Expenditure												Op Surplus / (Deficit)
Chief Executive Office		0.0	10.4	(10.4)	(10.7)	(11.1)	(11.4)	(43.6)	(11.7)	(12.1)	(12.5)	(12.8)	(13.2)	(13.6)	(119.5)
Office of the Lord Mayor		0.0	4.3	(4.3)	(4.5)	(4.6)	(4.7)	(18.1)	(4.9)	(5.0)	(5.2)	(5.3)	(5.5)	(5.7)	(49.6)
Secretariat		0.0	2.0	(2.0)	(2.1)	(2.2)	(2.2)	(8.5)	(2.3)	(2.4)	(2.4)	(2.5)	(2.6)	(2.7)	(23.4)
Councillor Support		0.0	2.4	(2.4)	(2.5)	(2.5)	(2.6)	(10.0)	(2.7)	(2.8)	(2.9)	(2.9)	(3.0)	(3.1)	(27.5)
Chief Executive Office		0.0	1.7	(1.7)	(1.7)	(1.8)	(1.8)	(6.9)	(1.9)	(1.9)	(2.0)	(2.0)	(2.1)	(2.2)	(19.0)
Legal & Governance		0.0	18.5	(18.5)	(17.1)	(17.7)	(18.3)	(71.6)	(21.2)	(19.5)	(20.2)	(20.9)	(24.2)	(22.3)	(199.8)
Risk Management & Governance		0.0	8.0	(8.0)	(8.3)	(8.7)	(9.0)	(34.0)	(9.3)	(9.7)	(10.0)	(10.4)	(10.8)	(11.2)	(95.4)
Legal Services		0.0	7.6	(7.6)	(7.9)	(8.1)	(8.3)	(31.9)	(8.6)	(8.9)	(9.1)	(9.4)	(9.7)	(10.0)	(87.6)
Internal Audit		0.0	0.9	(0.9)	(0.9)	(0.9)	(0.9)	(3.6)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)	(9.9)
Council Elections		0.0	2.0	(2.0)	(0.0)	(0.0)	(0.0)	(2.0)	(2.3)	(0.0)	(0.0)	(0.0)	(2.6)	0.0	(6.8)
Chief Operations Office		90.8	90.7	0.2	6.5	11.1	11.3	29.1	11.4	11.6	14.7	14.4	14.2	13.9	109.3
Chief Operations Office		0.0	1.0	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)	(11.0)
City Property		90.2	68.6	21.6	28.8	33.5	34.3	118.2	35.2	36.0	39.9	40.5	41.0	41.6	352.4
Development & Strategy		0.0	2.5	(2.5)	(2.7)	(2.7)	(2.8)	(10.7)	(2.9)	(3.0)	(3.1)	(3.2)	(3.3)	(3.4)	(29.5)
Professional Services		0.0	4.6	(4.6)	(4.8)	(4.9)	(5.1)	(19.4)	(5.2)	(5.4)	(5.5)	(5.7)	(5.9)	(6.1)	(53.2)
Asset Strategy & Systems		0.0	1.0	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.3)	(11.0)
City Design		0.6	6.6	(6.0)	(6.2)	(6.4)	(6.6)	(25.1)	(6.8)	(7.0)	(7.3)	(7.5)	(7.7)	(8.0)	(69.4)
City Projects		0.0	1.1	(1.1)	(1.2)	(1.2)	(1.2)	(4.6)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.5)	(12.8)
Green Square		0.0	0.7	(0.7)	(0.7)	(0.7)	(0.8)	(2.9)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(8.1)
City Access & Transport		0.1	4.3	(4.3)	(4.4)	(3.9)	(4.1)	(16.7)	(4.2)	(4.3)	(4.4)	(4.6)	(4.7)	(4.8)	(43.7)
Project Management Office		0.0	0.4	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(4.5)
People Performance & Technology		3.2	58.6	(55.4)	(57.3)	(59.0)	(60.7)	(232.4)	(62.6)	(64.4)	(66.4)	(68.4)	(70.4)	(72.5)	(637.1)
Customer Service		3.2	8.2	(5.0)	(5.3)	(5.5)	(5.6)	(21.4)	(5.8)	(6.0)	(6.1)	(6.3)	(6.5)	(6.7)	(58.8)
Internal Office Services		0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(2.0)
People & Culture		0.0	9.3	(9.3)	(9.7)	(10.0)	(10.3)	(39.2)	(10.6)	(10.9)	(11.2)	(11.5)	(11.9)	(12.2)	(107.5)
Work Health & Safety		0.0	2.5	(2.5)	(2.6)	(2.7)	(2.8)	(10.6)	(2.9)	(2.9)	(3.0)	(3.1)	(3.2)	(3.3)	(29.0)
People Performance & Technology		0.0	1.5	(1.5)	(1.5)	(1.6)	(1.6)	(6.1)	(1.6)	(1.7)	(1.7)	(1.8)	(1.9)	(1.9)	(16.8)
Business & Service Improvement		0.0	1.4	(1.4)	(1.4)	(1.5)	(1.5)	(5.8)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(16.0)
Data & Information Management Services		0.0	9.3	(9.2)	(9.7)	(10.0)	(10.3)	(39.1)	(10.6)	(10.9)	(11.2)	(11.6)	(11.9)	(12.3)	(107.6)
Technology & Digital Services		0.0	26.5	(26.5)	(26.9)	(27.7)	(28.5)	(109.5)	(29.3)	(30.2)	(31.1)	(32.1)	(33.0)	(34.0)	(299.4)
City Life		24.6	112.0	(87.5)	(93.2)	(92.2)	(94.4)	(367.3)	(92.1)	(94.9)	(97.7)	(100.7)	(103.7)	(106.8)	(963.3)
Creative City		1.1	38.0	(36.9)	(37.9)	(39.0)	(40.2)	(154.1)	(41.4)	(42.7)	(43.9)	(45.3)	(46.6)	(48.0)	(422.0)
Grants & Sponsorship		0.1	28.3	(28.2)	(32.2)	(29.8)	(30.4)	(120.5)	(26.1)	(26.9)	(27.7)	(28.6)	(29.4)	(30.3)	(289.6)
Venue Management		14.5	11.4	3.1	3.2	3.7	3.8	13.9	3.9	4.1	4.2	4.3	4.4	4.6	39.3
Social City		8.5	23.9	(15.4)	(16.3)	(16.8)	(17.3)	(65.9)	(17.8)	(18.4)	(18.9)	(19.5)	(20.1)	(20.7)	(181.2)
City Business & Safety		0.1	5.6	(5.5)	(5.3)	(5.3)	(5.3)	(21.4)	(5.5)	(5.6)	(5.8)	(6.0)	(6.1)	(6.3)	(56.7)
City Life Management		0.0	2.2	(2.2)	(2.3)	(2.4)	(2.4)	(9.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.8)	(2.9)	(25.7)
Sustainability Programs		0.3	2.6	(2.3)	(2.4)	(2.5)	(2.6)	(9.9)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.2)	(27.4)
Strategic Development & Engagement		1.1	21.5	(20.4)	(20.6)	(21.2)	(21.9)	(84.1)	(23.6)	(23.2)	(23.6)	(24.3)	(25.1)	(27.0)	(230.8)

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney

Operating Budget

Organisation Summary - Operating Result (Before Depreciation, Interest, Capital-Related Costs and Capital Income)

	2024/25			2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	
	\$M	Income	Expenditure												Op Surplus / (Deficit)
City Communications		0.0	9.6	(9.6)	(10.0)	(10.3)	(10.6)	(40.5)	(10.9)	(11.3)	(11.6)	(11.9)	(12.3)	(12.7)	(111.3)
Strategy & Urban Analytics		0.0	3.8	(3.8)	(3.9)	(4.0)	(4.1)	(15.7)	(5.2)	(4.3)	(4.5)	(4.6)	(4.8)	(6.0)	(45.2)
Resilient Sydney		1.1	2.0	(0.9)	(0.4)	(0.4)	(0.4)	(2.1)	(0.5)	(0.5)	(0.2)	(0.2)	(0.2)	(0.3)	(4.0)
City Engagement		0.0	2.3	(2.3)	(2.4)	(2.5)	(2.6)	(9.8)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(26.9)
Sustainability & Resilience		0.0	1.9	(1.9)	(1.9)	(2.0)	(2.0)	(7.8)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.4)	(21.4)
Indigenous Leadership & Engagement		0.0	1.4	(1.4)	(1.5)	(1.5)	(1.6)	(6.0)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(16.5)
Strategic Development & Engagement		0.0	0.5	(0.5)	(0.5)	(0.5)	(0.5)	(2.0)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(5.5)
Corporate Costs		426.4	(0.5)	426.9	437.7	449.3	461.3	1,775.2	475.4	488.2	501.9	516.0	530.6	545.4	4,832.7
Chief Financial Office		0.6	13.7	(13.0)	(12.7)	(13.1)	(13.5)	(52.4)	(13.9)	(14.3)	(14.8)	(15.2)	(15.7)	(16.1)	(142.3)
CFO Administration		0.0	1.4	(1.4)	(1.5)	(1.5)	(1.6)	(5.9)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(16.3)
Business Planning & Performance		0.0	1.6	(1.6)	(1.7)	(1.7)	(1.8)	(6.7)	(1.8)	(1.9)	(1.9)	(2.0)	(2.0)	(2.1)	(18.4)
Financial Planning & Reporting		0.0	3.6	(3.6)	(3.7)	(3.8)	(4.0)	(15.1)	(4.1)	(4.2)	(4.3)	(4.4)	(4.6)	(4.7)	(41.4)
Rates		0.6	2.9	(2.2)	(2.3)	(2.4)	(2.5)	(9.4)	(2.6)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(25.9)
Procurement		0.0	4.3	(4.3)	(3.5)	(3.6)	(3.8)	(15.2)	(3.9)	(4.0)	(4.1)	(4.2)	(4.4)	(4.5)	(40.2)
City Services		148.1	228.5	(80.4)	(87.3)	(88.8)	(92.3)	(348.9)	(95.6)	(104.6)	(108.4)	(112.3)	(116.4)	(119.4)	(1,005.6)
Security & Emergency Management		0.0	6.8	(6.8)	(7.0)	(7.2)	(7.4)	(28.4)	(7.6)	(7.9)	(8.1)	(8.4)	(8.6)	(8.9)	(77.8)
City Rangers		40.4	29.6	10.9	11.0	11.4	11.7	45.0	12.1	12.4	12.8	13.2	13.5	13.9	122.8
Parking Fleet and Depot Services		59.3	19.6	39.7	40.5	41.2	41.9	163.2	42.6	43.4	44.2	44.9	45.7	46.5	430.6
City Greening & Leisure		2.0	49.0	(47.0)	(48.3)	(50.1)	(51.9)	(197.2)	(53.4)	(55.1)	(56.7)	(58.4)	(60.2)	(60.7)	(541.8)
City Services Management		0.0	0.6	(0.6)	(0.7)	(0.7)	(0.7)	(2.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(7.3)
City Infrastructure & Traffic Operations (CITO)		45.8	47.2	(1.5)	(4.5)	(2.7)	(2.8)	(11.4)	(2.9)	(3.0)	(3.1)	(3.2)	(3.3)	(3.4)	(30.1)
City Cleansing & Resource Recovery		0.6	75.6	(75.0)	(78.4)	(80.7)	(83.2)	(317.3)	(85.7)	(93.7)	(96.7)	(99.7)	(102.8)	(106.1)	(902.1)
City Planning Development & Transport		21.7	44.0	(22.3)	(23.2)	(23.4)	(24.1)	(92.9)	(24.8)	(25.6)	(26.3)	(27.1)	(27.9)	(28.8)	(253.4)
Health & Building		2.9	16.4	(13.5)	(13.9)	(14.4)	(14.8)	(56.6)	(15.2)	(15.7)	(16.2)	(16.6)	(17.1)	(17.7)	(155.1)
Construction & Building Certification Services		12.3	3.7	8.6	8.8	9.0	9.3	35.7	9.6	9.9	10.2	10.5	10.8	11.1	97.7
Planning Assessments		5.9	17.5	(11.6)	(11.9)	(12.3)	(12.6)	(48.4)	(13.0)	(13.4)	(13.8)	(14.2)	(14.7)	(15.1)	(132.7)
Strategic Planning & Urban Design		0.5	6.4	(5.8)	(6.1)	(5.8)	(6.0)	(23.6)	(6.1)	(6.3)	(6.5)	(6.7)	(6.9)	(7.1)	(63.3)
Council		716.4	597.3	119.1	122.1	134.0	136.0	511.2	141.3	141.2	146.8	148.7	148.2	152.8	1,390.2

City of Sydney

Summary of income and expenditure by Principal Activity

The schedule below reflects the Strategic Directions from Delivering Sustainable Sydney 2030-2050 as Principal Activities for this Delivery Program. A number of Principal Activities are largely of an advocacy and facilitation role for the City (such as Housing for all) and not one of direct service provision. As a result, the proposed budget does not reflect substantial operational costs (particularly salaries expenditure) incurred indirectly in delivering this Principal Activity. Other Principal Activities (such as Design excellence and sustainable development), will be delivered primarily via operational expenditure, rather than directly through capital works.

The summary of income and expenditure by Principal Activity below includes both the proposed operational budgets and the capital works program (for 2024/25) to better reflect the allocation of Council funds towards these major directions.

	2024/25				2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Income	Expenditure	Op surplus / (deficit)	Capital									
Responsible governance and stewardship	514.8	180.1	334.7	56.7	351.7	366.1	376.0	385.1	397.3	411.1	421.7	430.2	444.0
A leading environmental performer	2.9	104.8	(101.9)	20.8	(104.7)	(107.7)	(110.6)	(114.4)	(123.4)	(127.3)	(131.3)	(135.4)	(139.7)
Public places for all	48.1	87.4	(39.2)	79.1	(44.5)	(44.4)	(46.5)	(47.4)	(48.9)	(50.4)	(51.9)	(53.5)	(53.9)
Design excellence and sustainable development	21.7	50.3	(28.6)		(29.8)	(30.2)	(31.1)	(32.0)	(33.0)	(34.0)	(35.0)	(36.1)	(37.1)
A city for walking, cycling and public transport	61.5	16.0	45.4	59.2	46.1	47.6	48.5	49.5	50.4	51.4	52.4	53.4	54.4
An equitable and inclusive city	6.9	46.6	(39.7)	1.3	(41.2)	(42.4)	(43.7)	(45.0)	(46.4)	(47.8)	(49.2)	(50.7)	(52.2)
Resilient and diverse communities	57.5	59.2	(1.7)	15.5	(1.7)	(1.3)	(1.3)	(1.4)	(1.4)	(1.1)	(1.2)	(1.3)	(1.3)
A thriving cultural and creative life	2.8	14.9	(12.1)	3.6	(12.5)	(12.9)	(13.3)	(13.7)	(14.1)	(14.5)	(15.0)	(15.4)	(15.9)
A transformed and innovative economy	0.2	32.5	(32.4)	0.4	(32.7)	(33.6)	(34.5)	(36.5)	(36.6)	(37.7)	(38.8)	(40.0)	(42.3)
Housing for all	0.0	5.4	(5.4)		(8.6)	(7.1)	(7.6)	(2.7)	(2.8)	(2.9)	(2.9)	(3.0)	(3.1)
Council	716.4	597.3	119.1	236.5	122.1	134.0	136.0	141.3	141.2	146.8	148.7	148.2	152.8

City of Sydney
Capital Works Expenditure Summary

\$'M	Prior Years Total	2024/25	2025/26	2026/27	2027/28	4 Years Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	Total Project Budget
Asset Enhancement														
Bicycle Related Works	44.6	24.9	14.3	14.0	5.8	59.0	8.0	7.7	8.9	6.4	8.4	7.0	105.3	149.9
Green Infrastructure	15.3	3.2	3.0	5.3	3.8	15.3	3.0	2.6	2.8	2.6	2.6	2.6	31.6	46.9
Open Space & Parks	101.2	12.4	19.0	16.4	27.2	75.0	31.7	13.1	12.1	12.5	15.8	16.6	176.6	277.8
Properties - Community, Cultural and Recreational	154.4	15.9	13.1	25.1	9.2	63.2	8.8	10.0	11.2	9.3	7.4	11.5	121.3	275.7
Properties - Investment and Operational	6.8	1.2	2.0	2.0	1.2	6.4	1.1	4.5	17.0	12.0	11.0	10.0	62.0	68.8
Public Art	9.9	2.7	2.5	2.5	1.5	9.2	1.6	2.1	2.0	2.0	1.6	1.1	19.6	29.5
Public Domain	209.4	42.7	47.3	29.1	40.5	159.6	35.8	17.5	32.7	37.5	47.0	46.3	376.4	585.8
Stormwater Drainage	81.1	1.1	5.0	7.0	7.5	20.6	7.5	7.5	6.6	6.6	6.5	5.5	60.8	142.0
Asset Enhancement Projects Total	622.6	104.1	106.1	101.4	96.6	408.3	97.4	64.9	93.4	88.8	100.3	100.6	953.6	1,576.2
Asset Renewal (Rolling Programs)														
Infrastructure - Roads Bridges Footways		16.3	17.6	15.4	19.1	68.5	20.4	19.7	19.7	23.7	24.6	21.5	198.1	198.1
Open Space & Parks		27.3	34.0	39.1	31.2	131.7	37.6	40.0	31.7	28.5	32.1	37.8	339.3	339.3
Properties Assets		48.9	53.3	80.0	70.2	252.5	39.2	39.1	48.4	39.5	36.8	33.8	489.3	489.3
Public Art		2.1	0.8	1.0	1.0	4.9	0.8	0.8	0.8	0.8	0.8	0.8	9.7	9.7
Public Domain		23.0	26.2	19.6	17.5	86.3	19.9	15.7	10.2	10.0	13.6	9.9	165.5	165.5
Stormwater Drainage		6.7	7.0	6.9	7.1	27.6	7.1	7.2	7.4	7.3	7.5	7.7	71.8	71.8
Asset Renewal Programs Total		124.4	139.0	162.1	146.0	571.5	124.9	122.6	118.2	109.7	115.5	111.4	1,273.7	1,273.7
Capital Works Contingency		8.0				8.0							8.0	8.0
TOTAL CAPITAL WORKS		622.6	236.5	245.1	263.5	987.7	222.4	187.4	211.6	198.5	215.7	212.0	2,235.3	2,857.9

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney
Capital Works Individual Projects > \$5M

\$M		Prior Years Total	2024/25	2025/26	2026/27	2027/28	4 Years Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	Total Project Budget
Project Name	Project Group														
Oxford Street west and Liverpool Street Cycleway	Bicycle Related Works - Asset Enhancement	5.6	9.3				9.3							9.3	14.9
Erskineville Alexandria Precinct Cycleway Links	Bicycle Related Works - Asset Enhancement	8.6	0.2				0.2							0.2	8.8
Castlereagh Street Cycleway - North	Bicycle Related Works - Asset Enhancement	12.3	9.6	2.0			11.6							11.6	23.9
Alexandra Canal South Cycleway	Bicycle Related Works - Asset Enhancement				0.1	0.2	0.3	0.4	4.0	4.1				8.8	8.8
Primrose Avenue Quietway	Bicycle Related Works - Asset Enhancement	0.7	0.5	3.0	3.0		6.5							6.5	7.2
Elizabeth St (Central Station-Campbell St) Cycleway	Bicycle Related Works - Asset Enhancement		0.4	1.0	3.0	3.0	7.4	0.1						7.5	7.5
City South Bike Network Link – Ultimo Rd and Campbell St	Bicycle Related Works - Asset Enhancement	0.8	0.7	4.1	3.0		7.8							7.8	8.6
Waterloo Bike Network Link	Bicycle Related Works - Asset Enhancement									0.2	0.4	0.4	5.5	6.4	6.4
Maddox Street Cycleway Link, Alexandria	Bicycle Related Works - Asset Enhancement				0.2	0.5	0.7	3.4	2.0					6.1	6.1
Cycleway - William Street Link (College to Crown)	Bicycle Related Works - Asset Enhancement							0.7	0.7	3.3	3.9	3.9	0.7	13.0	13.0
Wimbo Park Surry Hills	Open Space & Parks - Asset Enhancement	9.2	0.6				0.6							0.6	9.9
City Centre Playground Works	Open Space & Parks - Asset Enhancement	1.1			0.3	2.0	2.4	4.3						6.6	7.8
Synthetic Sports Field Installations - Perry Park	Open Space & Parks - Asset Enhancement	11.7	1.8				1.8							1.8	13.5
City North - Macquarie Place Park - CMP Works implementation	Open Space & Parks - Asset Enhancement	0.1	0.3	2.2	2.0	0.4	4.9							4.9	5.0
Mandible Street Sports Precinct	Open Space & Parks - Asset Enhancement	0.1	0.4	1.0	5.0	20.0	26.4	20.0	3.5					49.9	50.0
Sydney Park - former Nursery Re-use	Open Space & Parks - Asset Enhancement				0.4	0.6	1.0	5.0	5.0	1.0				12.0	12.0
Gunyama Park Stage 2 & George Julius Avenue North	Open Space & Parks - Asset Enhancement	1.5	6.9	11.4	6.1	3.8	28.1							28.1	29.6
Moore Park - Golf Course Conversion to Open Space	Open Space & Parks - Asset Enhancement											3.0	7.0	10.0	10.0
Green Square Public School and Community Spaces	Properties - Community, Cultural and Recreational - Asset Enhancement	14.2	7.5	3.0			10.5							10.5	24.7
New Childcare - Fig and Wattle Street Ultimo	Properties - Community, Cultural and Recreational - Asset Enhancement				8.0		8.0							8.0	8.0
Sports Facilities - Fig and Wattle Depot Site	Properties - Community, Cultural and Recreational - Asset Enhancement				7.0		7.0							7.0	7.0
Huntley Street Recreation Centre - Development	Properties - Community, Cultural and Recreational - Asset Enhancement	2.6	4.8	9.9	9.5		24.2							24.2	26.8
George Street - Lend Lease Circular Quay VPA	Properties - Community, Cultural and Recreational - Asset Enhancement	7.6	0.4				0.4	0.4	0.4					1.2	8.8

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney
Capital Works Individual Projects > \$5M

\$M		Prior Years Total	2024/25	2025/26	2026/27	2027/28	4 Years Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	Total Project Budget
Project Name	Project Group														
Pymont Community Centre Upgrade	Properties - Community, Cultural and Recreational - Asset Enhancement	8.7	2.7				2.7							2.7	11.3
Future Chippendale Community Facility	Properties - Community, Cultural and Recreational - Asset Enhancement				0.1	0.2	0.3	0.5	2.0	2.0	0.3			5.0	5.0
Ultimo Community Centre - Upgrade (Convert Library & OOSH)	Properties - Community, Cultural and Recreational - Asset Enhancement							0.2	0.4	3.0	5.0	3.0	0.5	12.0	12.0
Waterloo Town Centre Community Facilities	Properties - Community, Cultural and Recreational - Asset Enhancement					0.3	0.3	0.5	3.0	3.0	3.0	0.3		10.0	10.0
City Centre - Barrack St masterplan	Public Domain - Asset Enhancement											2.5	2.5	5.0	5.0
City Centre Sydney Square Upgrade	Public Domain - Asset Enhancement	0.2	0.5	1.0	1.0	20.0	22.5	12.3						34.8	35.0
Dixon Street Public Domain Improvements	Public Domain - Asset Enhancement	0.6	2.5	5.0	0.5		7.9							7.9	8.5
Hinchcliffe St (North), Woolpack St & Barker St (South)	Public Domain - Asset Enhancement	0.3								6.5				6.5	6.8
Zetland Ave (West) - Paul St to Portman St	Public Domain - Asset Enhancement	9.2	0.4				0.4							0.4	9.6
Green Square to Ashmore Connection	Public Domain - Asset Enhancement	32.9	2.0				2.0							2.0	34.9
Crown Street Public Domain	Public Domain - Asset Enhancement	13.4	12.4	10.7			23.1							23.1	36.5
Regent Street Redfern	Public Domain - Asset Enhancement									1.0	5.0	7.0	5.0	18.0	18.0
Pemulwuy precinct Public Domain improvements	Public Domain - Asset Enhancement	0.2	0.6	1.6	1.8	1.8	5.8							5.8	6.0
Danks Street South - Public Domain Works	Public Domain - Asset Enhancement												5.0	5.0	5.0
Northern Enterprise Precinct Public Domain Works	Public Domain - Asset Enhancement							5.0						5.0	5.0
Loftus St, Reiby Pl & Customs House Ln Upgrade	Public Domain - Asset Enhancement	1.7	5.0	2.0			7.0							7.0	8.6
George Street North Pedestrianisation (Hunter to Alfred Sts)	Public Domain - Asset Enhancement	6.7	13.3	9.2	9.4	5.4	37.3							37.3	44.0
Erskineville Road Public Domain upgrade	Public Domain - Asset Enhancement					0.2	0.2	5.0	6.0	5.2	0.8			17.2	17.2
Harbour Street Footpath Public Domain upgrade (Hay to Goulburn)	Public Domain - Asset Enhancement							0.6	1.5	2.5	1.4			6.0	6.0
Broadway pedestrian & cycling upgrade (George St to Derwent St)	Public Domain - Asset Enhancement									5.0	15.0	15.0	15.0	50.0	50.0
Link Road and Epsom Road Intersection	Public Domain - Asset Enhancement	0.2	1.1	7.0	4.3		12.3							12.3	12.5
Campbell Street Public Domain upgrade (George to Pitt Street)	Public Domain - Asset Enhancement			0.3	2.0	3.0	5.3	1.5	1.2					8.0	8.0
Victoria St Public Domain upgrade (Kings Cross Rd to Oxford St)	Public Domain - Asset Enhancement		0.3	1.5	3.8	4.5	10.1	4.5	0.5					15.0	15.0
Stanley St Public Domain upgrade (Crown to Riley)	Public Domain - Asset Enhancement		0.2	4.0	0.8		5.0							5.0	5.0
Belmore Park	Open Space & Parks - Asset Renewal	0.4	0.2	0.5	1.0	3.0	4.7	6.0	6.0	1.8				18.5	18.9
Open Space Renewal - Observatory Hill Pathways	Open Space & Parks - Asset Renewal	0.1				0.3	0.3	1.0	1.8	1.8				4.9	5.0
Open Space Renewal - Hyde Park Lighting	Open Space & Parks - Asset Renewal	1.6	3.1	9.5	6.5	0.5	19.7							19.7	21.3

Long Term Financial Plan 2024/25 to 2033/34

City of Sydney
Capital Works Individual Projects > \$5M

\$M		Prior Years Total	2024/25	2025/26	2026/27	2027/28	4 Years Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total	Total Project Budget
Project Name	Project Group														
Parks General - Harry Noble Reserve	Open Space & Parks - Asset Renewal	0.5	1.4	3.0	0.5		4.9							4.9	5.4
Alexandria Park	Open Space & Parks - Asset Renewal	0.2	0.1	0.5	1.0	4.5	6.1	4.5	1.0	0.4				12.0	12.2
Redfern Community Centre - Open Space	Open Space & Parks - Asset Renewal	0.1	0.6	3.3	3.3	0.6	7.8							7.8	7.9
Hyde Park Master Plan - remaining works	Open Space & Parks - Asset Renewal			0.2	0.3	3.8	4.3	4.0	4.0	4.0	4.5	2.0	2.0	24.7	24.7
Ward Park	Open Space & Parks - Asset Renewal	0.1	0.2	0.8	3.8	0.5	5.2							5.2	5.3
Green Park	Open Space & Parks - Asset Renewal	0.1	0.1	1.0	3.3	0.5	4.9							4.9	5.0
Waterloo Park Waterloo	Open Space & Parks - Asset Renewal		0.1	0.1	0.2	1.0	1.4	2.0	8.0	2.0				13.4	13.4
Mount Carmel Waterloo - Major Renewal Works	Open Space & Parks - Asset Renewal				0.4	0.4	0.8	1.9	2.3	2.3	0.4			7.6	7.6
Erskineville Park Oval surround and sandstone walls- Renewal	Open Space & Parks - Asset Renewal									0.6	1.4	1.7	1.9	5.5	5.5
Customs House – Façade Upgrade stage 2	Properties Assets - Asset Renewal	0.8			0.2	4.0	4.1	3.4	1.3					8.8	9.6
Town Hall House, Façade Remediation	Properties Assets - Asset Renewal	6.9	5.0	0.5			5.5							5.5	12.4
343 George St - Façade Remediation	Properties Assets - Asset Renewal	6.7	5.8	6.5	1.0		13.3							13.3	20.0
Sydney Town Hall External Works Stage 3	Properties Assets - Asset Renewal	14.9	1.6				1.6							1.6	16.5
City Recital Hall Capital Works	Properties Assets - Asset Renewal	5.9	0.9				0.9							0.9	6.8
307 Pitt Street Fire Protection Upgrade	Properties Assets - Asset Renewal	2.7	2.7	1.0			3.7							3.7	6.4
Sydney Park Brick Kilns - Renewal Works	Properties Assets - Asset Renewal	1.9	2.8	6.7	7.8	0.5	17.9							17.9	19.7
Goulburn St Parking Station - Whole of structure remediation	Properties Assets - Asset Renewal	0.8	1.1	5.6	5.6	5.6	17.8	3.0	1.5	1.5	1.4			25.2	26.0
Bay Street East - Depot Redevelopment	Properties Assets - Asset Renewal	1.5	1.3	2.5	35.0	27.5	66.3	4.7						71.0	72.5
343 George St - Level 6-10 Base Building Renewal	Properties Assets - Asset Renewal	0.5	0.8	5.0	9.0	8.5	23.2	0.5						23.7	24.2
Paddington Town Hall - Major Renewal	Properties Assets - Asset Renewal			0.3	0.8	1.5	2.5	6.0	7.5	7.5	1.5			25.0	25.0
Customs House - Major Renewal	Properties Assets - Asset Renewal				0.3	0.8	1.0	3.0	7.5	7.5	1.0			20.0	20.0
Surry Hills Library - Major Renewal incl Façade	Properties Assets - Asset Renewal					0.3	0.3	0.5	2.5	1.5	0.3			5.0	5.0
Glebe Point Road Community Facilities Precinct/Major Renewal	Properties Assets - Asset Renewal							0.3	0.8	6.8	7.5	7.5	2.3	25.0	25.0
343 George Street - Level 1 2 3 Common Area/Services Renewal	Properties Assets - Asset Renewal			0.6	1.2	0.6	2.4	0.6	0.6	0.6	0.6	0.6	0.6	6.0	6.0
Cathedral Square - Civic Space Renewal	Public Domain - Asset Renewal				0.2	0.3	0.5	2.6	2.7	0.3				6.0	6.0

City of Sydney
Balance Sheet

	\$'M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
ASSETS											
Current Assets											
Cash and Investments		698.2	640.7	517.3	449.2	417.0	358.6	316.7	291.9	275.9	262.8
Receivables		112.9	116.0	115.4	120.6	118.2	119.3	122.7	126.4	127.9	129.9
Contract and Contract Cost Assets		20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1
Inventory		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other Assets		9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Total Current Assets		841.1	786.8	662.7	599.8	565.2	507.9	469.5	448.3	433.9	422.7
Non Current Assets											
Capital Works, Infrastructure, Investment Properties and P&A		14,095.8	14,264.7	14,486.1	14,636.6	14,755.4	14,893.4	15,030.0	15,153.5	15,274.5	15,389.7
Total Non-Current Assets		14,095.8	14,264.7	14,486.1	14,636.6	14,755.4	14,893.4	15,030.0	15,153.5	15,274.5	15,389.7
TOTAL ASSETS		14,936.9	15,051.5	15,148.9	15,236.4	15,320.6	15,401.3	15,499.4	15,601.9	15,708.4	15,812.4
LIABILITIES											
Current Liabilities											
Payables		117.1	122.2	126.4	124.0	121.7	119.2	126.1	126.4	132.5	134.0
Provisions		203.3	198.4	189.7	164.8	159.0	157.1	155.5	154.6	156.3	158.4
Total Current Liabilities		320.5	320.5	316.1	288.9	280.7	276.3	281.5	281.0	288.8	292.4
Non Current Liabilities											
Provisions		32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6
Total Non-Current Liabilities		32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6	32.6
TOTAL LIABILITIES		353.1	353.1	348.7	321.5	313.3	308.9	314.1	313.6	321.4	325.0
EQUITY											
Equity		14,583.8	14,698.4	14,800.2	14,914.9	15,007.3	15,092.4	15,185.3	15,288.3	15,387.0	15,487.4
TOTAL EQUITY		14,583.8	14,698.4	14,800.2	14,914.9	15,007.3	15,092.4	15,185.3	15,288.3	15,387.0	15,487.4

City of Sydney
Cash Flow Forecast

	\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Cash from operations											
Rates and annual charges		419.9	431.6	443.6	455.9	468.5	481.5	494.9	508.7	522.8	537.3
Other operating income *		295.0	308.3	321.2	330.0	339.1	348.5	361.2	370.7	380.6	390.7
Operating Income		714.9	739.8	764.8	785.8	807.6	830.1	856.1	879.4	903.4	928.0
Employee benefits and on-costs		(289.3)	(298.5)	(305.5)	(314.6)	(323.6)	(332.5)	(342.1)	(352.4)	(362.9)	(374.6)
Other operating expenditure *		(306.5)	(319.2)	(325.3)	(335.3)	(342.7)	(356.4)	(367.1)	(378.2)	(392.3)	(400.6)
Operating Expenditure		(595.8)	(617.7)	(630.8)	(649.9)	(666.3)	(688.9)	(709.3)	(730.7)	(755.2)	(775.2)
Operating Surplus		119.1	122.1	134.0	136.0	141.3	141.2	146.8	148.7	148.2	152.8
Other Non Operating:											
Interest and investment income		34.3	29.1	22.3	16.7	12.6	11.4	9.7	8.9	8.1	7.8
Grants and contributions provided for capital purposes		95.0	97.8	81.8	100.8	79.2	75.9	81.7	91.9	90.2	91.0
Capital project related costs **		(6.2)	(6.4)	(6.6)	(6.8)	(7.0)	(7.2)	(7.4)	(7.6)	(7.9)	(8.1)
Depreciation and amortisation expense		(126.8)	(128.2)	(129.8)	(132.0)	(133.8)	(136.3)	(137.9)	(139.0)	(139.9)	(143.1)
Net Surplus/(Deficit)		115.4	114.5	101.8	114.8	92.4	85.0	92.9	103.0	98.7	100.5
Add Back:											
Depreciation and amortisation expense		126.8	128.2	129.8	132.0	133.8	136.3	137.9	139.0	139.9	143.1
Non-cash asset adjustments		(2.0)	(1.9)	(1.8)	(1.6)	(1.5)	(1.4)	(1.2)	(1.1)	(0.9)	(0.8)
Cash Surplus before Capital Expenditure		240.2	240.8	229.8	245.1	224.7	220.0	229.6	240.8	237.7	242.8
Capital Expenditure											
Capital works		(236.5)	(245.1)	(263.5)	(242.6)	(222.4)	(187.4)	(211.6)	(198.5)	(215.7)	(212.0)
Plant and asset acquisitions (net of disposals)		(18.6)	(23.1)	(25.7)	(24.0)	(24.7)	(25.5)	(26.2)	(27.0)	(27.9)	(28.7)
Capital Works (Technology and Digital Services)		(24.0)	(23.8)	(17.5)	(14.6)	(11.0)	(15.0)	(15.5)	(15.9)	(16.4)	(16.9)
Property (acquisitions) / divestments		(28.0)	(3.3)	(42.8)	0.4	7.0	(45.0)	(20.0)	(20.0)	0.0	0.0
Total Capital Expenditure		(307.1)	(295.2)	(349.4)	(280.8)	(251.1)	(272.9)	(273.3)	(261.5)	(260.0)	(257.6)
Net Receivables/Payables Movement		17.9	(3.0)	(3.8)	(32.4)	(5.8)	(5.5)	1.8	(4.2)	6.3	1.6
Cash Surplus/(Deficit)		(49.1)	(57.4)	(123.4)	(68.2)	(32.1)	(58.4)	(41.9)	(24.8)	(15.9)	(13.2)
Total Cash at Beginning of Period		747.3	698.2	640.7	517.3	449.2	417.0	358.6	316.7	291.9	275.9
Cash Surplus/(Deficit)		(49.1)	(57.4)	(123.4)	(68.2)	(32.1)	(58.4)	(41.9)	(24.8)	(15.9)	(13.2)
Total Cash at End of Period		698.2	640.7	517.3	449.2	417.0	358.6	316.7	291.9	275.9	262.8

* Value-in-kind is non-cash and hence excluded from this statement in Operating Income and Operating Expenditure categories

** This item of expenditure is included within Materials and Contracts expense on the Income Statement

City of Sydney

Plant and Asset acquisitions, disposals and Capital Works (Technology and Digital Services)

Council holds assets to ensure its financial viability, for commercial and strategic reasons, and to meet the needs of its operations. Depreciating assets, such as plant, equipment and vehicles, held for Council's operations are changed or replaced in line with Council's current needs and the operational life of the asset. The City is reviewing the current policy of replacing light fleet vehicles and is working towards extending the lifecycle of its fleet vehicles as part of the longer term transition to zero emission options. The City adopts a replacement program to renew its personal computer assets on an average three-yearly cycle.

The City has a program of upgrades and enhancements to information systems. These can include installation and configuration of third party software and development of new in-house solutions. Where these system developments are deemed to have an enduring benefit to the City, the costs of the project are capitalised as assets within the Fixed Asset Register, and amortised over an appropriate useful life. Capitalisation of costs is consistent with the City's Asset Recognition and Capitalisation Policy.

Summary of Expenditure - 2024/25

	2024/25			Four years expenditure to 2027/28	Ten years expenditure to 2033/34
	Acquisitions	Disposals	Net Budget		
Books & Library Resources	0.8	0.0	0.8		
Information Technology (Equipment)	2.4	0.0	2.4		
Vehicles and Plant	8.4	(0.3)	8.1		
Equipment, Furniture & Fittings and Miscellaneous	7.3	0.0	7.3		
Plant and asset acquisitions (net of disposals)	18.9	(0.3)	18.6	91.4	251.4
Capital Works (Technology and Digital Services)	24.0	0.0	24.0	79.9	170.5

Notes on Commercial Activities and Revenue Policy

Statement of Business or Commercial Activities

The City of Sydney expects to continue with Parking Stations as a Category 1 business activity. In a typical operating environment, these commercial activities provide an additional source of funding that enables the Council to continue to provide enhanced services and infrastructure delivery without placing additional burden on the City's ratepayers.

The City expects to generate \$10.9M in 2024/25 from Parking Stations and \$123.8M over the ten year life of the plan.

Revenue Policy - Charges for Works Carried out on Private Land

Council does not generally carry out works on private land, however if Council were required to undertake such works (e.g. the construction of a private road), then the works would be charged at the appropriate commercial rate.

City of Sydney

OFFICE OF LOCAL GOVERNMENT PERFORMANCE MEASURES - PROJECTIONS

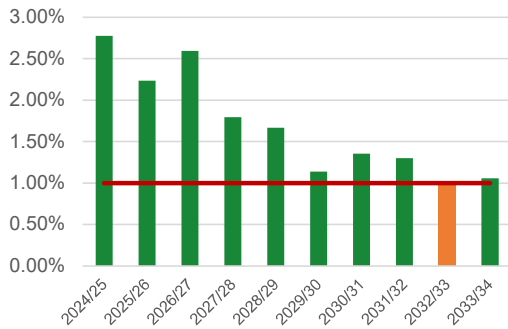
The City's performance in respect of the mandated Office of Local Government Performance measures is detailed below. The charts demonstrate performance trends on the basis of forward projections contained in the Long Term Financial Plan, and estimates related to future asset maintenance and renewal requirements (per the Asset Management Plan) and infrastructure backlog.

The formulas used in the calculations, as provided by the NSW Office of Local Government (OLG), are also included.

The graphs plot the annual performance for each ratio shown - while longer term projections generally reflect above-benchmark

Sustainability

Operating Performance Ratio

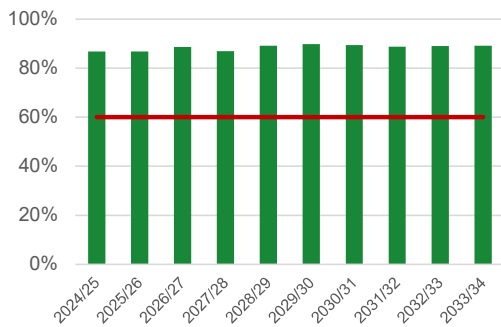


$$\frac{\text{Operating Revenue (excluding Capital Grants \& Contributions)} - \text{Operating Expenses}}{\text{Operating Revenue (excluding Capital Grants \& Contributions)}}$$

Operating Performance is projected to exceed benchmark over the life of the Long Term Financial Plan.

2024/25, 2028/29 and 2032/33 are all election years, which has a slight unfavourable impact on the ratio result due to additional expenses incurred in running local government elections including to administer a roll of business voters within the LGA for the purposes of compulsory voting.

Own Source Revenue

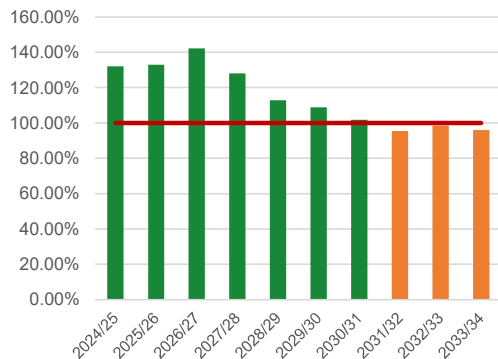


$$\frac{\text{Total continuing operating revenue (excluding all grants and contributions)}}{\text{Total Operating Revenue (including all Capital Grants and Contributions)}}$$

The City's Own Source Operating Revenue is already well above the required benchmark level and is forecast to continue to grow as a proportion of total operating revenue.

As detailed in the Long Term Financial Plan document, minor incremental growth in the City's rates base and the assumed continuation of the "cap" on developer contributions per new dwelling will result in capital income representing a declining proportion of the City's income base, reflected in the gradual increase in the Own Source Revenue ratio. The ratio may be impacted in any given year by higher-than-expected capital income receipts.

Building and Infrastructure Asset Renewal Ratio



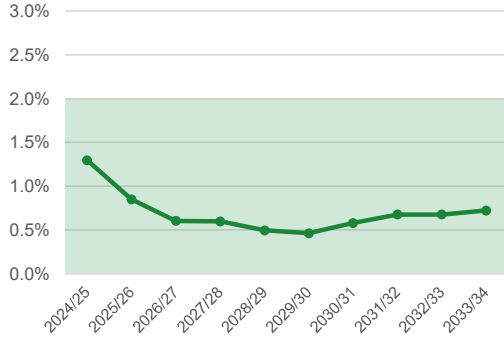
$$\frac{\text{Actual Asset Renewals}}{\text{Required Renewal* of Building and Infrastructure Assets}}$$

Rather than utilise depreciation expense as an arbitrary proxy, the required renewal* of building and infrastructure assets is instead sourced from the Asset Management Plan within the City's Integrated Planning and Reporting documents. Depreciation rates are also re-assessed regularly to reflect appropriate useful lives for assets, but the straight line methodology inevitably presents a limitation.

Substantial renewal works are planned for the earlier years of the plan, driven (in part) by strategic upgrade works that deliver a renewal benefit to assets. Underlying recurrent renewal programs focus on prioritising end-of-life assets for renewal and/or replacement.

City of Sydney
OFFICE OF LOCAL GOVERNMENT PERFORMANCE MEASURES - PROJECTIONS
Infrastructure and Service Management

Infrastructure Backlog Ratio



Estimated Costs to Bring Assets to a Satisfactory Standard

Written Down Value of Infrastructure
 (incl roads and drainage assets), **Building, Other Structures and Depreciable Land Improvements Assets**

The City holds the view that the vast majority of its buildings and infrastructure are currently maintained at or above a "satisfactory standard". The identified infrastructure backlog is subject to ongoing review, to ensure that backlog levels reported are reflective of those assets deemed to be at less than "satisfactory standard".

The City's projected Infrastructure Backlog ratio is subject to future assessments of asset condition, and therefore difficult to predict. However, the ratio result is expected to improve as targeted renewal works (per the City's asset management plans) are completed. Condition assessments of assets are also completed periodically, in order to better prioritise works.

Asset Maintenance Ratio

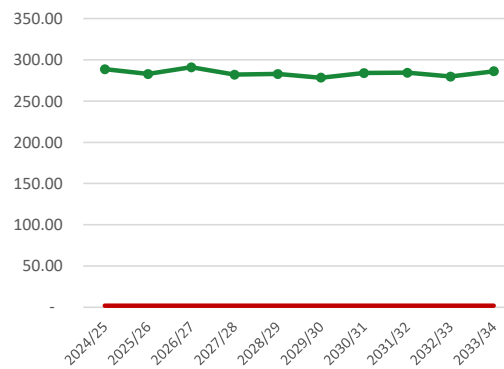


Actual Asset Maintenance
Required Asset Maintenance

In line with the City's Asset Management Plan, asset maintenance is forecast to remain at (or near to) benchmark over the life of the plan (i.e. 97% or higher of required levels). The slightly lower ratio results in the earlier years of the Long Term Financial Plan are reflective of higher (capital) renewal works. Conversely, the slight increase over the life of the plan partially offsets the easing renewal activity in later years.

Gross expenditure on asset maintenance will continue to grow over time, as will the "required" level of annual maintenance, as the City's asset base continues to grow. Over the longer term, increases to asset maintenance expenditure will continue to be 'matched' to growth in the City's asset base.

Debt Service Ratio



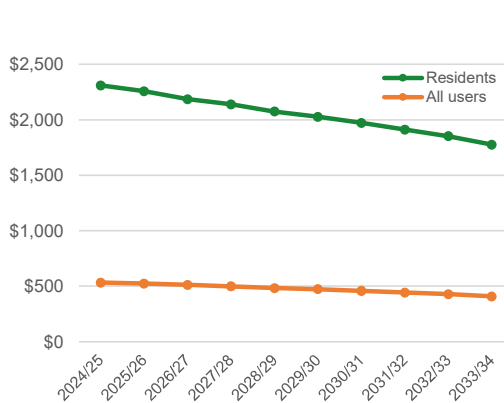
Principal Repayments (from Statement of Cash Flows) plus Borrowing Interest Costs (from the income statement)
Operating Results before Interest and Depreciation Expense (EBITDA)

Historically strong financial management has alleviated the need for the City to borrow funds, and the Long Term Financial Plan projects that this trend will continue over the next 10 years.

The projected ratio result reflects future estimates related to a property leased by the City for a library. Under accounting standard AASB 16 - Leases, a notional 'interest' expense is calculated in respect of the lease. The ratio benchmark is greater than 2.00 : 1, which is significantly exceeded over the life of this plan, indicating that the City can comfortably accommodate this notional 'debt'.

Efficiency

Real Operating Expenditure per capita



Real Operating Expenditure
Residential Population of Local Government Area

A declining trend over time is in line with OLG requirements, and reflects the City's commitment to targeting efficiencies in service delivery.

Whilst gross Operating Expenditure is forecast to increase over time, the residential population of the LGA is projected to grow more rapidly, representing a gradual decline in Real Operating Expenditure per capita. Service levels are reviewed as part of the Integrated Planning and Reporting process, and will reflect ratepayer priorities within tight budgetary controls.

The orange line reflects the inclusion of all users of the City. Note that the City has close to 1.1M visitors per day on average in 2022/23, which is a slight drop on earlier estimates.

City of Sydney

Income Statement - alternative scenario 1 (inflation lasting longer than anticipated impacting operating expenses)

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Income from Continuing Operations													
Rates and annual charges		419.2	430.9	442.8	455.1	1,748.1	467.8	480.8	494.1	507.8	522.0	536.5	4,757.0
User charges and fees		149.2	153.1	157.2	161.4	620.8	165.7	170.1	174.7	179.4	184.2	189.2	1,684.2
Interest and investment income		34.3	28.9	21.6	15.4	100.2	10.9	9.0	6.7	5.1	3.5	2.4	137.9
Other revenues		130.4	140.0	148.7	153.1	572.2	157.5	162.1	169.8	174.3	179.0	183.7	1,598.7
Grants and contributions provided for capital purposes		95.0	97.8	81.8	100.8	375.5	79.2	75.9	81.7	91.9	90.2	91.0	885.5
Grants and contributions provided for operating purposes		17.5	17.3	17.6	17.9	70.3	18.3	18.7	19.2	19.6	20.1	20.6	186.7
Total Income from Continuing Operations		845.7	868.0	869.8	903.7	3,487.1	899.4	916.7	946.2	978.2	999.0	1,023.4	9,250.0
Expenses from Continuing Operations													
Employee benefits and on-costs		289.3	301.4	311.4	320.7	1,222.9	329.9	339.0	348.8	359.3	370.0	381.9	3,351.8
Borrowing costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services		245.0	258.9	272.9	281.7	1,058.5	292.6	299.4	308.3	317.5	329.7	335.9	2,941.9
Depreciation, amortisation and impairment		126.8	128.2	129.8	132.0	516.7	133.8	136.3	137.9	139.0	139.9	143.1	1,346.7
Other expenses		69.2	74.3	73.2	75.1	291.8	72.1	79.8	82.4	85.0	87.7	90.4	789.3
Total Expenses from Continuing Operations		730.3	762.8	787.4	809.5	3,090.0	828.4	854.5	877.3	900.8	927.3	951.3	8,429.6
Net operating result for the year attributable to Council		115.4	105.2	82.4	94.2	397.2	70.9	62.2	68.8	77.5	71.7	72.1	820.4

Inflation lasting longer than anticipated impacting operating expenses

The base case of this Long Term Financial Plan anticipates that inflation will subside and return to the Reserve Bank of Australia's long term average target range by 2025/26. This alternative scenario has been modelled to demonstrate the potential additional impact of high levels of inflation persisting for two years, with the compounding impact of that inflation reflected through the ten years of the Plan. Compared to the base case, Employee related expenses in this scenario were modelled at 1% higher for 2025/26 and 2026/27. Likewise Materials and Contracts were modelled at 2% higher than the base case. The increase in these two financial years is compounded in the later years of the plan by the same assumptions used in the base case.

The financial impact of the temporary higher inflation under this scenario results in an additional \$55.7M Employee related expenses and \$119.8M higher Materials and Services costs. As a consequence, projected Interest Income is \$23.1M lower. These factors combined unfavourably impact the City's net operating result by \$198.6M over the ten year Plan. The cash impact of this scenario is modelled on an alternative Cash Flow Forecast on the next page.

City of Sydney

Cash Flow Forecast - alternative scenario 1 (inflation lasting longer than anticipated impacting operating expenses)

	\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Cash from operations											
Rates and annual charges		419.9	431.6	443.6	455.9	468.5	481.5	494.9	508.7	522.8	537.3
Other operating income *		295.0	308.3	321.2	330.0	339.1	348.5	361.2	370.7	380.6	390.7
Operating Income		714.9	739.8	764.8	785.8	807.6	830.1	856.1	879.4	903.4	928.0
Employee benefits and on-costs		(289.3)	(301.4)	(311.4)	(320.7)	(329.9)	(339.0)	(348.8)	(359.3)	(370.0)	(381.9)
Other operating expenditure *		(306.5)	(325.4)	(338.0)	(348.4)	(356.2)	(370.3)	(381.5)	(393.1)	(407.7)	(416.3)
Operating Expenditure		(595.8)	(626.8)	(649.5)	(669.1)	(686.0)	(709.3)	(730.3)	(752.4)	(777.7)	(798.3)
Operating Surplus		119.1	113.1	115.3	116.7	121.6	120.7	125.8	127.0	125.7	129.8
Other Non Operating:											
Interest and investment income		34.3	28.9	21.6	15.4	10.9	9.0	6.7	5.1	3.5	2.4
Grants and contributions provided for capital purposes		95.0	97.8	81.8	100.8	79.2	75.9	81.7	91.9	90.2	91.0
Capital project related costs **		(6.2)	(6.4)	(6.6)	(6.8)	(7.0)	(7.2)	(7.4)	(7.6)	(7.9)	(8.1)
Depreciation and amortisation expense		(126.8)	(128.2)	(129.8)	(132.0)	(133.8)	(136.3)	(137.9)	(139.0)	(139.9)	(143.1)
Net Surplus/(Deficit)		115.4	105.2	82.4	94.2	70.9	62.2	68.8	77.5	71.7	72.1
Add Back:											
Depreciation and amortisation expense		126.8	128.2	129.8	132.0	133.8	136.3	137.9	139.0	139.9	143.1
Non-cash asset adjustments		(2.0)	(1.9)	(1.8)	(1.6)	(1.5)	(1.4)	(1.2)	(1.1)	(0.9)	(0.8)
Cash Surplus before Capital Expenditure		240.2	231.5	210.4	224.5	203.2	197.1	205.5	215.4	210.7	214.4
Capital Expenditure											
Capital works		(236.5)	(245.1)	(263.5)	(242.6)	(222.4)	(187.4)	(211.6)	(198.5)	(215.7)	(212.0)
Plant and asset acquisitions (net of disposals)		(18.6)	(23.1)	(25.7)	(24.0)	(24.7)	(25.5)	(26.2)	(27.0)	(27.9)	(28.7)
Capital Works (Technology and Digital Services)		(24.0)	(23.8)	(17.5)	(14.6)	(11.0)	(15.0)	(15.5)	(15.9)	(16.4)	(16.9)
Property (acquisitions) / divestments		(28.0)	(3.3)	(42.8)	0.4	7.0	(45.0)	(20.0)	(20.0)	0.0	0.0
Total Capital Expenditure		(307.1)	(295.2)	(349.4)	(280.8)	(251.1)	(272.9)	(273.3)	(261.5)	(260.0)	(257.6)
Net Receivables/Payables Movement		17.9	(1.9)	(2.7)	(32.4)	(5.7)	(5.4)	1.9	(4.2)	6.4	1.7
Cash Surplus/(Deficit)		(49.1)	(65.7)	(141.7)	(88.6)	(53.5)	(81.2)	(65.9)	(50.3)	(42.9)	(41.5)
Total Cash at Beginning of Period		747.3	698.2	632.5	490.8	402.1	348.6	267.4	201.5	151.3	108.4
Cash Surplus/(Deficit)		(49.1)	(65.7)	(141.7)	(88.6)	(53.5)	(81.2)	(65.9)	(50.3)	(42.9)	(41.5)
Total Cash at End of Period		698.2	632.5	490.8	402.1	348.6	267.4	201.5	151.3	108.4	66.9

* Value-in-kind is non-cash and hence excluded from this statement in Operating Income and Operating Expenditure categories

** This item of expenditure is included within Materials and Contracts expense on the Income Statement

City of Sydney

Income Statement - alternative scenario 2 - Developer contributions lower than anticipated

	\$'M	2024/25	2025/26	2026/27	2027/28	4 Year Total	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Income from Continuing Operations													
Rates and annual charges		419.2	430.9	442.8	455.1	1,748.1	467.8	480.8	494.1	507.8	522.0	536.5	4,757.0
User charges and fees		149.2	153.1	157.2	161.4	620.8	165.7	170.1	174.7	179.4	184.2	189.2	1,684.2
Interest and investment income		34.3	28.8	21.6	15.5	100.1	11.1	9.4	7.2	5.9	4.5	3.6	141.9
Other revenues		130.4	140.0	148.7	153.1	572.2	157.5	162.1	169.8	174.3	179.0	183.7	1,598.7
Grants and contributions provided for capital purposes		95.0	83.6	67.5	86.3	332.5	64.5	61.1	66.6	76.7	74.8	75.4	751.4
Grants and contributions provided for operating purposes		17.5	17.3	17.6	17.9	70.3	18.3	18.7	19.2	19.6	20.1	20.6	186.7
Total Income from Continuing Operations		845.7	853.7	855.4	889.2	3,444.0	884.9	902.2	931.6	963.7	984.5	1,009.0	9,119.9
Expenses from Continuing Operations													
Employee benefits and on-costs		289.3	298.5	305.5	314.6	1,207.9	323.6	332.5	342.1	352.4	362.9	374.6	3,296.1
Borrowing costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services		245.0	252.7	260.1	268.6	1,026.4	279.2	285.4	293.9	302.7	314.3	320.2	2,822.1
Depreciation, amortisation and impairment		126.8	128.2	129.8	132.0	516.7	133.8	136.3	137.9	139.0	139.9	143.1	1,346.7
Other expenses		69.2	74.3	73.2	75.1	291.8	72.1	79.8	82.4	85.0	87.7	90.4	789.3
Total Expenses from Continuing Operations		730.3	753.8	768.7	790.2	3,042.9	808.7	834.0	856.3	879.0	904.8	928.3	8,254.1
Net operating result for the year attributable to Council		115.4	100.0	86.7	99.0	401.1	76.2	68.2	75.4	84.7	79.7	80.6	865.8

Developer contributions lower than anticipated impacting total income

The base case of this Long Term Financial Plan anticipates that Developer Contributions will be stable, driven by long term trends in property development in the Local Government Area. This alternative scenario has been modelled to reflect the potential impact of Developer Contributions being lower than assumed in the base case. This may eventuate for a number of reasons. There is the possibility that the development cycle dips and activity is subdued for some time following prolonged global inflation and recessionary pressures. Separately, the State Government has not dismissed the possibility of changes to legislation regarding developer contributions, in which contributions received by the City may be syphoned off to fund State Government priorities elsewhere in New South Wales.

The assumption in this scenario is that developer contributions are 25% lower compared to the base case over the life of the plan. The financial impact is \$134.1M lower developer contributions with a consequential reduction in interest income of \$19.1M, which leads to a net operating result attributable to Council that is \$153.1M unfavourable to the base case of this plan. The cash impact of this scenario is modelled on an alternative Cash Flow Forecast on the next page.

City of Sydney

Cash Flow Forecast - alternative scenario 2 - Developer contributions lower than anticipated

	\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Cash from operations											
Rates and annual charges		419.9	431.6	443.6	455.9	468.5	481.5	494.9	508.7	522.8	537.3
Other operating income *		295.0	308.3	321.2	330.0	339.1	348.5	361.2	370.7	380.6	390.7
Operating Income		714.9	739.8	764.8	785.8	807.6	830.1	856.1	879.4	903.4	928.0
Employee benefits and on-costs		(289.3)	(298.5)	(305.5)	(314.6)	(323.6)	(332.5)	(342.1)	(352.4)	(362.9)	(374.6)
Other operating expenditure *		(306.5)	(319.2)	(325.3)	(335.3)	(342.7)	(356.4)	(367.1)	(378.2)	(392.3)	(400.6)
Operating Expenditure		(595.8)	(617.7)	(630.8)	(649.9)	(666.3)	(688.9)	(709.3)	(730.7)	(755.2)	(775.2)
Operating Surplus		119.1	122.1	134.0	136.0	141.3	141.2	146.8	148.7	148.2	152.8
Other Non Operating:											
Interest and investment income		34.3	28.8	21.6	15.5	11.1	9.4	7.2	5.9	4.5	3.6
Grants and contributions provided for capital purposes		95.0	83.6	67.5	86.3	64.5	61.1	66.6	76.7	74.8	75.4
Capital project related costs **		(6.2)	(6.4)	(6.6)	(6.8)	(7.0)	(7.2)	(7.4)	(7.6)	(7.9)	(8.1)
Depreciation and amortisation expense		(126.8)	(128.2)	(129.8)	(132.0)	(133.8)	(136.3)	(137.9)	(139.0)	(139.9)	(143.1)
Net Surplus/(Deficit)		115.4	100.0	86.7	99.0	76.2	68.2	75.4	84.7	79.7	80.6
Add Back:											
Depreciation and amortisation expense		126.8	128.2	129.8	132.0	133.8	136.3	137.9	139.0	139.9	143.1
Non-cash asset adjustments		(2.0)	(1.9)	(1.8)	(1.6)	(1.5)	(1.4)	(1.2)	(1.1)	(0.9)	(0.8)
Cash Surplus before Capital Expenditure		240.2	226.3	214.7	229.4	208.5	203.1	212.0	222.6	218.7	223.0
Capital Expenditure											
Capital works		(236.5)	(245.1)	(263.5)	(242.6)	(222.4)	(187.4)	(211.6)	(198.5)	(215.7)	(212.0)
Plant and asset acquisitions (net of disposals)		(18.6)	(23.1)	(25.7)	(24.0)	(24.7)	(25.5)	(26.2)	(27.0)	(27.9)	(28.7)
Capital Works (Technology and Digital Services)		(24.0)	(23.8)	(17.5)	(14.6)	(11.0)	(15.0)	(15.5)	(15.9)	(16.4)	(16.9)
Property (acquisitions) / divestments		(28.0)	(3.3)	(42.8)	0.4	7.0	(45.0)	(20.0)	(20.0)	0.0	0.0
Total Capital Expenditure		(307.1)	(295.2)	(349.4)	(280.8)	(251.1)	(272.9)	(273.3)	(261.5)	(260.0)	(257.6)
Net Receivables/Payables Movement		17.9	(0.3)	(3.8)	(32.4)	(5.7)	(5.4)	1.8	(4.2)	6.4	1.6
Cash Surplus/(Deficit)		(49.1)	(69.3)	(138.5)	(83.8)	(48.3)	(75.3)	(59.4)	(43.1)	(34.9)	(32.9)
Total Cash at Beginning of Period		747.3	698.2	628.9	490.4	406.5	358.2	283.0	223.6	180.5	145.5
Cash Surplus/(Deficit)		(49.1)	(69.3)	(138.5)	(83.8)	(48.3)	(75.3)	(59.4)	(43.1)	(34.9)	(32.9)
Total Cash at End of Period		698.2	628.9	490.4	406.5	358.2	283.0	223.6	180.5	145.5	112.6

* Value-in-kind is non-cash and hence excluded from this statement in Operating Income and Operating Expenditure categories

** This item of expenditure is included within Materials and Contracts expense on the Income Statement

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Draft Community Asset Management Plan 2024/25 to 2033/34

The City of Sydney acknowledges the Gadigal of the Eora Nation as the Traditional Custodians of our local area.

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Cover image: 180 George Street, Sydney. Photo by Abril Felman / City of Sydney

Asset Management Planning

Background

The Integrated Planning and Reporting Framework provides the mechanism for the implementation of Sustainable Sydney 2030–2050 Continuing the Vision. The Community Strategic Plan Delivering Sustainable Sydney 2030-2050 (also referred to as the community strategic plan) is the highest-level plan within this framework. Robust asset management is an objective of the community strategic plan contained within Direction 1: Responsible governance and stewardship.

The City of Sydney is responsible for approximately \$15.8 billion in physical assets (\$8.8 billion in land and \$7 billion in built assets) to support its delivery of services to the community. The City has developed a framework for embedding asset management objectives and principles. These principles are aimed at managing the City’s assets to give the best possible long-term services to the City’s residents, ratepayers and visitors.

The City has over 1.08 million people per day. The City commits significant funds to asset management and currently annually spends in excess of \$83M in operations and maintenance, \$68M in asset renewals plus \$99M in new asset additions of the critical infrastructure assets.

The City also has a program to deliver new facilities, assets and buildings in the next 4 years to support our growing resident and visitor population.

Last financial year the city also completed several major public domain update at Macleay St and City South. The key projects include the Green Square Town Centre, Gunyama Park Aquatic and Recreation Centre, Green Square Library and Plaza, Green Square Trunk Drainage and many new parks.

To cater for an expected population increase we will need to grow or modify our infrastructure asset portfolio. The City will need to manage service levels within funding restraints while managing all our assets efficiently and effectively.

This Asset Management Plan demonstrates how the City is meeting its current and future demands on our assets.

What is Asset Management?

A Council asset is defined as “a resource controlled by a council as a result of past events and from which future economic benefits are expected to flow to the council” ¹.

The term “asset management” as defined in the City’s Asset Management Strategy is:

“The combination of management, financial, economic, and engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.”

Asset management is a “whole of life” approach that includes planning, acquisition, operation, maintenance and disposal of assets.

Asset Management Framework

The City is enhancing our asset management governance in line with the recommendations from ISO55000/55001² maturity review. It is intended that the current framework outlined in this plan will be optimised to provide greater clarity and efficiencies.

The Asset Management Gateway Panel oversees the City's asset management framework. The objectives of the Panel are to:

- Ensure that all asset management activities are consistent with the objectives of the Community Strategic Plan and incorporate lifecycle asset management principles
- Ensure compliance with the requirements of the Integrated Planning and Reporting Legislation and Guidelines and other infrastructure asset reporting
- Oversee the development of the City's Asset Management key strategy themes and projects
- Set direction and outcomes for the Asset System Working Group and the Corporate Asset Management System (CAMS)
- Ensure all asset management policies, strategies and plans (new and reviewed) are submitted to the Executive
- Ensure the integrity of the asset management process within Council and arbitrate and resolve any dispute or issue arising. The Panel is the decision making and oversight authority of all renewal based capital works projects

The Asset System Working Group is responsible for the delivery of system improvements, training, mapping, integration to other systems, system maintenance and deliver process improvements.

To support this framework, the City has prepared and adopted several Asset Management documents, including:

- Asset Management Policy
- Asset Management Strategy
- Risk Management Plans for the critical assets

These documents are reviewed and updated periodically.

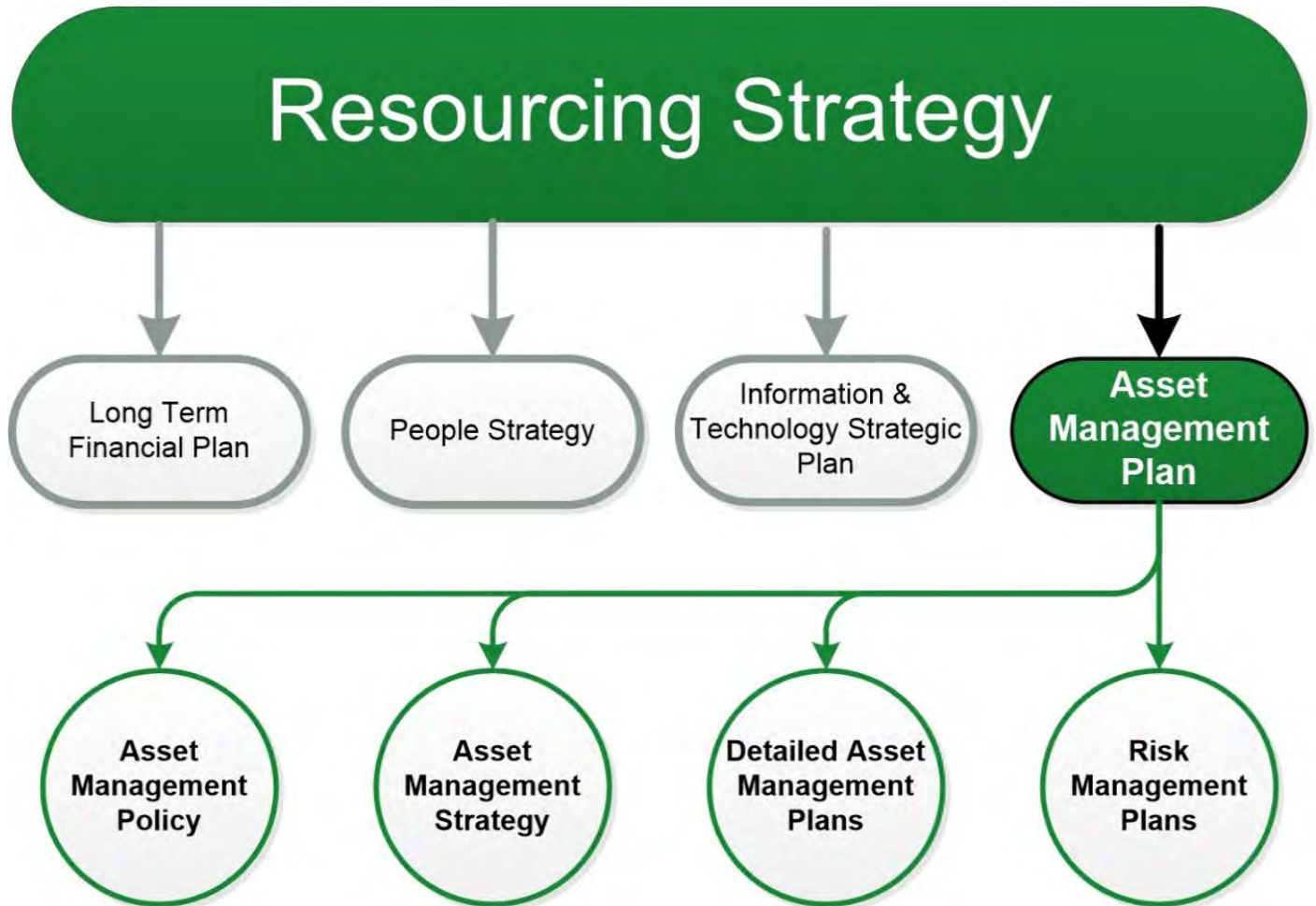
The condition analysis, financial valuation and projections and maintenance and operation costs in the current plans are prepared using the best available data and will be improved as updated information becomes available. The ongoing expansion and improvement of the City's Corporate Asset Management System will aid the development of data to support decision making.

Consistent with the benchmarks of the Office of Local Government (OLG) performance measures, the information and modelling contained within this plan (and more broadly within the City's Integrated Planning and Reporting documents) demonstrate that the City is managing its infrastructure assets effectively and efficiently. Over the ten year window of this Plan, identified asset renewal and maintenance requirements are planned to be met, and the City's ten year capital works program is set to address identified infrastructure renewal whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.

¹ "Planning a Sustainable Future" Planning and Reporting Manual for local government in NSW: Department of Local Government NSW

² ISO 55000/55001 is the international asset management and asset management system standards, the main objective of which is to help organisations manage the lifecycle of assets more effectively. The standard supports optimization of assets and reduces the overall cost of ownership while helping to meet the necessary performance and risk/safety requirements.

The diagram below outlines the relationship of the asset management planning documents within the overall Resourcing Strategy.



Asset Management Policy

Policy

The City's Asset Management Policy enables the delivery of our asset management actions that are consistent with our strategic goals set out in the Community Strategic Plan and other strategic documents. The complete policy is an appendix of this document.

The policy objectives are:

- Provide infrastructure and services to sustain the City of Sydney communities
- Implement a life-cycle approach to the management of infrastructure and public assets
- Ensure that service delivery needs are the primary driver for infrastructure asset management practices
- Provide a sustainable funding model that provides assets aligned with the City's long term plans and community needs
- Develop and implement best value environmentally sustainable asset management practices
- Create a resilient city by modelling and planning to make it adaptable to acute shocks and chronic stresses
- Create a resilient city by modelling and planning to make it adaptable to acute shocks and chronic stresses
- Provide reliable asset and infrastructure data through supported digital platforms
- Implement an integrated decision support system
- Ensure compliance with legislative requirements
- Allocate asset management responsibilities
- The full Asset Management Policy can be found on website.



Image: interior of Green Square Library

Asset Management Strategy

Background

This asset management strategy provides a summary of how the resources available in the City's Resourcing Strategy will deliver the key objectives in Sustainable Sydney 2050 Continuing the Vision and the Delivery Program.

The Asset Management Strategy is a dynamic document that helps to guide the asset management activities and decision making of the organisation into the future. The initiatives are reviewed on a regular basis to ensure their relevance in a changing environment, and to also incorporate community feedback.

Current Situation

Strategy

The City has made significant advances and continues to seek and implement initiatives to increase council's productivity in the asset management context. Some outcomes include the:

- Review and adoption of an overarching asset management policy
 - Review and enhancement of the asset management framework and governance structure
 - Introduction of a mobile capability for managing infrastructure inspection, maintenance and job completion. There are approximately 400 active mobile device users across the civil infrastructure maintenance, parks and open spaces and tree management business units and contractors.
 - Introduction of job activity and costing capability through mobile applications
- Integration with 3rd party service contractors to ensure accurate and timely data is available for us to make informed decisions
 - Streamlining of infrastructure asset valuation processes through interfacing of systems
 - Coordination of infrastructure data collection projects aimed at improving the quality of the underlying base asset data for roads, stormwater drainage, trees, parks and open spaces, and buildings and their components.
 - Redesign of the detailed asset management plan template and development of asset management plans to this template.
 - Creation of advanced asset condition and prioritisation methods to develop renewal works programs.

Asset Inventories

This is the current infrastructure asset inventory and replacement value for council's assets, excluding land.

Asset Category	Asset Type	Quantity	Value (\$M)
Roads	Road Surface	330 km	271.6
	Road Base	330 km	683.5
	Cycleway	22.5km	Included in roads
	Footpath	592 km	728.7
	Kerb and Gutter	650 km	422.4
	Traffic Facilities	2,513	42.1
	Total		
Structures	Bridges	41Nos	99.0
	Cliffs	67Nos	-
	Stairs/Steps/Ramps/Civic Square (Road Reserve Only)	113Nos	1.8
	Retaining walls	332Nos	2.5
	Sea Walls	2.8 km	13.8
	Jetties/Pontoons	12Nos	Included in Parks
	Fences	304	Included in Parks
Total			117.0
Stormwater	Drainage pipes	162 km	302.5
	Drainage pits	11,554	147.0
	Open Channels	150 m	0.1
	Culverts	6.7 km	39.1
	Gross Pollutant Traps (GPTs)	47	5.0
	Rain Gardens	320	32.1
	Total		

Community Asset Management Plan 2024

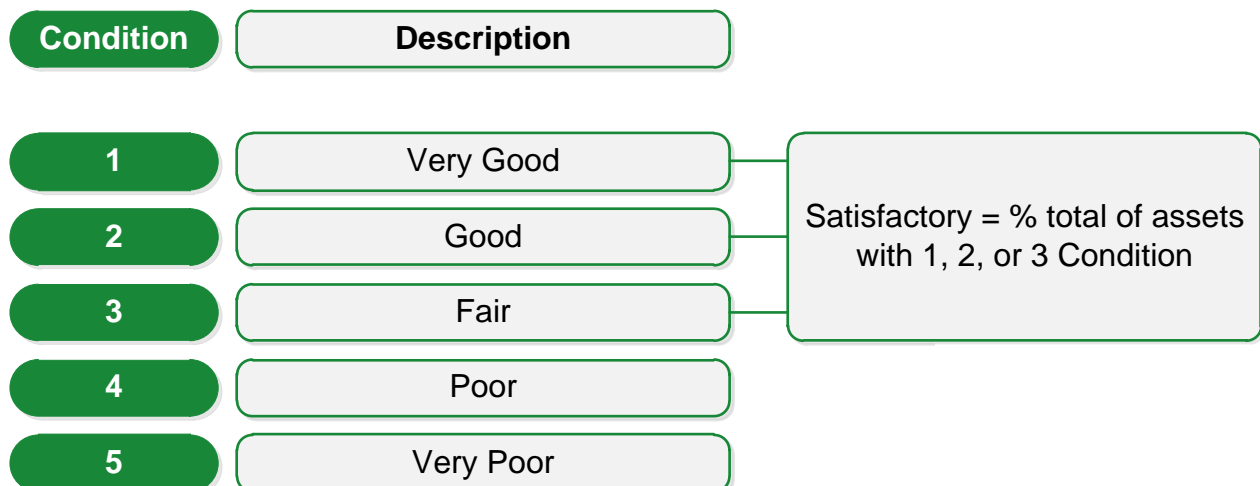
Asset Category	Asset Type	Quantity	Value (\$M)
Parks	Iconic	24	375.8
	Neighbourhood	48	150.4
	Pocket	298	151.8
	Streetscapes	1154	31.2
	Sportsfields	16	33.1
	Traffic Treatments	665	16.4
	Playgrounds	163	Included in Parks
	Building Surrounds/Other Green Space	69	11.1
	Total		769.7
Trees	Parks Trees	14,010	49.9
	Street Trees	35,806	101.2
	Property Trees	663	1.8
	Total		152.9
Street Furniture	Smartpoles	3,005	111.6
	Poles and Lighting	4,549 poles 8,495 lights	51.1
	Bins	849	10.8
	Cycling Parking	1,561	
	Seats	1254	
	Shelters	330	
	Tactile	2190	
	Wayfinding / Legible Sydney	4,180Nos	9.4
	Permanent Survey Marks	3,349	17.3
	Parking Meters	1,445	6.3
Security	N/A	7.8	
	Total		214.3
Buildings	Specialised / Non-Specialised and Investment	277	2,704.2

Asset Category	Asset Type	Quantity	Value (\$M)
Signs	Parking and Regulatory signs Sign Poles	64,000 36,750	17.5
Fleet, Plant and Equipment	Vehicles and major plant Other plant and equipment	443 N/A	123.1
Library	Books, publications, electronic resources and other library collections	N/A	6.3
City Art	Public art and sculptures Town Hall Collection	795 1,846 (approx..)	67.6 9.7
Sub Total			77.3
Office Equipment & Furniture	Furniture, desks, technology	N/A	64.1

Asset Condition

Condition Definition

In line with International Infrastructure Management Manual, the Institute of Public Works Engineering Australia (IPWEA) condition rating standards, this is the condition ranking the City has adopted. The scale and how the rankings apply varies between each asset category.



Current Asset Condition Assessments

Asset Category	Asset Component	Average Condition	Latest Year of Assessment	Next proposed Assessment	% of Assets rated as Satisfactory
Roads	Road Pavements	2.6	2019	2024	95
	Footpaths	2.6	2019	2024	98
	Kerb and gutter	2.6	2019	2024	93
	Traffic Facilities	2.0	2019	2024	96
	Steps and Ramps	2.7	2020	2025	96
Structures	Bridges	2.4	2020	2025	99
	Cliff & Retaining Walls	2.1	2020	2025	97
	Sea walls	2.5	2020	2025	100
	Jetties/Pontoons	2.5	2020	2025	100
	Fences	2.5	2020	2025	N/A
Stormwater	Drainage – Pits – Collected area	2.0	2021	Underway	94
	Drainage – Pipes – Collected area	2.2	2021	Underway	96
	Gross Pollutant Traps	2.0	2020	2024	90
	Raingardens	1.8	2019	2024	90
Parks	Iconic	2.7	2023	2024	91
	Neighbourhood	2.6	2023	2024	96
	Pocket Parks	2.7	2023	2024	89
	Streetscapes	3	2022	2025	99
	Traffic Treatment	3	2022	2025	99
Trees	Parks Trees	1.86	2022	2025	99
	Street trees	1.7	2022	2025	99
	Property Trees	1.6	2022	2025	99
Buildings		2.4	2022	Ongoing	97

Community Asset Management Plan 2024

Asset Category	Asset Component	Average Condition	Latest Year of Assessment	Next proposed Assessment	% of Assets rated as Satisfactory
Street Furniture	Smartpoles, Light poles	1.2	2009	Underway	99
	Mounted lights	2.1	2009	Underway	99
	Street Furniture:				
	Bins & Ashtrays	2.6	2022	2025	100
	Cycle Parking	2.48	2016	Underway	92
	Information Stand	2.0	2016	Underway	93
	Kiosks (CoS owned)*	N/A	N/A	N/A	--
	Seats	2.4	2022	Underway	86
	Shelters	3.5	2022	Underway	99
	Permanent Survey Marks	2.9	2022	Underway	99
Plant and Equipment	Fleet	2.4	2022	TBC	99

Note 1 – Continuous review of all council's asset and related desktop condition assessments..

Note 2* – The areas where data is either being collected or not applicable are shown as Not Applicable (N/A)

Generally, condition assessments are conducted as holistic on an asset class. The identification of defects and ad hoc condition assessment on individual assets are being performed on a continual basis.

Non-destructive testing and condition assessment of all electrical poles is underway.

Asset Management Capability and Maturity – Assessment

In 2019, the City conducted a maturity analysis compared to the Australian Standards:

- AS ISO55000 – Asset Management – Overview, principles and terminology and
- AS ISO55001 – Asset Management – Management Systems – Requirements

The review identified several areas where further improvement in asset management practices in the City. A project plan to achieve the desired level of maturity is being implemented.

Key projects that have been recently completed are:

- Our corporate asset management system has been audited and upgraded to ensure security compliance

Key projects that are recommended and underway include:

- Review, develop and reassign roles and responsibilities related to infrastructure assets
- Develop a database to contain the roles and responsibility for transparency and easy access
- Develop asset health dashboard for executive level management decisions.
- Develop operational dashboards for service delivery standards

The Asset Management Gateway Panel provides oversight in strategic asset management project decision making. Together with a revision of the asset management policy, future asset management plans will have projects within each of the critical asset areas outlining the path to maturity.

We are continuing to focus our efforts in the key areas of:

1. Asset Management Governance
2. Asset Management Skills and Processes
3. Asset information and systems
4. Levels of service
5. Financial sustainability
6. Environmental sustainability asset management practices
7. Resilience in our infrastructure assets

An outline of the strategy focus areas is contained in the following table with the detailed information, including specific elements of the key objectives.

Emphasis on environmental, social and cultural measures and metrics will be identified and incorporated into this report and in the future.

In the short term we are focussing on the areas of resilience, climate change and inclusion of social and culturally important assets within detailed asset management plans.

Accompanying strategies, standards and plans

This Community Asset Management Plan has been informed and works together with the following City strategies, standards and plans:

- Community Strategic Plan
- Design codes and technical specifications
- Information and Technology Strategic Plan
- Data Governance Framework
- Environmental Strategy
- Resilience Strategy
- Smart City Framework
- Greening Sydney Strategy
- City for All

Asset Strategy Focus Areas

Focus Area	Key Outcomes	Priority Projects
<p>Asset Management Governance</p> <p>Consistent and appropriate data and corporate governance processes are in place for all asset activities and classes</p>	<ul style="list-style-type: none"> Improved data governance Structured infrastructure risk management plans Current and relevant policy and strategy Compliance with Integrated Planning and Reporting requirements Digital service delivery designed around the user 	<ul style="list-style-type: none"> Cyclic review of the Asset Management Gateway Panel. Review and update business, data governance and management processes Adopt risk management plans for the Critical asset classes, including climate change adaptation, at a network level Policy reviewed on two year cycle Endorse Asset Management Plans Identify areas of improvement for better return on investment Review and reassign roles and responsibilities related to infrastructure assets
<p>Asset Management Skills and Processes</p> <p>The City's staff will have sufficient data and system knowledge, rigorous processes, clear communication and a culture committed to asset and service improvement</p>	<ul style="list-style-type: none"> Proactive asset management culture Standard asset creation and handover processes Developed asset management skills Effective communication and On-line tools Asset Management Online Portal 	<ul style="list-style-type: none"> Develop on-line references and tools for asset managers Develop standard templates and processes for asset demolition and creation Communications strategy for asset management practices Provide or facilitate training for asset managers
<p>Asset Information and Systems</p> <p>The City will support service delivery through the provision of up to date asset information and</p>	<ul style="list-style-type: none"> Integrated platforms Fully resourced system support Mobile first solutions Quality data and information Adopted Corporate Asset Management System Strategy 	<ul style="list-style-type: none"> Upgrade corporate asset management system to latest version and ready for web migration. Building and condition audit for relevant buildings Continue rollout of ConfirmConnect and WorkZone mobile platform Develop and enable advanced modelling within the corporate system.

Community Asset Management Plan 2024

Focus Area	Key Outcomes	Priority Projects
<p>integrated systems providing digital and mobile platforms</p>	<ul style="list-style-type: none"> • Best practice data modelling and reporting 	<ul style="list-style-type: none"> • Undertake Corporate Asset Management System data gap analysis • Complete integration projects with internal enterprise systems
<p>Levels of Service</p> <p>The City will measure the performance of all asset classes against agreed levels of service including intervention levels, inspection frequency and condition thresholds</p>	<ul style="list-style-type: none"> • Agreed service levels for all asset classes • Costs associated with service delivery captured and understood • Validated asset lifecycle models • Service levels of new and acquired infrastructure identified at inception • Environmental considerations included in all service level outcomes 	<ul style="list-style-type: none"> • Development of service levels specific to individual asset classes including intervention levels, priority determination and inspection frequency • Develop cost collection model and implement through mobile technology • Consult with the community to identify any over or under servicing of assets
<p>Environmentally Sustainable Asset Management Practices</p> <p>Embed best practice environmental management practices into all aspects of infrastructure service delivery</p>	<ul style="list-style-type: none"> • Climate change considerations as part of normal business • Cleaner stormwater solutions • Embedded sustainable design guidelines • Environmental impact considered in plant and equipment acquisition • Asset reporting includes environmental outcomes 	<ul style="list-style-type: none"> • Embed minimum environmental requirements in all renewal and upgrade activity • Develop processes to minimise the environmental impact of new or replacement plant and equipment
<p>Financial Sustainability</p> <p>The cost of infrastructure service delivery will be fully understood and incorporated into lifecycle modelling linked to the long term financial plan</p>	<ul style="list-style-type: none"> • Full understanding of costs to deliver services to support budget preparation • Benchmarked asset operation and maintenance activities and costs • Validated lifecycle models • Integrated asset operational and financial data 	<ul style="list-style-type: none"> • Develop and implement strategy, processes and procedures to capture costs associated with infrastructure maintenance activities • Migrate asset financial and valuation data to the Corporate Asset Management System

Community Asset Management Plan 2024

Focus Area	Key Outcomes	Priority Projects
<p>Resilience in our infrastructure assets</p> <p>Planning for the City's infrastructure assets to be resilient against future shocks and stresses</p>	<ul style="list-style-type: none"> • Purpose specific tools for asset reporting • Clear definition of resilience • Asset management plans address resilience issues • Resilience considered at the time of development and renewal 	<ul style="list-style-type: none"> • Define resilience risks and opportunities for each asset group • Rate current infrastructure against adopted definition of resilience. • Develop plans to accommodate resilience into future renewal and operational planning if required.

Link to Community Strategic Plan Directions

Infrastructure assets play both a direct and an indirect role in the delivery of a number of the key Community Strategic Plan directions. Listed below are the directions where critical assets are affected.

The Community Strategic Plan generally caters for the local government areas community's needs including privately owned property. The context of assets within the Community Strategic Plan may include infrastructure beyond what the City owns and controls. The directions where this condition exists are denoted with *.

Some directions have a planning focus that don't directly include delivery of infrastructure assets within their scope and instead provide input and direction to the renewal and upgrade of assets. These are denoted with **.

Direction	
1.2	The City of Sydney has the capacity, capability, information, data and systems to serve the community into the future
1.3	The City of Sydney is financially sustainable over the long-term
2.1	The city reaches net zero emissions by 2035 with embodied carbon significantly reduced
2.2	Greening has increased to create a cool, calm, and resilient city
2.3	Water is managed to support a resilient, sustainable, and liveable city
3.1	Aboriginal peoples' history and cultures of this place are evident in the public realm
3.2	Welcoming, inclusive and connected streets and public spaces are created and maintained
3.3	Creativity and culture is embedded in the fabric of the city
3.4	Physical and visual connections to the harbour are strengthened
3.5	Equitable access to open green spaces, playgrounds, pools, recreational and sporting facilities supports social connection and wellbeing
4.1 **	The city's liveability will be enhanced through well planned and designed development
4.3 **	Communities will be supported by the provision of infrastructure and assets that are aligned with growth
4.4 **	Good design leads to buildings and public spaces that are high performing, well designed, inviting and inclusive
5.1	Street space is reallocated for people, places and planting
5.2 *	Most people use the high-capacity, rapid and frequent public transport network that connects the city and the metropolitan area
5.3	More people walk more, because walking is the most attractive and convenient choice for short trips in the local area

Direction	
5.4	More people ride more, because it is an attractive, convenient and safe option for everyday transport
5.5	Freight, servicing and parking will be managed to support the efficient functioning of the city while improving the amenity of city spaces
6.2	Everyone feels welcome and included in the city
6.6	There is equitable access to education and learning opportunities
7.2	Everyone has equitable and affordable access to community and cultural facilities, supporting social connection and wellbeing
7.3	Infrastructure, services and communities are prepared for and can withstand the impacts of acute shocks and chronic stresses and emergency situations
7.4	The city economy is diversified to strengthen its resilience
7.5	People feel safe in the city
8.5	There is an increased supply of accessible creative space
9.5**	Unique local neighbourhoods and the global city centre support thriving economic activity
10.2 *	The supply of well maintained, safe, secure and sustainable social housing is increased to support diverse communities

The objectives and actions within these directions will be considered when we renew existing or create new community assets. The Community Asset Management Plan outlines, where possible, the additional projected Operating, Maintenance, Renewal costs for assets that are significantly upgraded or delivered within the next 10 years in line with the Community Strategic Plan directions. These costs have also been included in Long Term Financial Plan.

Delivering environmental sustainability in asset management

Good asset management can support the City to achieve its goals for environmental improvements, through supporting the delivery of specific actions from the Environmental Strategy 2021-2025 and the Greening Strategy 2020-2030. The City has completed work to identify objective statements for asset management and identified four environmental delivery themes. These themes also align to the vision in our Community Strategic Plan.

Climate Action

Core to the City's environmental focus is our acknowledgement of the climate emergency. This theme contains actions to mitigate climate change and to adapt to expected effects of a changing climate.

Asset management activities under this theme include:

- ensuring appliances, plant and equipment that are used in our assets are as energy efficient as possible
- the use of building management systems, passive heating and cooling to reduce energy consumption
- the provision of shade and passive cooling to reduce urban heat impacts
- specifying surfaces that reflect light rather than absorbing it, to reduce urban heat impacts
- the installation of renewable energy generation equipment, and the electrification of equipment which currently uses gas
- transitioning away from other fossil fuel using plant and equipment as alternatives become available
- the reduction of embodied carbon in our supply chain through material and design decisions
- revision of useful lives and other asset management parameters to adapt to the changing environment to ensure financial sustainability.

Greening Sydney

A city that is green with trees, plants and gardens improves our ability to address the impacts of climate change. By 2050, urban heating is predicted to increase temperatures between 1.5 and 3 degrees. Trees and green spaces are effective mitigators of urban heat, as extensive canopy cover can help reduce temperatures on the ground by up to 10 degrees.

Trees and greening improve our air quality, provide refuges for insects, birds and animals, and slow water run off during storm events, improving water quality.

Asset management activities under this theme include:

- ensuring trees and other vegetation are protected and cared for during construction projects
- identifying opportunities to increase greening in the City of Sydney through planting more trees, expanding gardens, building green walls and green roofs
- ensuring that planting decisions take changing climate conditions into account, to reduce the risk of the plant dying in the future

Water Stewardship

Water is an important resource, especially in a drought prone environment. The active management of stormwater run-off contributes to healthier soils, reduces the need for irrigation from potable water, and improves the water quality of Sydney Harbour and the Cooks River, via Alexandra Canal

Asset management activities under this theme include:

- ensuring appliances, plant and equipment are as water efficient as possible.
- the installation, use and maintenance of infrastructure to capture and reuse water
- optimise water consumption and identify leaks via use of smart water meters and irrigation systems, with weather and soil condition monitoring where available
- the installation of low water use plants, use mulch and undertake soil

- improvements to hold soil moisture to reduce irrigation requirements
- installation and maintenance of water pollution avoidance/reduction infrastructure, including litter and sediment management
- structures and designs that slow water in our landscape, allowing it to soak into the landscape following rain events

- waste materials generated at our assets are properly collected, sorted and returned to productive re-use rather than sent to landfill
- specifying recycled content materials to reduce damage to ecosystems from extracting virgin resources
- ensuring any risks of pollution entering air, soil or water from city properties and activities is properly managed

Restoration of natural environments

We have inherited a landscape that has been degraded due to past land use practices, removal of vegetation, or through pollution of waterways. Our community wants to live in a safe, clean environment that supports biodiversity.

Asset management activities under this theme may include:

- contaminated land remediation and management
- identifying opportunities to regenerate native vegetation regeneration
- identifying opportunities to provide habitat for native wildlife



Image: Mary O'Brien Reserve, Zetland

Asset Management Plans

The City of Sydney is implementing asset management in a structured and consistent manner guided by the International Infrastructure Management Manual (IIMM) and the Institution of Public Works Engineers Australia (IPWEA), utilising the basis of the NAMS.PLUS3 template. The assessment against the ISO55000 standards will enhance the implementation.

The Corporate Asset Management System provides a repository where the City can aggregate and assess improved data and the facility to produce better maintenance and operational histories.

To meet the Integrated Planning and Reporting guidelines the City is implementing Asset Management Plans in the following way:

Community Asset Management Plan

The Community Asset Management Plan (this document) provides an overview of the asset management principles and fundamentals we are implementing across asset classes. It contains the current policy and the dynamic strategy themes and projects. It also outlines the long term (minimum 10 year) plans for groups of assets that are critical to the City's operation.

The critical assets included in the plan are:

- Road Network Assets
- Stormwater Drainage Asset
- Parks and Trees
- Property Asset

The plan has the standard Asset Management Plan elements the City is applying to infrastructure assets while at the same time not

focusing on technical issues more suited to detailed planning.

Detailed Asset Management Plans

These are plans for discrete asset categories that include detailed inventory information, condition assessments, service levels, funding requirements and future demand. The Detailed Asset Management Plans are not included in the Resourcing Strategy due to their technical complexity, volume and evolving content based on improved data collection and governance.

The Detailed Asset Management Plans are being reviewed and updated to a new consistent plan template.. In addition, the review will include the following key actions:

- Asset Register Data – ensuring the City has acquired the right asset inventory data to make tactical and strategic decisions.
- Service level review for all assets to determine optimum inspection, response, renewal and upgrades. This includes environmental, social and cultural service outcomes.
- Further refinement of the identification of critical assets especially in the context of resilience, climate change and Indigenous Cultural & Intellectual Protocols.
- Further refinement of risk-based priorities for renewal planning.
- Enhanced life cycle modelling to provide more efficient and effective renewal funding scenarios
- Refinement of unit rates that are City of Sydney specific for construction and maintenance

Community Asset Management Plan 2024

- Planning to make our critical assets in each asset group resilient to the relevant shocks and stresses the asset may experience.
- Use technology and smart city initiatives to make better tactical and strategic decisions.
- Set the asset data foundations e.g. data marts and warehouses to enable digital asset management planning.



Image: Rushcutters Bay Park Bridge, City of Sydney

Community Asset Management Plan

This section briefly describes the elements included in each of the critical asset categories of this Community Asset Management Plan.

Levels of Service

The City has defined service levels in two ways:

1. Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, capacity, environmental impact, responsiveness, cost/efficiency and legislative compliance; and
2. Operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria and are shown in the detailed Asset Management Plans.

Desired levels of service are obtained from various sources including customer satisfaction surveys, residents' feedback to councillors' and staff, service requests and correspondence, and consultation with stakeholders. The City has identified the review and update of service levels for specific asset classes as a key element of the ongoing asset management strategy.

The City will refine and adjust the levels of service to ensure continued community satisfaction as reflected through these sources. Any changes will be included in revisions of the plans. The change of levels of service on our roads has been assessed and now is in a resourcing analysis stage. The parks assets review produced recommended changes how

our parks should be maintained. These changes have been rolled out.

This plan now reflects elements of the Report on Infrastructure Assets (i.e. Special Schedule 7) from the City's financial statements. This replaces previous estimates of minimum condition levels to provide uniformity across reporting platforms.

Demand Management

Generally, the major factors affecting asset management provision and maintenance are population and demographic changes, environmental factors, economic conditions and community expectations. Population and visitor growth in particular will see an increased demand for available open space, pedestrian space, community facilities and also a need for new and emerging assets to meet user expectations.

The Community Strategic Plan is a vision for the City to meet the future demands required for the city to be a green and global city. The Plan impacts the amount and repurposes assets to meet the needs.

The handover of a number of assets from other government authorities is also anticipated in the short term which will impact on service provision.

Demand for new services will be met through a combination of managing existing assets, upgrading of existing assets and providing new assets as required. As the City has a finite stock of existing assets, a focused qualitative approach has been undertaken when upgrading existing assets. This ensures we provide purpose built assets in the right areas.

New and emerging smart city sensors incorporated with Internet of Things (IoT) technologies will provide opportunities to deliver assets that will have higher utilisation, reduced downtime and lower lifecycle costs.

Asset Condition Assessment

The City has adopted a consistent approach to the assessment of the condition of infrastructure assets.

The task of rating all assets to the level of detail required to effectively manage them is significant and the City is continually updating and incorporating improved condition data.

Condition assessments are important because they:

1. Identify assets or areas where maintenance or renewal is needed;
2. Give information, through regular assessment, on the trend in deterioration of assets;
3. Enable estimates of costs to restore to a reasonable level; and
4. Help the City to plan future renewal works and maintenance.

The adopted model is consistent with the International Infrastructure Management Manual, the Institute of Public Works Engineering Australia (IPWEA) NAMS.PLUS3 Asset Management Guidelines and the NSW Local Government Integrated Planning and Reporting Framework.

The general method to assess asset condition uses a five-point scale and is applied across all infrastructure assets.

The condition indexes are shown in the asset condition section for each of the critical asset chapters.

Each infrastructure asset category has specific levels and descriptions (contained in the Detailed Asset Management Plans) associated with the condition indexes, the assessments shown in the asset specific sections reflect these specifics.

The City has commissioned a number of critical asset data collection projects to keep our condition data up to date and extending

coverage for newly acquired assets. These include:

- Stormwater drainage network (being pit, pipe and channel information) including size, capacity, dimensions, condition, update and will continue for the next 2 years. This includes CCTV analysis for all City pipes and pits. A Model for Urban Stormwater Improvement Conceptualisation (MUSIC) is currently underway that will assist in the siting and installation of future GPTs in the long-term.
- Ongoing and cyclic parks inventory collection that include details of park and park elements, condition and valuation. Condition assessments of whole park assets have been completed. The validation of Footpath verges in conjunction with the roads Footpath and kerb audit continues. We are continuing to develop Improved methods for condition data for parks including utilising weighted averages and relative useful lives of components.
- City is engaged in the ongoing collection of comprehensive data about buildings. This includes collecting information about the condition of the property's structure and fabric. As buildings approach the end of their useful life or fail to meet operational requirements, the City conducts detailed assessments of their condition. Buildings may undergo partial renewal, and in these situations thorough pre-project assessments are conducted to identify the specific areas that need to be renewed.
- Comprehensive non-destructive testing and condition assessment of all council's Smartpoles, other lightpoles and banner poles is underway. It will take approximately two years to complete.

Asset Valuations

A summary of the current replacement cost and written down value (at 30 June 2023), and Average Annual Asset Consumption amount for the Asset Category.

Risk Plan

The City of Sydney has developed a Risk Management Policy, Risk Assessment Methodology and Enterprise Risk Management System based on the identification of credible risks, measure of likelihood that it will occur and measures of consequence of the occurrence. The action required to manage those risks are assessed using a Risk Rating Matrix and the Risk Categorisation.

Critical risks, being those assessed as 'Very High' – requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan-- are summarised.

A project to review and update the high-level risks associated with the critical asset classes has been undertaken. The project has identified what element of the infrastructure, at a network level, is at risk and what can happen, possible causes, existing controls in place and risk treatment options and plans.

The table following shows a snapshot of the types of risk identified together with their causes and controls and rating.

The associated Risk Management Plan for Critical Assets has been reviewed and adopted. A review of the plan underway with infrastructure failure considered as a consequence. Future revisions of the Risk Management Plan and the detailed asset management plans will include information on the risk treatment options, plans and timetable for completion.

High level network risks for critical assets— snapshot revised 2024

Asset Risk and What Can Happen	Possible cause	Existing controls	Risk Rating
Road Transport Network not meeting community needs	<p>Public transport failure</p> <p>Footpath capacity inadequate—insufficient corridor space</p> <p>Safe cycleway network not completed</p> <p>Competing priorities with road use</p> <p>Inadequate freight delivery drop-off opportunities</p> <p>Parking impacts on public transport corridors</p> <p>Climatic and environmental factors e.g. increasing number of hot days</p>	<ul style="list-style-type: none"> • Transport planning • Alignment with Transport for NSW policies and plans • Emergency traffic response • Public domain plans • Cycling strategy • Parking Policy • Design code and technical specifications • Pro-active asset renewal planning 	Very High
Stormwater System Capacity – flooding of property	<p>Historically under capacity systems due to previous design standards</p> <p>Rainfall intensity variations from climate change</p> <p>More intense rainfall events and sea level rise from climate change</p> <p>Population growth and densification</p>	<ul style="list-style-type: none"> • Floodplain Management Policy • Floodplain Risk Management Plans • Design code and technical specifications • Pro-active asset renewal planning 	Medium
Parks and Open Space not meeting community needs	<p>Population growth</p> <p>Increasing expectations</p> <p>Sports field demand</p> <p>Siting of utility infrastructure</p> <p>Demand management, competing land uses</p> <p>Climatic and environmental factors e.g. drought, flood</p>	<ul style="list-style-type: none"> • Urban renewal planning • Land dedications from new developments • Planning controls • Consultation • Design code and technical specifications 	High
City Buildings and Property not meeting safety or community requirements	<p>Fire safety, water treatment, entrapment (lifts), hazmat & vandalism</p> <p>Structural integrity</p> <p>Flooding</p> <p>Climatic and environmental factors e.g. increasing number of hot days</p> <p>Population growth</p>	<ul style="list-style-type: none"> • Inspections • Contract management • Condition reports prepared • Community feedback • Planned maintenance programs 	High

Resilience

Resilience involves the social, economic and environmental systems that support urban areas, including physical infrastructure. The goal of urban resilience is to create adaptive, robust and secure cities that effectively respond to and recover from challenges.

The City's Resilience Strategy 2023-2028 defines resilience as:

- the capacity of individuals, communities, institutions, business and systems within a city to survive, adapt and thrive no matter what kinds of chronic stresses and acute shocks they experience.

Acute shocks are sudden, sharp events that threaten a city, such as heatwaves, floods, disease outbreaks and cyberattacks.

Chronic stresses weaken the fabric of a city on a day-to-day or cyclical basis, such as rising inequity, lack of social cohesion and inadequate public transport.

The shocks and stresses that could impact the City's infrastructure include:

- Critical infrastructure failure
- Epidemic/pandemic
- Extreme heat and heatwaves
- Extreme weather– heatwaves, storms and flooding
- Water insecurity
- Cyber attack
- Terrorist attack
- Civil unrest
- Landslip/subsidence
- Mass medical emergency
- Population growth and densification
- Food, fuel or water crisis, incl. global supply chains
- Decreasing redundancy in communications networks
- Skills and labour shortage, employment conditions, demand on essential workers
- Aging population/increasing vulnerabilities within the community

In the context of the asset management practices, we acknowledge that the resilience of an asset is dependent on the environment and

community that it services and vice versa. This involves the consideration of the resilience of assets within the broader system that they operate, including an understanding of an asset's relationship to other assets and organisations (interdependencies) and consequences of failure to asset user groups (service risks).

- **Interdependency:** Interdependency is when an asset, organisation or community is dependent on another asset, organisation, or community for a particular service.
- **Service risks:** Service risks encompass those events that impact an asset class's ability to maintain the services that they provide.

Resilience in asset management should not focus only on the physical resilience of an asset but also include the contribution of the asset to the resilience of an organisation and the overall community, this can be referred to as 'infrastructure for resilience'.

The effective consideration of resilience in asset management practices ensures that the City's assets can continue to be utilised following a shock event, in the context of increasing stresses, can be efficiently restored and can contribute to the broader community's resilience. We are incorporating resilience assessments into new revisions of our detailed asset management plans. This includes mitigation actions to improve resilience as well as examining asset management lifecycle parameters and how shocks and stresses influence them. In conjunction with this, City is embedding resilience principles into project management decision making through design and operations to deliver resilience outcomes and co-benefits.

Maintenance, Renewal and Upgrade Costs

To assess the lifecycle costs of managing assets, it is necessary to understand the plans for and expenditure incurred to maintain those assets. A summary of the expenditure trends is shown for each category of asset and the definitions of lifecycle costs appear below.

Operational Costs

Recurrent expenditure which is continuously required to operate and manage assets e.g. management staff and associated on-costs.

Maintenance Costs

These costs are defined as repairs to assets to ensure they reach their full or expected life and include reactive, planned and preventative maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management or supervisory directions.

Planned or preventative maintenance is repair work that is identified through various means including inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Renewal or Replacement Costs

Renewal or Replacement expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or suitable modern current service potential or condition. Work over and above restoring an asset to original service potential comprises upgrade/expansion or new works expenditure.

Expansion (New) Assets and Upgrade Costs

Upgrade works improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs and community requirements or requests.

New or expansion works are those works that create a new asset that did not previously exist.

Assets may also be acquired at no monetary cost to the City from land development.

New assets will require the City to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. The City will increase annual maintenance budgets to ensure sufficient maintenance funds over the life cycle of all newly created assets.

There is a risk that the significant transfer of assets and their ongoing maintenance and renewal will impact the financial sustainability.

Estimate of Cost to bring asset to satisfactory condition

Elements from the City's Annual Financial Statements, incorporating the Special Schedule Report on Infrastructure Assets are included in this document.

The Special Schedule— Report on Infrastructure Assets includes estimates of the cost to bring our critical assets to both a satisfactory standard and an agreed level of service.

The Special Schedule Report on Infrastructure Assets contains two primary estimates for assessing the City's financial obligation relating to renewal of infrastructure assets. These are:

Estimated cost to bring to a satisfactory standard

Reflects the estimated cost to restore all Council assets for a given class to condition '3' or better. As determined by the Office of Local Government, assets in condition 3 ('Fair') or better are considered to be in a 'satisfactory' condition.

Cost to bring to the accepted level of service set by council

Estimate of the cost to bring to level of service is an estimate of the cost to renew or rehabilitate existing assets that have reached the condition-based intervention level adopted by council.

Required Maintenance

Estimate of the costs to perform routine activities that are expected to be required to ensure assets reach their predicted useful life, excluding renewal. This includes operational and maintenance costs.

Actual Maintenance

Actual expenditure incurred performing those operating and maintenance activities.

Financial Summary

The summary contains the financial information resulting from all the information presented in the previous sections of the Asset Management Plan. These projections will be refined as updated information becomes available. There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by the asset category. They are:

- Medium-term life cycle costs based on historical trends and for the full useful life of the asset.
- Long term lifecycle costs over the 10 year financial planning period contained in the Long Term Financial Plan.

Estimates of each are shown for the critical asset classes.

Life Cycle Costs

Whole of Life costs are the costs that contribute to the overall cost of providing the asset from design, acquisition, construction, maintenance and demolition or disposal phases.

Asset Consumption Costs

Asset Consumption Costs are the average annual costs that are required to sustain the service levels over the life of the asset after the asset has been commissioned.

These include the ongoing operational and maintenance costs and average annual asset consumption (sometimes referred to as depreciation expense).

This provides an estimate of the theoretical spend required to keep the asset in a satisfactory functioning state over the full useful life period.

Asset Consumption Costs are calculated using the general methodology:

$$\text{Average Annual Asset Consumption} = \frac{\text{Replacement Value of the Asset}}{\text{Expected Life of the Asset (how long will it last)}}$$

Into

$$\text{Asset Consumption Costs} = \text{Required Operational Costs} + \text{Required Maintenance Costs} + \text{Average Annual Asset Consumption}$$

The Table below provides an example of how the Asset Consumption Cost is calculated

Asset Type	Replacement Value	Useful Life	Average Annual Asset Consumption	Required Operating Cost	Required Maintenance Cost	Asset Consumption Cost
Stormwater Pit	\$10,000	100 yrs	\$100/yr	\$500/yr	\$100/yr	\$700/yr
Park	\$5,000,000	25 yrs	\$200,000	\$5,000	\$15,000	\$220,000/yr

Estimated Operational, Maintenance, Renewal and Replacement Costs

The amount that the City is currently spending or budgeting to renew or replace an asset, including the planned ongoing operational and maintenance expenses and planned capital renewal or replacement expenditure. The calculation is as follows:

$$\begin{aligned}
 & \text{Budgeted Operational Costs +} \\
 & \text{Budgeted Maintenance Costs +} \\
 & \text{Budgeted Renewal or Replacement Program} \\
 \hline
 & \textbf{Estimated Operational, Maintenance,} \\
 & \textbf{Renewal and Replacement Costs}
 \end{aligned}$$

Any difference between Asset Consumption Costs and Projected Renewal or Replacement Costs provide a guide as to whether funding for the asset renewal matches the theoretical estimate of the consumption or decay of the asset.

Updated data and modelling will be included in future revisions of the Community and the detailed Asset Management Plans are continually being revised to include updated data and modelling.

Information contained in the models address any gap identified in the Special Schedule-Report on Infrastructure Assets estimates of the cost to bring our critical assets to a satisfactory standard.

Financial Sustainability Index

The ratio of the Projected Operational, Maintenance, Renewal and Replacement Costs over the Asset Consumption Costs to give an indicator of financial sustainability in the asset's service provision. Planned or replacement expenditure will vary depending on the timing of the renewal project and is often incorporated into projects upgrading the asset.

$$\text{Sustainability Index} = \frac{\text{Estimated Operational, Maintenance, Renewal and Replacement Costs}}{\text{Asset Consumption Costs}}$$

A Financial Sustainability Index in excess of 0.9 (90%) over a ten year period is generally considered sustainable using industry benchmarks.

The Building and Infrastructure Asset Renewal Ratio benchmark is set by the Office of Local Government to be in excess of 1.0 (100%).

Critical Assets

Scope

Integrated Planning and Reporting guidelines defines assets which are essential for councils' operations as critical assets. These are those for which financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation.

Assets groups which the city defines as critical and included in the Community Asset Management Plan are:

- Road Network – including carriageways, footpaths, kerb and gutter, cycleways, bridges (pedestrian and vehicular);
- Stormwater Drainage – including pits, pipes, culverts, open channels, stormwater quality improvement devices.
- Parks and Trees – including parks improvements, turf, garden beds, parks and street trees, water recycling and reuse systems, water features, habitat corridors and trees within Council properties.
- Property – including corporate, community, investment/strategic, public domain buildings and the Sydney Town Hall.

It is acknowledged that some asset categories not included in the Community Asset Management Plan may be considered critical by interested parties.

The critical asset groups identified account for approximately 90 per cent of all asset value (excluding land).

Summary information for the identified critical asset classes is contained in this report. The data is based on the information contained in Community Asset Management Plan Section. The City is using the Asset Management Framework, the NAMS.PLUS3 methodology and the best available data to prepare this summary information.

The City publishes a ten year capital works program summary as part of its Long Term Financial Plan incorporating asset renewal programs as linked to the detailed asset management plans. The prioritisation of works within that program will be reviewed and updated as the analysis of condition data is completed.

Detailed asset management plans will continue to be refined, particularly as updated information becomes available through the completion of data collection projects.

Road Network Assets

Background

The City provides a road network in partnership with the Roads and Maritime Services and neighbouring councils to enable safe and efficient pedestrian, cycle and vehicular movements.

A significant proportion of the City's road network assets have been in existence for many years. These assets have originated from a combination of council construction and development activity by private or other public authorities within the area.

The road network assets assessed in this Plan include:

- Road Pavements (including cycleways)
- Footpaths
- Kerb and Gutters
- Bridges for both pedestrians and road users

In this plan cycleways are included in the road pavement or carriageway. Future revisions will separate cycleways from roads as the data becomes available and the broader cycleway network is completed.

For the purposes of the Community Asset Management Plan, bridge information, valuation and modelling have been included as it forms a critical part of the road and footpath network. However, individual Detailed Asset Management Plans for structures, which includes bridges, cliffs and retaining walls are being prepared because of the different maintenance and renewal requirements for bridges by comparison to roads and footpaths.

A survey of inventory and condition of the road surface associated traffic facilities was completed in 2022. Roads and road related assets were revalued.

An inventory of footpath and kerb and gutter network was last completed in 2019.

A bridges and major structures inventory and condition survey was completed in 2020.

The City receives grant funding from both the Federal and State Governments to assist in the management, maintenance and operation of the City's road infrastructure, which is a fundamental part of the NSW transport network.

Demand Planning

The city has adopted key strategies that will change use and the associated infrastructure on road reserves. The Greening Sydney strategy put emphasis on increasing green coverage of the LGA. This includes the installation of rain gardens and greening assets where possible. One outcome of the community strategic plan is "More people walk more, because walking is the most attractive and convenient choice for short trips in the local area". This desired outcome focuses on activities to increase the usability and area of our Footpath network.

Future handover of footpath assets from other urban redevelopment sites and other government authorities are expected in the next 5 years. These initiatives will add demands on the provision of infrastructure services.

It is anticipated that ownership of a number of roads will be transferred to the City from State Government entities within the next ten years. Negotiations relating to the terms of any such transfers are ongoing, but it is expected that whilst already constructed and operational, ongoing maintenance requirements of these assets will add to the City's commitments.

The City considers cycling as an important means of transport and has provided the following infrastructure:

- Physically separated permanent cycle paths – approximately 22.5 km.
- Pop-up cycle paths (constructed in 2020 as a Covid-19 response measure) – approximately 2.1 km.

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- On-road cycle lanes (delineated by pavement markings) – approximately 37 km

Road Assets— Inventory

Asset Category	Quantity	Replacement Value (\$M)
Road Surface	330 km	
Road Base	330 km	955.0
Separated Cycleway	22.5 km	
Footpaths	22.5 km	728.7
Kerb and Gutter	650 km	422.4
Traffic Facilities –, Thresholds, Medians, Traffic Islands, Speed Humps, Roundabouts	2,513 items	42.1
	TOTAL	2,148.1

Road Assets— Inventory— Structures

Asset Category	Quantity	Replacement Value (\$M)
Steel/Concrete/Composite Bridges	41	96.0
Timber Bridges	4 (nos)	3.0
Cliffs	67 (nos)	
Steps/Stairs/Ramps (on Road Reserve)	107 (nos)	1.8
Retaining Walls	332 (nos)	2.5
Sea Walls	2.8 km	13.8
Jetties/Pontoons	12 (nos)	Included in Parks Value
Fences	304	Included in Parks Value
	TOTAL	117.0

Jetties/Pontoons and Fences replacement values are accounted for within Parks and Open Space valuations. Most retaining walls are located in Parks and account for within Parks and Open Space valuations

Community Asset Management Plan 2024

Asset Inventory – Street Furniture

Asset Category	Quantity	Replacement Value (\$M)
Smartpoles	3,005	111.6
Lighting	8,495 Lights, 4,549 Poles	51.1
Bins	849	
Cycling Parking	1,561	
Seats	1254	
Shelters	330	10.8
Permanent Survey Marks	3,349	17.3
Wayfinding/Legible Sydney Signs	4,180	9.4
TOTAL		214.3

Note: Parking meters are not included in this asset plan as they are treated as equipment rather than civil infrastructure



Image: Rainbow crossing, corner Bourke St and Campbell St Darlinghurst

Road Assets - Levels of Service

Current level of Service

Community Levels of services used by business units to gauge community satisfaction.

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Quality	Road surface, footpaths, kerb and guttering provides smooth surface/ride appropriate to location, function and road type and speed limits	Customer/ community satisfaction	75% satisfaction level in community survey (Roads and Footpaths)	Achieved – greater than 75% satisfied in last Community Survey (Roads and Footpaths)
Safety	Assets are free from hazards and significant deficiencies	Issues/defects identified	Number of road network issues/ defects reduced from previous year	<p>Road defects:</p> <ul style="list-style-type: none"> • 916 in 2017/18 • 1145 in 2018/19 • 1176 in 2019/20 • 1100 in 2020/21 • 1184 in 2021/22 • 1399 in 2022/23 <p>Footpath defects:</p> <ul style="list-style-type: none"> • 3698 in 2017/18 • 3309 in 2018/19 • 2769 in 2019/20 • 2701 in 2020/21 • 1897 in 2021/22 • 2624 in 2022/23 <p>Kerb and Gutter defects:</p> <ul style="list-style-type: none"> • 380 in 2017/18 • 442 in 2018/19 • 231 in 2019/20 • 270 in 2020/21 • 207 in 2021/22 • 234 in 2022/23
Environment	Ensure the City achieves resource recovery of construction and demolition waste generated and managed by City operations	Monitoring and reporting of targets through the SMART platform	90 per cent recovery of construction and demolition waste generated and managed by	On target

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
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City operations by June 2025

During the Covid-19 pandemic and major lockdown periods, there was a significant reduction in the number of pedestrians and pedestrian movement across the City’s public domain areas. As a result, there was a decline of reported condition defects for the Footpath and kerb categories.

The last few years have been exceptionally wet with large rainfall amounts associated with the La Nina event.. The increased use of roads post covid has also impacted the road surface. This has resulted in significant increase in the road defects identified in last year.

Technical Levels of service and intervention level refers to the condition rating when the assets should ideally be renewed.

Asset Category	Key Performance Category	Intervention Level	Action
Road	Condition	4	Renewal
Footpath	Condition	4	Renewal/Upgrade
Kerb and Gutter	Condition	4	Renewal
Bridges	Condition	4	Renewal

Future level of service

A comprehensive review of all service levels, including inspection frequency, intervention levels and response times, for all civil assets is continuing. The review will drive changes to maintenance and renewal activities to provide a level of service that is reflective of community expectations and resource availability.

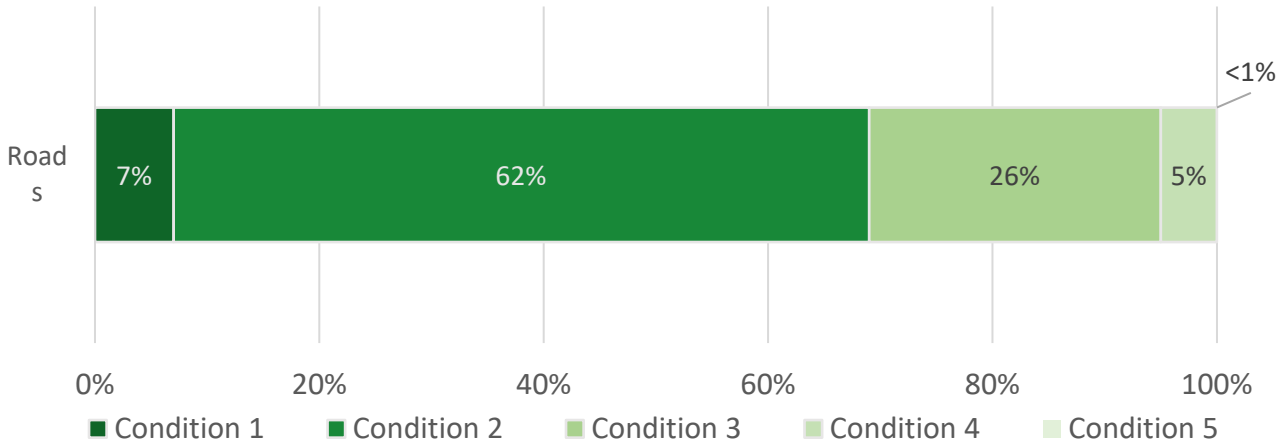


Images: Eglinton Road, Glebe Footpath Renewal Works 2021

Road Assets— Lifecycle Management

Current Condition— Roads (at 30 June 2023)

The chart below shows the distribution of road surface assets



Assets in condition as a percentage of gross replacement cost

. Photographs of road surfaces provide an indicative guide to Condition 1 – Very Good and 5 – Very Poor road assets.

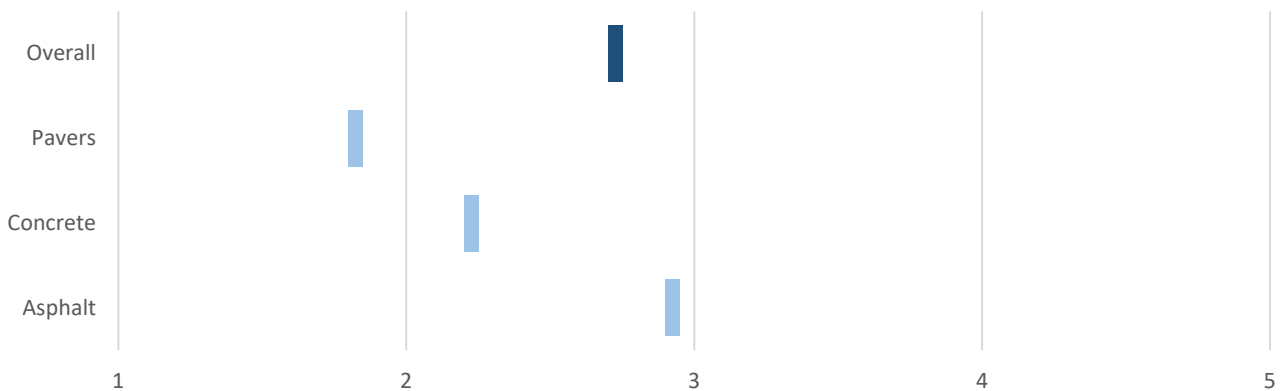


Condition 1 – Very Good



Condition 5 – Very Poor

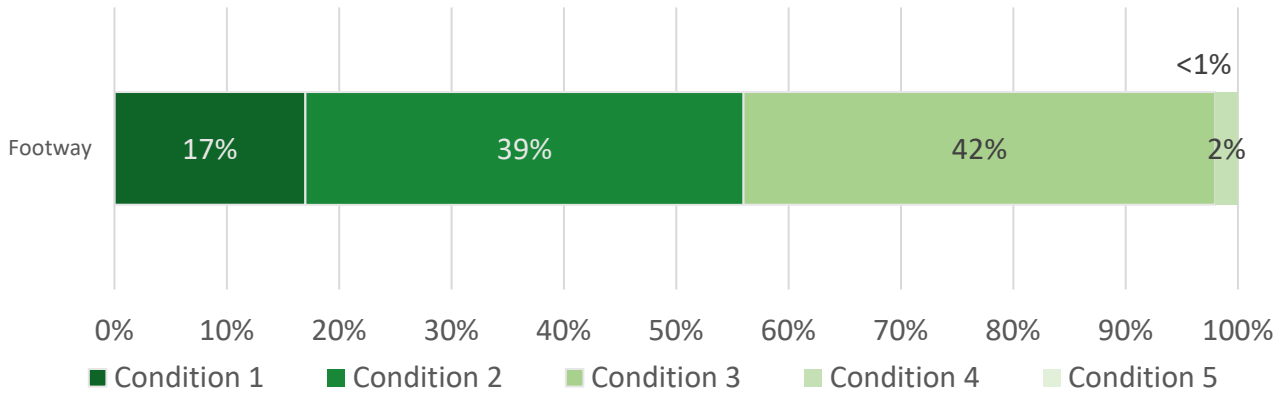
This chart shows the average condition of each of the road surface materials.



The overall condition of the road surface as identified in previous assessment is 2.7 and approximately 5% of the road network falls within categories 4 or 5. However, next round of condition assessment is planning to be undertaken in 24/25 Financial year. Any road surface asset rated a condition 4 or 5 has been or is under investigation and, subject to final assessment, will be included in the future works program on a priority basis.

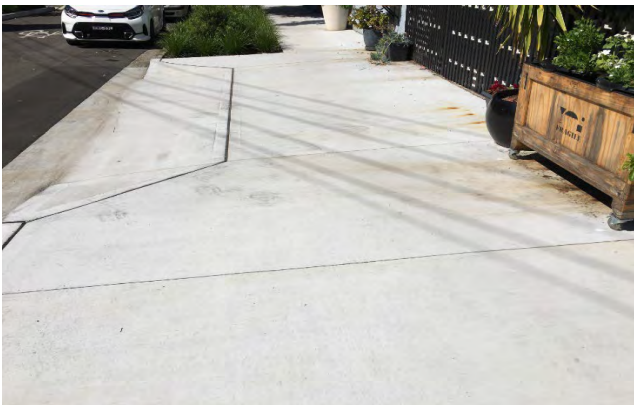
Current Condition - Footpath

The chart below shows the distribution of Footpath assets.



Assets in condition as a percentage of gross replacement cost.

Photographs of road surfaces provide an indicative guide to Condition 1 – *Very Good* and 5 – *Very Poor* Footpath

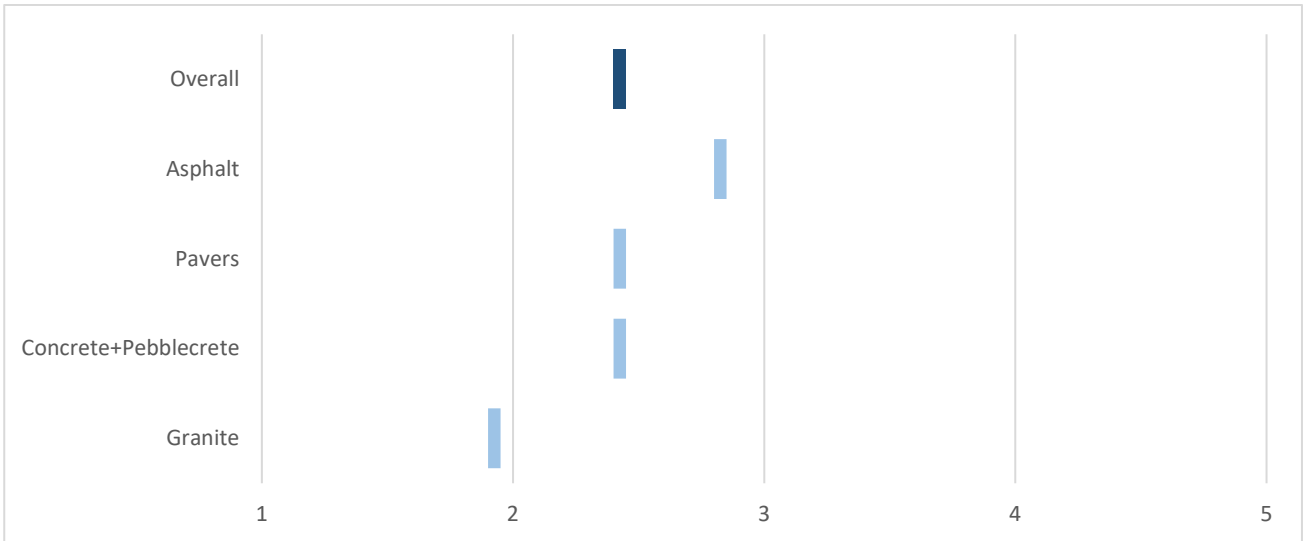


Condition 1



Condition 5

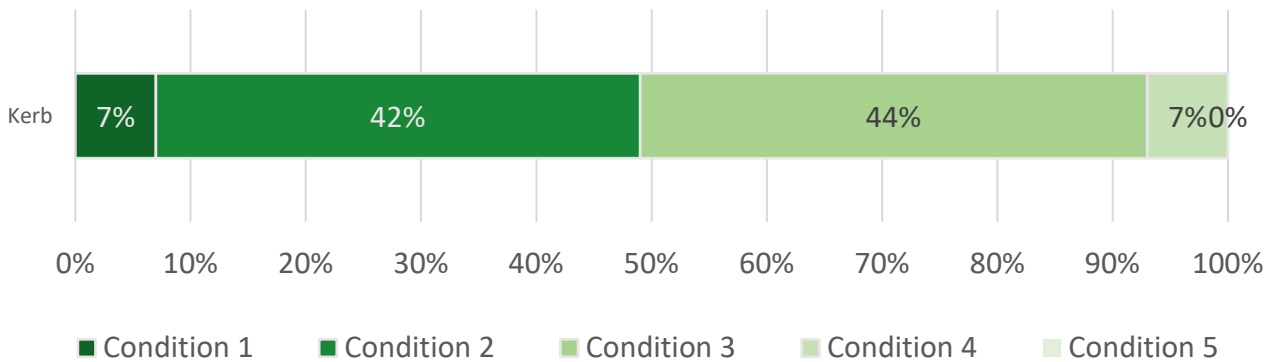
This chart shows the average condition of each of the Footpath materials.



A footpath and kerb and gutter assets verification and condition collection was completed in 2019. Desktop condition ratings have been conducted after 2019. This demonstrates the overall condition of the Footpath network is 2.4 and less than two per cent of the road network falls within condition categories 4 or 5. Any Footpath asset rated a condition 4 or 5 has been or is under investigation and, subject to final assessment, will be included in the future works program on a priority basis.

Current Conditions – Kerb and Gutter

The chart below shows the distribution of condition assessments for kerb and gutter assets. Assets in condition as a percentage of gross replacement cost.



Photographs of road surfaces provide an indicative guide to Condition 1 – *Very Good* and 5 – *Very Poor* kerb and gutter assets.

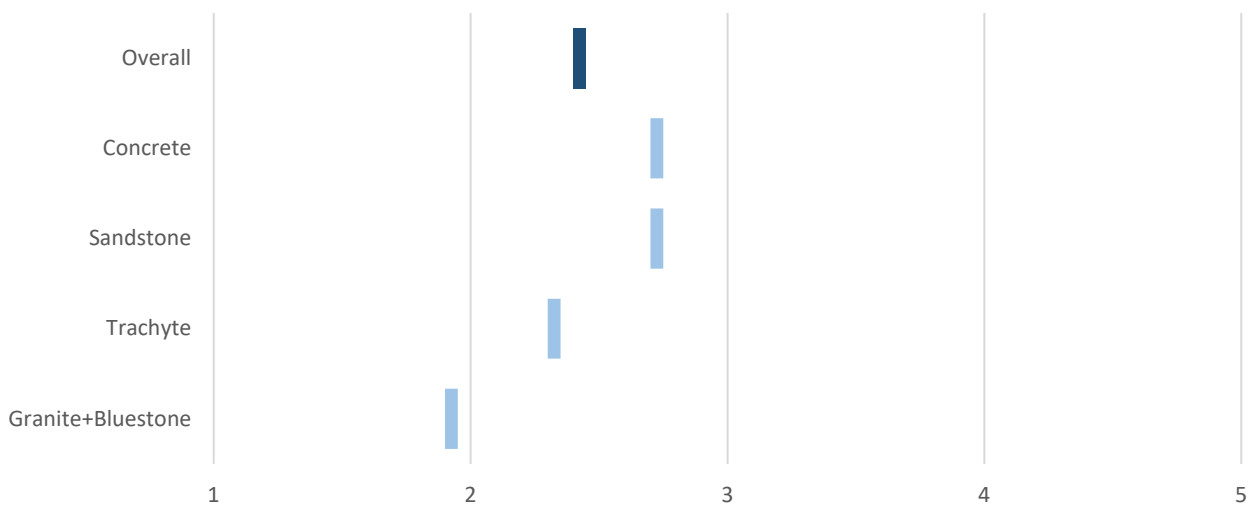


Condition 1



Condition 5

This chart shows the average condition of each of the kerb and gutter materials by area



Similar material types have been consolidated into groups. A kerb and gutter asset verification and condition collection exercise was completed in 2019. Desktop condition ratings have been conducted after 2019. The graphs demonstrates the overall condition of the kerb and gutter network has an overall condition of 2.4 and less than approximately 7% of the network falls within categories 4 or 5. Any kerb and gutter asset rated a condition 4 or 5 has been or is under investigation and subject to final assessment, will be included in the future works program.

The reuse and slower degradation of natural kerb stones lengthens the useful life. Therefore, conditions are generally consistent on a yearly basis.

Asset Valuations

Listed below are written down value (depreciated value) and calculated Average Annual Asset Consumption used in the lifecycle and sustainability calculations.

Asset Type	Current Replacement Cost	Written Down Value	Average Annual Asset Consumption
Road Surface	271,468	161,767	7,918
Road Base	683,467	588,801	793
Footpath	728,670	428,262	9,520
Kerb and Gutter	422,390	187,659	3,439
Bridges	98,962	70,609	943
Total	2,204,977	1,437,100	22,614

Figures shown in \$000

Lifecycle Costs

The table below shows the trend in the last 5 years in infrastructure expenditure for the road network. Operational and maintenance expenditure is obtained from the Business Unit operational actuals and the renewal, upgrade and new expenditure from the financial reports. The 5-year average is the basis for the long term lifecycle costs.

Year	Operating/Maintenance	Renewal	Upgrade	Expansion
2018/19	10,160	12,760	10,394	10,182
2019/20	10,063	19,919	19,544	26,880
2020/21	10,096	21,039	34,146	18,338
2021/22	10,793	25,072	35,389	33,983
2022/23	13,825	22,437	22,316	21,103
5 Year Average	10,978	20,245	24,358	22,097

Figures shown in \$000

Increased expenditure in upgrade and expansion in the last two to four years is due to the ongoing roll out of the George Street public domain works and the development of Green Square town centre infrastructure.

Maintenance, Renewal and Upgrade costs

This table shows an excerpt of the *Report on Infrastructure Assets* as at 30 June 2023 in accordance with the Office of Local Government Code of Accounting Practice and Financial Reporting. It shows the estimates to bring the road assets to a satisfactory standard as described in 'Estimate of Cost to bring asset to satisfactory condition' section of this report.

Asset Class	Asset Category	Estimated Cost to bring assets to satisfactory standard**	Estimated Cost to bring to the agreed service set by Council ##	2022/23 Required Maintenance	2022/23 Actual Maintenance
Roads	Sealed Roads – surface course	3,925	4,300	3,600	4,534
	Sealed Roads – base structure	5,503	5,503	190	239
	Bridges	985	505	158	199
	Footpaths	8,011	4,435	5,573	7,019
	Kerb and Gutter	9,380	9,924	1,346	1,695

Figures shown in \$000

** As per Office of Local Government Requirements, reflects the estimated cost to restore all Council assets to condition '3' or better.

- reflects the estimated cost to restore all assets assessed to be at a condition below Council's minimum service levels. These standards (i.e. target conditions) reflect the strategy of maximising the consumption of the assets' service potential before renewal works are undertaken.

The City's general definition of agreed level of service is that any asset that has reached a Condition 4 – Poor or Condition 5 – Very Poor should be renewed as a matter of priority.



Image: Council staff renewing a Footpath

Road Assets - Financial Summary, Projections and Sustainability

Medium Term – Lifecycle costs based on current expenditure.

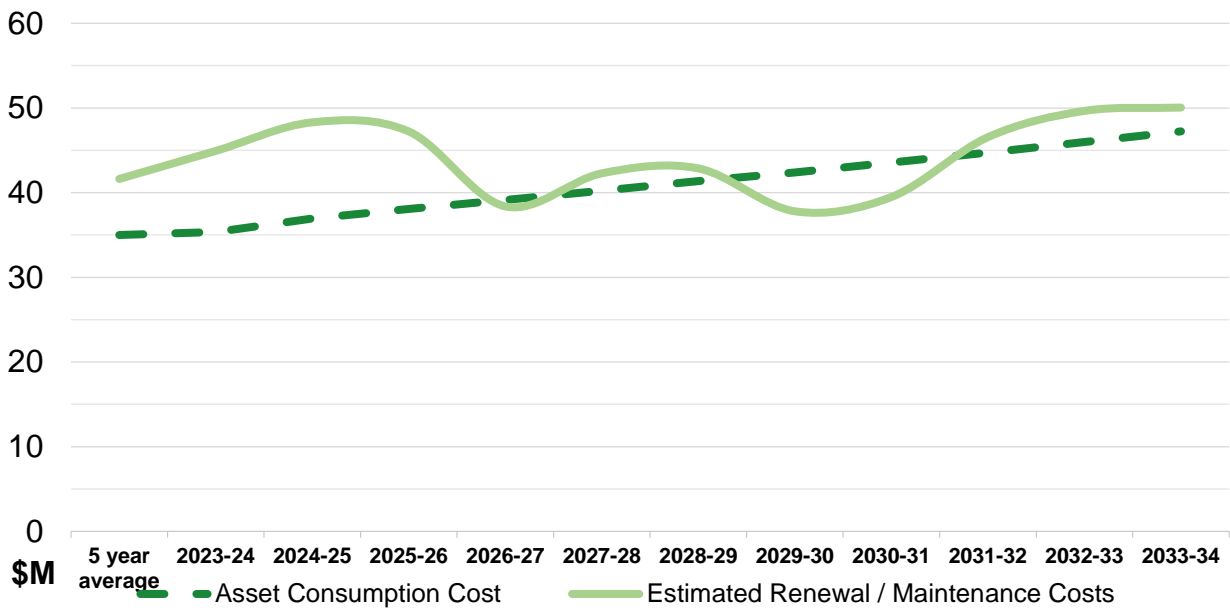
The table below shows the current sustainability index as projected using the average of the last 5 years costs. This is the basis of the long term cost that the City will need to fund for the life of the assets.

Asset Consumption Cost	Operational, Maintenance, Renewal and Replacement Costs	Difference
34,998	41,621	6,623
What we should be spending	What we are spending	

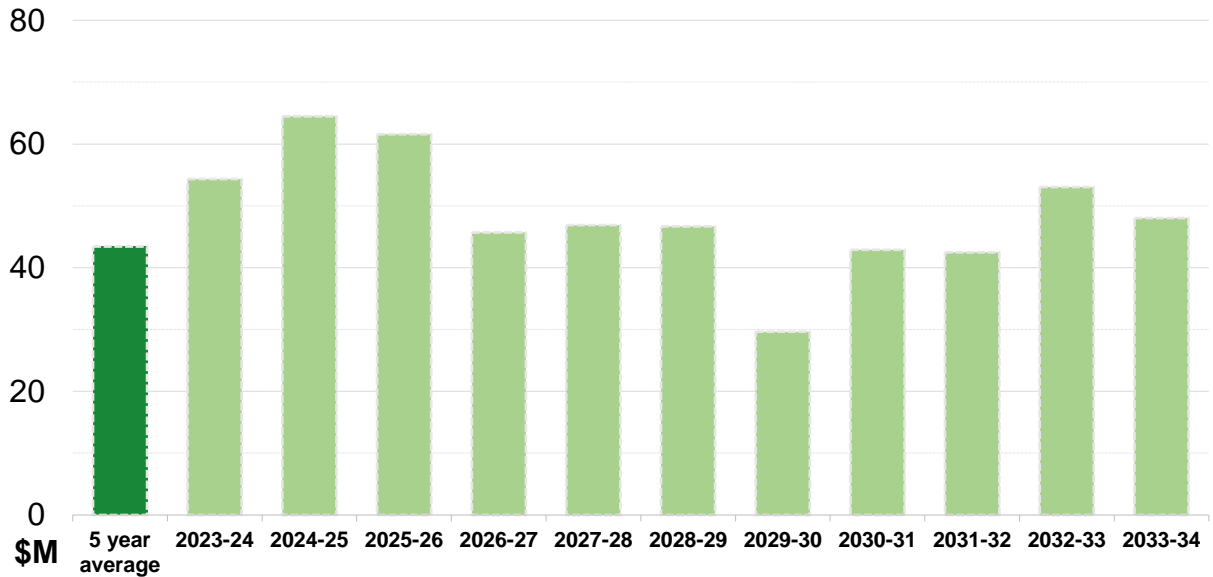
Figures shown in \$000

Long Term – 10 year financial planning period

This chart shows the relationship between the Asset Consumption Costs and the funded Long Term Financial Plan for estimated Operational, Maintenance and Renewal and Replacement costs.



The chart below shows the proposed Upgrade and Expansion Expenditure as shown in the current Long Term Financial Plan



The increase spending for the next 3 years term is due to George St North Pedestrianisation and Crown Street Upgrade.

The table below shows the estimate of the Average Asset Consumption Costs, the projected Operational, Maintenance, Renewal and Replacement Cost, and the Sustainability Index 10 Year projection.

Asset Consumption Costs	Projected Operational, Maintenance, Renewal and Replacement Costs	Difference	Sustainability Index
10 year projection calculated	10 year projection budgeted		10 Year period
41,364	44,320	2,955	1.08
What we should be spending	What we are plan to spend		Ratio of what we plan to spend to what we should be spending

Figures shown in \$000

Road Assets - Environmental Summary and Sustainability

Transitioning to Environmentally Sustainable Assets

The City of Sydney has an integrated strategic approach to environmental sustainability, with goals and actions set out in our Community Strategic Plan cascading into strategies and plans.

The following asset management activities are core to environmental sustainability in roads assets and support the City to achieve its goals. The biggest opportunity for our road assets is in specifying reduced embodied carbon and circular materials.

Theme	Core Asset Management Activities
Climate Action	<ul style="list-style-type: none"> reducing embodied carbon through material and design specifications transitioning away from fossil fuel plant and equipment as alternatives become available
Greening Sydney	<ul style="list-style-type: none"> increase greening in the City of Sydney through expanding street gardens and canopy tree planting ensure trees and vegetation are protected during works
Water Stewardship	<ul style="list-style-type: none"> use of permeable surfaces to allow water to soak into the landscape following rain events consideration of water use during works
Restoration of natural environments	<ul style="list-style-type: none"> specifying recycled content materials to reduce damage to ecosystems from extracting virgin resources waste materials are collected, sorted and returned to productive re-use managing and remediating contaminated land

Materials Use

The Sydney Streets Technical Specification allows for the following materials and methods within the road network:

- Lower embodied carbon concrete in footpaths, through methods such as substituting fly ash and blast furnace slag for high embodied carbon cement.
- Crushed Recycled Glass in asphalt as a substitute for virgin sands.
- Warm mix asphalt (using lower temperature in asphalt production).
- Using recycled asphalt (RAP) when we lay a road surface.
- Using recycled aggregate in civil works.

We are trialling the use of recycled vehicle tyres into asphalt to improve asphalt life.

The table below shows per cent recycled content from our road renewal program for the reporting years of the Environment Strategy. We have not yet commenced embodied emissions reporting.

	Actuals			Forecast	
	2020/21	2021/22	2022/23	2023/24	2024/25
Per cent recycled content	20%	15%	20%	20%	20%

Operational Carbon Emissions and Energy Use

The City uses energy for the provision of street lighting and pedestrian lighting. Since July 2020 all operational electricity is 100% renewable, either through onsite Solar PV or through the City's renewable power purchase agreement (PPA) which is supported by a wind and two solar farms in NSW. There is no gas use associated with the operation of the road network.

There are zero operational emissions associated with this asset class. This is expected to be maintained over the period covered by our Environment Strategy 2021-2025.

Emissions associated with fleet and contractor fuel use for road asset management activities are included in the City's total carbon reporting, however we are not able to reliably attribute these emissions to road maintenance activities.

The City of Sydney models the impact of planned projects on our future emissions and changes in energy use as a core tactic for our ambition to be a net-zero organisation.

The forecast predicts that electricity consumption associated with street lighting will decrease during the period covered by our Environment Strategy. The LED streetlight replacement program being delivered in partnership with Ausgrid will contribute the most to this reduction. The planned installation of additional pedestrian lights from 2022/23 onwards will marginally increase electricity use. This increase will not impact our overall operational emissions as the City's electricity supply is 100% renewable.

The table below shows the change in electricity use for the reporting years of the Environment Strategy.

	Actuals			Forecast	
	2020/21	2021/22	2022/23	2023/24	2024/25
Electricity consumption (MWh)	11,467	8,814	9,112	9,300	9,400

Concluding Remarks

The estimates indicates that the City has budgeted to renew road assets at a sustainable rate over the next ten years and is addressing the maintenance and renewal requirements and the Special Schedule - Report on Infrastructure Assets cost to satisfactory requirements consistent with the Office of Local Government performance measures.



Image: Geddes Ave Cycleway, Zetland. City of Sydney 2021

Stormwater Drainage Network Assets

Background

The City of Sydney operates an extensive stormwater drainage network. The network has been in place in some areas for more than 100 years.

When the City was originally developed, the stormwater drainage network was built by Sydney Water and the City of Sydney. Typically, in suburban areas, Sydney Water would operate the large canals or trunk lines into which local stormwater would flow. However, within the City area, both large and small stormwater infrastructure is spread between the organisations.

This is a unique situation that leads to issues surrounding ownership and responsibility for assets.

Stormwater pipe assets have an extremely long useful life and inspection is difficult. A program is in place to inspect and update the stormwater drainage inventory and condition data of City owned pipes and pits using CCTV technology. This program is heading towards completion.

The City's drainage asset base will continue to be updated in future revisions of the plan as condition information and other information, particularly relating to ownership of pipes and pits, becomes available.

Further analysis of the CCTV data and follow up field investigation is required, particularly in the condition assessment, of the completed area of pipe assets and the ownership profile.

The City prepares a five year renewal program developed in accordance with relevant standards to include pipe assets with condition 4 or 5. Renewal works are undertaken where pipe assets are displaying deterioration due to age including cracks, displaced joints or scouring. Pipes may also suffer damage from

tree root ingress or collapse. Pipes may also be renewed at identified flooding locations to provide increased hydraulic capacity. Where possible, the City uses relining technology using structural liners that restore the structural capacity, hydraulic capacity and remaining life of the pipe. Relining pipes significantly reduces costs, environmental and community impacts in comparison to traditional excavation and pipe construction methodologies.

Provisions for the renewal program and capacity upgrade projects have been incorporated into the Long Term Financial Plan.

Local flood risks are considered in determining the renewal and replacement priorities based on risk. The 10 year drainage renewal program will be subject to amendment based on ongoing risk assessments.

The City is also committed to expanding the stormwater network and upgrading its capacity to manage flood risk. Potential projects for managing flood risk are identified at a high level and prioritised in Floodplain Risk Management Plans. Each project may require detailed assessment to determine feasibility.

The City has developed a stormwater quality study (MUSIC model) which predicts the performance of stormwater quality management systems. The output allows the City to create plans for stormwater hydrology and pollution impacts. The City has increased annual maintenance budgets to ensure sufficient maintenance funds over the life cycle of all existing assets and will make provision for new pollution devices to continue progress towards stormwater quality targets in the Environment Plan.



Image: Sydney Park Wetlands, Sydney Park, St Peters

Stormwater Assets - Inventory

This table shows the range, extent and asset replacement cost for the drainage assets detailed in the Community Asset Plan, together with some associated infrastructure for reference purposes.

Asset Category	Quantity	Replacement Value (\$M)
Drainage Pipes	162 km	302.49
Drainage Pits	11,554	146.9
Open Channels	150 m	0.12
Box culverts	6.7 km	39.14
<u>Stormwater Quality Improvement Devices</u>		
Gross Pollutant Traps (GPT)	47	5.0
Vegetated drainage assets (including raingardens)	320	32.1
Total		525.8

Stormwater Assets - Levels of Service

The table below shows some important community levels of service used by Business Units to gauge community satisfaction. A comprehensive review of all service levels, including inspection frequency, intervention levels and response times, for all stormwater assets is continuing. The review will drive changes to maintenance and renewal activities to provide a level of service that is reflective of community expectations and resource availability.

Current

Community Levels of services used by business units to gauge community satisfaction.

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Quality	To service the needs of the community and Council to an appropriate standard (i.e. minimise local flooding and ponding)	Yearly total of customer service requests and letters	Maintain parity or reduce number of customer requests from previous year	Requests per year: 826 – 2018/19 707 – 2019/20 623 – 2020/21 672 – 2021/22 604 – 2022/23
Function	Stormwater system to be of suitable condition	Response time to requests for clearances of	Respond to requests for clearance of	Achieved 2021/22 (402 enquiries)

Community Asset Management Plan 2024

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
	and capacity to convey required flow	blockages causing flooding	blockage causing flooding within 48hrs	
Safety	Absence of significant health safety hazards	Response time to Work Health and Safety issues or reports and public safety complaints received through customer service requests	Dangerous hazards or public safety matters are responded to and made safe within 48hrs	Achieved 2022/23
Environmental	Improve the quality of stormwater discharged into receiving waters	Number of trapped gully pits cleanings	950 units cleaned per annum	1,052 - 2017/18 1,044 – 2018/19 800 – 2019/20 912 – 2020/21 665 – 2021/22 531 – 2022/23
	Improve the quality of stormwater discharged into receiving waters	Annual solid pollution load as per the MUSIC model	50 per cent reduction in annual load by 2030	16 per cent reduction in gross pollutants 11 per cent reduction in total suspended solids
	Improve the quality of stormwater discharged into receiving waters	Annual nutrient load as per the MUSIC model	15 per cent reduction in annual load by 2030	7 per cent reduction in total phosphorous 4 per cent reduction in total nitrogen
	Ensure the City achieves resource recovery of construction and demolition waste generated and managed by City operations	Monitoring and reporting of targets through the SMART platform	90 per cent recovery of construction and demolition waste generated and managed by City operations by June 2025	Achieved (for stormwater waste removed from the City's Gross Pollutant Traps)

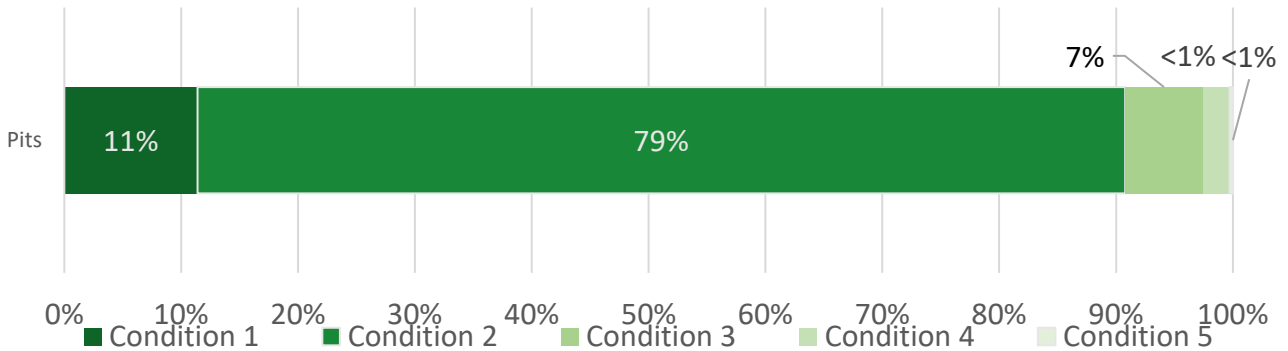
Stormwater assets are designed for average weather conditions. Stormwater assets are not designed for prolonged weather events such as extended high rainfall (flooding) and prolonged drought (trapped pits needing top up and not cleaned). The statistics over time may reflect where such conditions have been experienced.

Stormwater Assets - Lifecycle Management

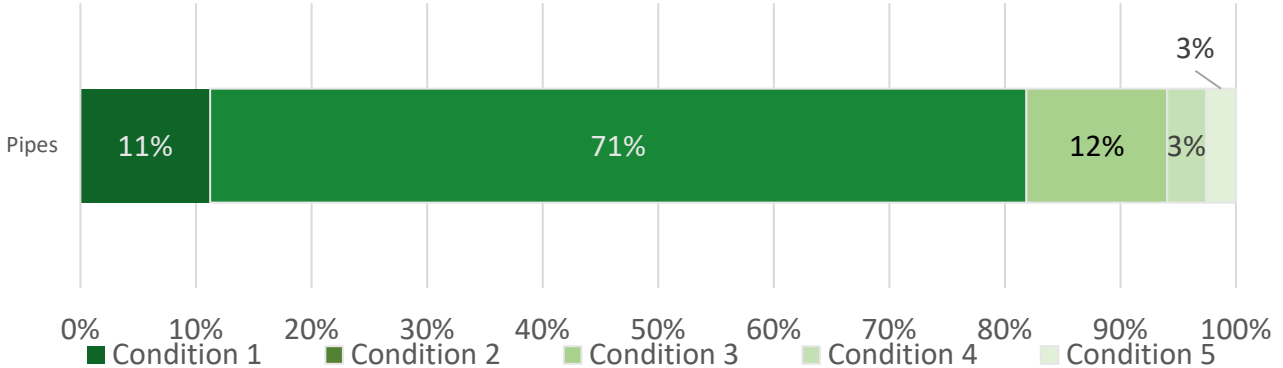
Asset Condition

The condition charts below show the overall condition of pits and pipes in the completed collection area. The completed collection area represents about 70% of the network but needs to be fully analysed prior to a final average condition being issued. Variability in the condition assessment from year to year will occur as the assessment sample size increases and the continuing analysis of CCTV footage. The City has included all pipes in the sample area in condition 4 or 5 in the priority renewal works schedule.

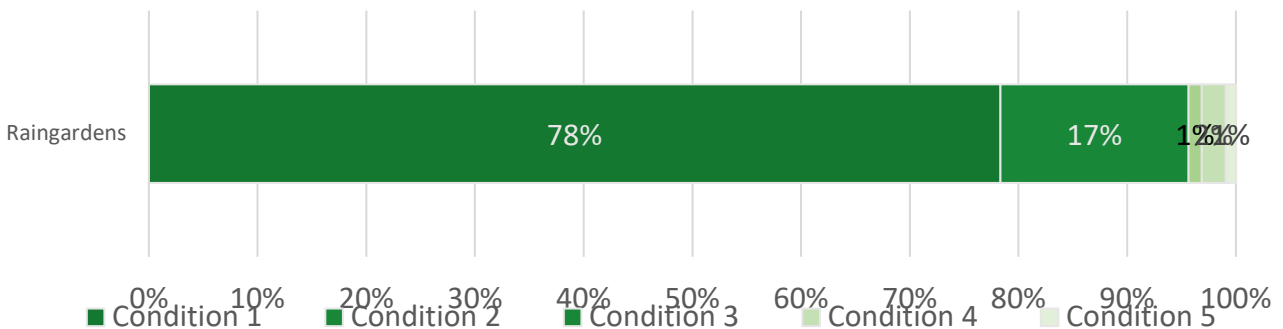
The chart below shows the distribution of condition of the stormwater pit assets.



This chart shows the distribution of conditions of the stormwater pipes assets.

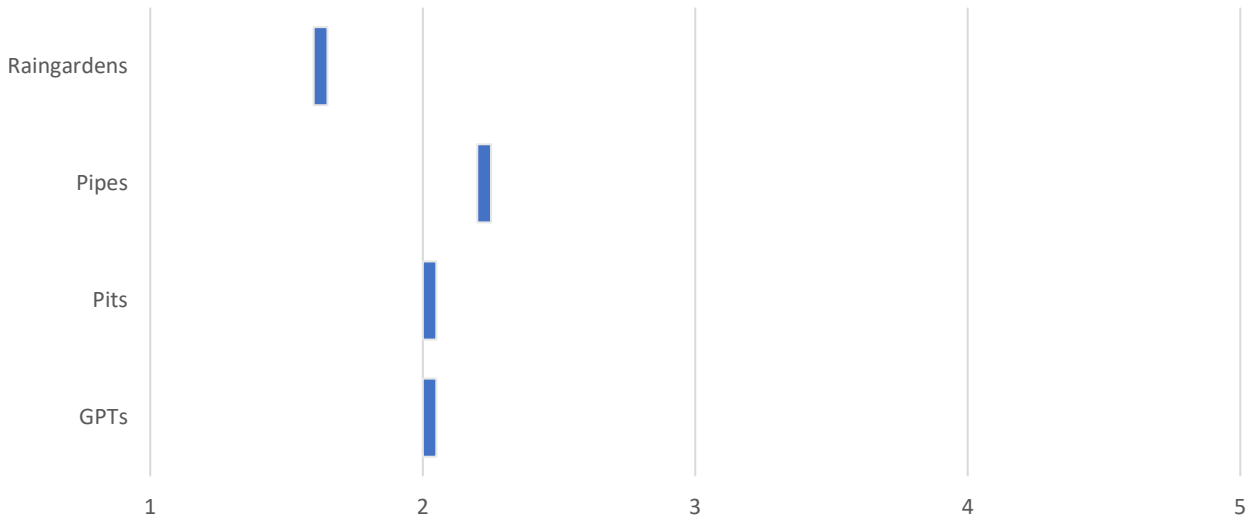


This chart shows the distribution of conditions of the raingardens assets.



Community Asset Management Plan 2024

This chart shows the average condition of each of the stormwater categories. There is no overall condition as the four drainage asset types listed are distinct asset types and cannot be summarised across the stormwater drainage asset group.



Asset Valuations

Listed below are written down value (depreciated value) and calculated Average Annual Asset Consumption used in the lifecycle and sustainability calculations.

Asset Type	Current Replacement Cost	Written Down Value	Average Annual Asset Consumption
Pipes / Channel / Culverts	341,770	235,267	3,146
Pits	146,955	104,684	1,405
GPTs / Raingardens	37,157	30,588	2,960
Total	525,883	370,540	7,528

Figures shown in \$000

Lifecycle Cost

The table below shows the trend in the last five years in infrastructure expenditure for the stormwater drainage network. Operational and maintenance expenditure is obtained from the Business Unit operational actuals and the renewal, upgrade and new expenditure from the financial reports. The five year average is the basis for the long term lifecycle costs.

Year	Operating/ Maintenance	Renewal	Upgrade	Expansion
2018/19	3,400	1,206	1,202	938
2019/20	2,489	1,430	441	321
2020/21	1,938	3,302	1,146	331
2021/22	1,914	2,676	1,332	1,695
2022/23	2,032	2,657	1,004	530
5 Year Average	2,355	2,254	1,025	763

Figures shown in \$000

Maintenance, Renewal and Upgrade costs

This table shows an excerpt of the Report on Infrastructure Assets as at 30 June 2023 in accordance with the OLG Code of Accounting Practice and financial reporting. It shows the estimates to bring the road assets to a satisfactory standard as described in the 'Estimate of Cost to bring asset to satisfactory condition' section of this report.

Asset Class	Asset Category	Estimated Cost to bring assets to satisfactory standard**	Estimated Cost to bring to the agreed service set by Council ##	2022/23 Required Maintenance	2022/23 Actual Maintenance
Stormwater Drainage	Stormwater Drainage	5,069	5,069	2,272	2,032

Figures shown in \$000

** As per Office of Local Government Requirements, reflects the estimated cost to restore all Council assets to condition '3' or better.

- reflects the estimated cost to restore all assets assessed to be at a condition below Council's minimum service levels. These standards (i.e. target conditions) reflect the strategy of maximising the consumption of the assets' service potential before renewal works are undertaken.

The City's general definition of agreed level of service is that any asset that has reached a Condition 4 – Poor or Condition 5 – Very Poor should be renewed as a matter of priority.

Stormwater Assets - Financial Summary, Projections and Sustainability

Medium Term – Lifecycle costs based on current expenditure

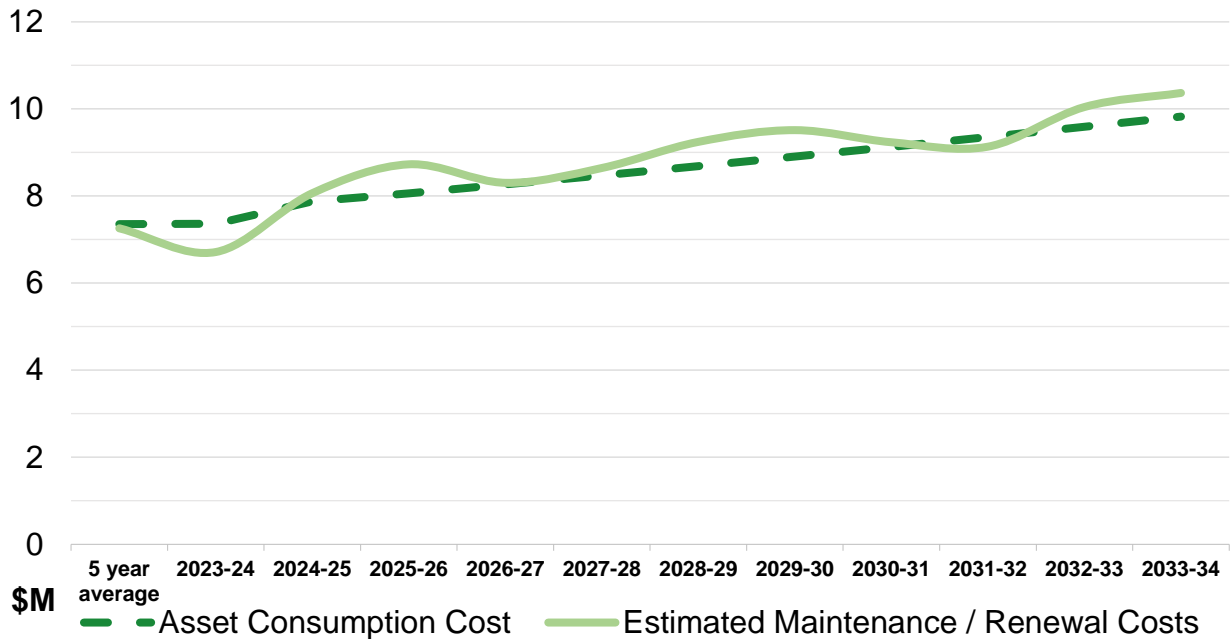
The table below shows the current sustainability index as projected using the average of the last 5 years estimated costs. This is the basis of the long term cost that the City will need to fund for the life of the assets.

Asset Consumption Cost	Operational, Maintenance, Renewal and Replacement Costs	Difference
7,354	7,258	96
What we should be spending	What we are spending	

Figures shown in \$000

Long Term – 10 year financial planning period

This chart shows the relationship between the Asset Consumption Costs and the funded Long Term Financial Plan for estimated Operational, Maintenance and Renewal and Replacement costs.



Community Asset Management Plan 2024

The chart below shows the proposed Upgrade and Expansion Expenditure as shown in the current Long Term Financial Plan.



This table shows the estimate of the Average Asset Consumption Costs, the Projected Operational, Maintenance, Renewal and Replacement Cost, and the Sustainability Index 10 Year projection.

Asset Consumption Costs	Projected Operational, Maintenance, Renewal and Replacement Costs	Difference	Sustainability Index
10 year projection calculated	10 year projection budgeted		10 Year period
8,685	8,908	222	1.02
What we should be spending	What we are going to spend		Ratio of what we going to spend to what we should be spending

Figures shown in \$000

Stormwater Assets - Environmental Summary and Sustainability

Transitioning to Environmentally Sustainable Assets

The City of Sydney has an integrated strategic approach to environmental sustainability, with goals and actions set out in our Community Strategic Plan cascading into strategies and plans.

The following asset management activities are core to environmental sustainability in stormwater assets and support the City to achieve its goals. The biggest opportunity for our stormwater assets is in improving water quality, specifying reduced embodied carbon and circular materials.

Theme	Core Asset Management Activities
Climate Action	<ul style="list-style-type: none"> reducing embodied carbon through material and design specifications transitioning away from fossil fuel plant and equipment as viable alternatives become available
Greening Sydney	<ul style="list-style-type: none"> contribute to greening in the City of Sydney through maintenance of rain gardens ensure trees and vegetation are protected during works
Water Stewardship	<ul style="list-style-type: none"> install and maintain infrastructure to capture and reuse stormwater install and maintain litter, sediment management and water pollution avoidance/reduction structures consideration of water use during works
Restoration of natural environments	<ul style="list-style-type: none"> specifying recycled content materials to reduce damage to ecosystems from extracting virgin resources waste materials are collected, sorted and returned to productive re-use managing and remediating contaminated land

There is no energy use or operational carbon emissions associated with stormwater assets.

Materials Use

The Sydney Streets Technical Specification allows for the following materials and methods within the stormwater network:

- Lower embodied carbon concrete in cast in-situ components such as pits, through methods such as substituting fly ash and blast furnace slag for high embodied carbon cement.
- Crushed recycled glass in pipe embedment works as a substitute for virgin sands.
- Using recycled aggregate in civil works.

Currently there is no dedicated data on recycled content or embodied emissions for stormwater assets.

Water Quality

The City of Sydney owns 80% of the stormwater network, that drains from within the Local Government Area into Sydney Harbour or Alexandra Canal. Accordingly, we have opportunities to integrate water quality improvement assets into the network through asset management planning. Construction and maintenance of gross pollutant traps and vegetated drainage assets (including raingardens) helps with reducing litter, solids and nutrients entering these waterways.

Community Asset Management Plan 2024

The City also takes other actions to prevent pollutants entering the public drainage system including waste collection, street sweeping and the implementation of development controls to manage the quality of water released from private developments

Concluding Remarks

The charts and graphs above illustrate that the City has allocated considerable funds for both renewing and expanding its drainage infrastructure over the next 10 years. A substantial portion of these funds is designated for upgrading the network in alignment with floodplain risk plans and the Model for Urban Stormwater Improvement Conceptualisation (MUSIC) modelling.

Another significant factor is the discovery of poor and very poor pipes via CCTV inspections, which will lead to new renewal works in the near term.

The asset consumption chart, which includes maintenance and renewal estimates reflects the large impact from relatively small amounts of funding for renewal. Drainage assets have a particularly long life with a relatively low average asset consumption cost and so a small change to renewal in any one year (say \$1,000,000) has a marked effect on the chart appearance.

The City recognises renewal and expansion of stormwater drainage infrastructure is an important priority. Additional funds are being allocated to resolve flooding and water quality problems.

The estimates suggest that the City has budgeted to renew its drainage assets at a sustainable pace. It is actively meeting both the renewal requirements and the Special Schedule – Report on Infrastructure Assets, in line with the performance measures set by the Office of Local Government.



Image: Sydney Park water reuse scheme, Sydney Park, St Peters

Parks, Open Space and Tree Assets

Background

The City's parks, open spaces and trees are one of the community's most loved assets with hundreds of thousands of residents and visitors using our parks daily. The size of the park and open space network is approximately 215.7 hectares throughout the local government area, providing both active and passive places for the use and enjoyment of communities.

The City is also responsible for the care, control and management of many Crown Reserves, including Hyde Park, Victoria Park, Prince Alfred Park and Bicentennial Park.

The City's tree population consists of over 46,000 trees, located throughout the streets, parks and open spaces and City properties.

The Community Asset Management Plan includes parks and open spaces, together with trees (park and street) in the modelling. However, separate detailed Asset Management Plans are being prepared for parks and open spaces and trees (park and street) because of their different maintenance and renewal requirements.

Parks and Open Spaces – Considerations

Since 2009, there has been an increase of 30.8ha (16%) of open space managed by the City. The recent additions include Wimbo Park, Butterscotch Park, Honeykiss Park, Getiala Sports Field, the Drying Green and Gunyama Park. While these parks and open spaces are already constructed, the ongoing maintenance will add to the City's ongoing financial commitments.

Negotiations also continue for the handover to the City of a number of significant parks and open spaces from the State Government which are anticipated in the next few years. The ongoing maintenance requirements of these assets will add to the City's commitments.

As the Park network area grows, it will impact on resourcing and ongoing maintenance and renewal activities.

Many of the key urban renewal areas, in particular the Green Square Urban Renewal Project will create large additional parks and open spaces, adding to future renewal and maintenance requirements. Gunyama Park and nearby Aquatic and Recreation Centre are examples. Major refurbishments of Eddie Ward Park, Green Park, Hyde Park, Belmore Park, Alexandria Park and Waterloo Park are planned in the medium to long term and are included in the Long Term Financial Plan.

There is a continual increase in the number of street trees, streetscapes and traffic treatments being developed as part of the Greening Sydney program, cycleway, and various other road and Footpath renewal programs. Additional assets and technologies are being developed to manage storm water harvesting. Resourcing to support, manage, and maintain these assets will be required in future years.

The development of synthetic sports fields within the City will present a new asset type that will require new approaches to maintenance of those assets and associated facilities.

Playground equipment, softfall, shade sails and associated infrastructure require replacement and minor upgrade works to ensure that playgrounds remain safe and fit for use, minimising risk to the City and providing increased amenity for children and their carers. The program for replacement of playgrounds is determined based on advice from an external playground assessor itemising the remaining useful life for each playground.

Major community events in parks and open spaces place considerable stress on the parks that can result in expensive repair programs. Assessment of these events and their impact on service levels is ongoing.

Parks rated with a condition score of 4 or 5 are incorporated into the planning of the Annual Works Program and Long term Financial Plan. Certain parks are earmarked in the Long Term Financial Plan, while others receive attention through the allocation of temporary renewal funds.

Trees – Considerations

The extensive urban renewal projects across the local government area, including Green Square and the Ashmore Precinct, include new streetscapes and street tree assets. Best practice design and construction is being applied, with the trees now in highly engineered environments. Resourcing to support, manage and maintain these assets will be required in future years.

Major upgrade tree related projects planned in the next 5 to 10 years include:

- Greening Sydney Strategy– with targets to increase canopy cover
- Urban Forest Strategy
- Street Tree Master Plan implementation (e.g. in road tree planting)

- Cycleway and public domain project installation/upgrades
- Hyde Park, Central Avenue tree replacement program.

Unlike engineered assets, the tree asset network does not have an upgrade component, only maintenance, renewal or expansion, with the timeframe for tree replacements difficult to predict with certainty. The life span of trees varies according to the species, location and local environmental factors. As such there is no formal renewal plan, but a provisional amount for the replacement of 700 trees annually based on current practices and trends, together with new tree allocation in the Long Term Financial Plan. Projects to increase tree planting in our parks and streets, particularly in road tree planting, are planned to increase in scale over the coming years to ensure the canopy cover targets are achieved.

The ongoing improvement to the tree asset condition and maintenance data should permit the development of more structured renewal plan. This would assist with the City's urban forest co-ordination, to enable enhanced asset turnover.

The City is enabling the improved management through implementation of tree management condition assessment and maintenance activities using a mobile application and using that data to create advanced models and reporting dashboards.t



Parks and Trees Assets – Asset Inventory

The table below shows the range, extent and asset replacement cost for the parks and open space and tree assets detailed in the Community Asset Plan, together with some associated infrastructure for reference purposes. These includes all parks owned by the City.

Asset Category	Description	Quantity (No of Parks/Trees)	Area (Ha)	Replacement Value (\$M)
Iconic	Parks that are of cultural and historical significance, or of a significant size or prominent location. These parks have a high visitation from the community and visitors e.g. Hyde Park.	23	111.6	375.7
Neighbourhood	Larger parks within villages and suburbs that have high visitation and have increased levels of amenity and infrastructure. These include facilities such as sports fields with playgrounds and toilets e.g. Alexandria Park.	48	29	150.3
Pocket Park	Local parks or street closures, generally small in size that provides informal recreational areas serving surrounding residents. Some limited facilities may be provided e.g. Millard Reserve.	285	32.7	151.7
Streetscapes Traffic Treatments	Landscaped areas within the road reserve In particular on footpaths, nature strips, roundabouts and traffic blisters	1156	23.2	31.2
Sportsfields	Areas of landscaped turf purposed for club and professional sport games and training.	17	14.7	33.07
Total		2,194	215.7	758.55
TREES				
Park	Contained within parks and open spaces	13,970		49.9
Street	Contained in the road reserve and footpaths	35,060		101.2
Property	Contained within Council properties like Childcare, Community Centres	637		1.7

Asset Category	Description	Quantity (No of Parks/Trees)	Area (Ha)	Replacement Value (\$M)
		Total	49,667	152.9

This asset management plan for parks, open space and trees does not include public art, electrical/lighting and particular structures located within parks and open space.

An initiative to collect open space related data is ongoing with a focus on the streetscapes and traffic treatments added to the portfolio, improving the City’s data quality and understanding of the extent of open space.

Park and Tree Assets - Levels of Service

The table below shows some important community levels of service used by Business Units to gauge community satisfaction. The major review of the service levels, including inspection frequency, intervention levels and response times for parks was completed in 2019. We continue to review and refine on an ongoing basis.

Current - Parks Level of Service

Target and current levels of service for parks and trees are provided below.

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Quality	Provide quality parks and open spaces for the use of the community	Customer satisfaction surveys and customer requests	An overall satisfaction rating >8 in the customer surveys	Achieved
Function	To provide a diverse range of parks and open spaces within the City which ensure that user requirements are met	Customer satisfaction surveys	An overall satisfaction rating >8	Achieved
Safety	To provide a safe and hazard free environment	Reported accidents and incidents and claims	Dangerous hazards or public safety matters responded to & made safe within 24 hrs	Achieved
Responsiveness	Speed of responsiveness to public enquiry’s and request	Timeframes outlined in completing customer	>95% of customer requests completed within timeframes	Achieved

Community Asset Management Plan 2024

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
		service requests		
Environment	Ensure the City achieves the target of reducing emissions by 2025	Monitoring and reporting of targets through the SMART platform	Reduce operational emissions by 80 per cent by 2025 from the 2006 baseline	74.5 per cent reduction against baseline
Environment	Ensure the City achieves the resource recovery of waste from City managed parks, street and public places	Monitoring and reporting of targets through the SMART platform	50 per cent resource recovery of waste from City managed properties by end June 2025	Achieved
Environment	Zero increase in potable water use annually from 2006 baseline	Monitoring and reporting of targets through the SMART platform	Zero increase in potable water use annually until 2025 from 2006 baseline	Achieved
Environment	Ensure the City achieves resource recovery of construction and demolition waste generated and managed by City operations	Monitoring and reporting of targets through the SMART platform	90 per cent recovery of construction and demolition waste generated and managed by City operations by June 2025	Achieved

Current – Tree Management

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Function	To improve the environmental, social and financial benefits that trees provide to the community Providing trees of suitable species and condition that achieves benefits	Urban Forest Strategy, Street Tree Master Plan, Tree Species List, and Park Tree Management Plans guide species selection and planting criteria.	Increase in canopy cover, health and overall longevity of tree population	Achieved/Ongoing measure

Community Asset Management Plan 2024

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Safety	To provide a safe and hazard free environment	Trees inspected annually. Reported accidents and incidents and claims	Dangerous hazards or public safety matters are responded to and made safe within 2 hrs	Achieved
Responsiveness	To provide proactive, responsive service that promotes tree health and longevity and minimises ongoing maintenance requirements	Timeframes outlined in completing customer service requests	>95% of customer requests completed on time.	Achieved
			Respond to customer request within 48 hours, complete works required within 14 days	Achieved

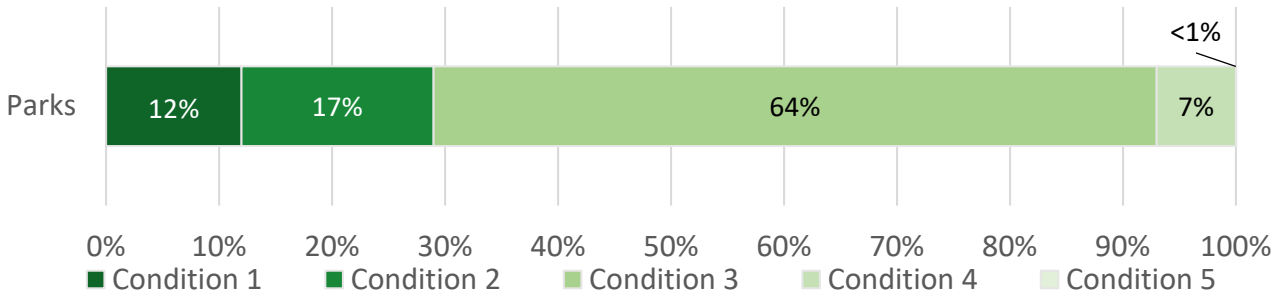


Image: Hyde Park, Sydney. Chris Southwood/City of Sydney 2021

Park and Tree Assets - Lifecycle Management

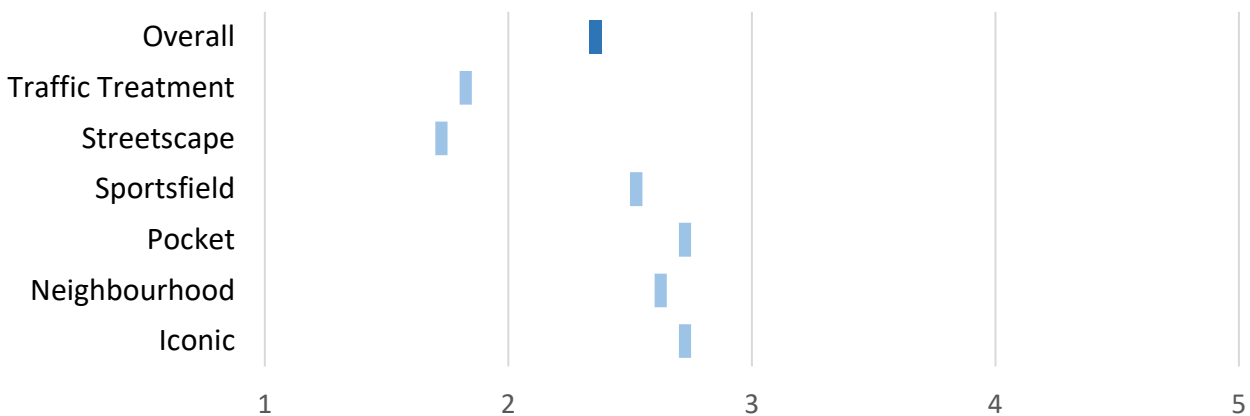
Asset Condition - Parks

The chart below shows the overall condition of parks and open space assets. The charts are calculated on the aggregate replacement value of the parks within each condition index band. The difficulty in assessing parks for conditions due to the change in weather patterns can show variability in condition over the short term.



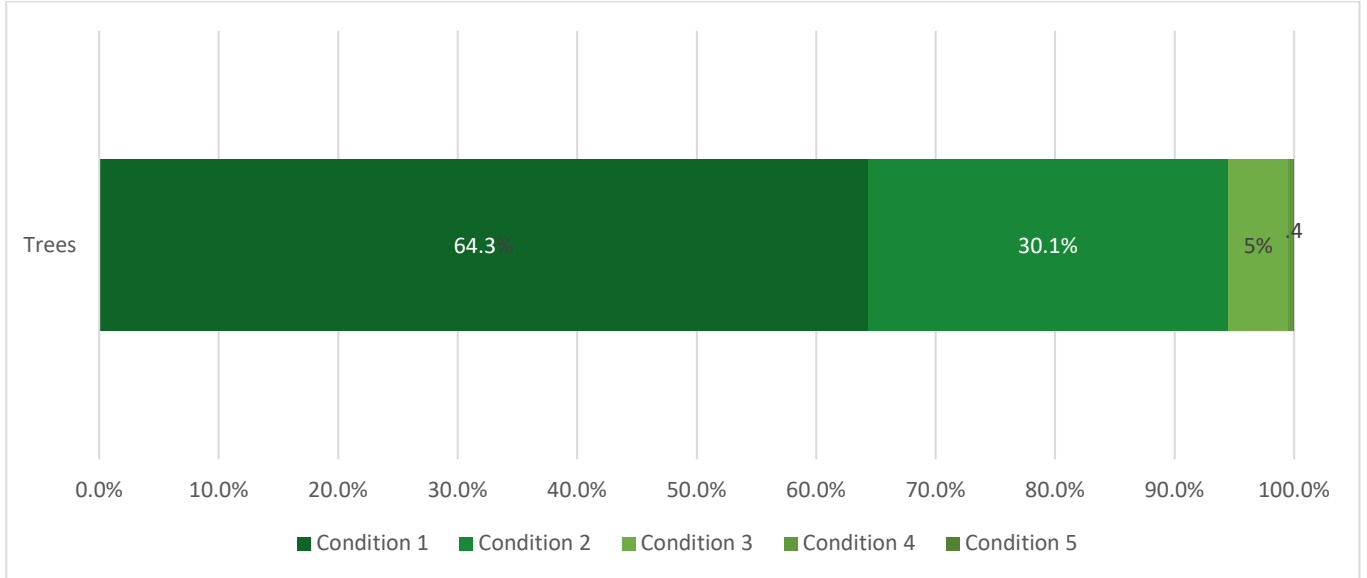
Assets in condition as a percentage of gross replacement cost

The chart below displays the average condition of each of the parks types based on area (sqm).

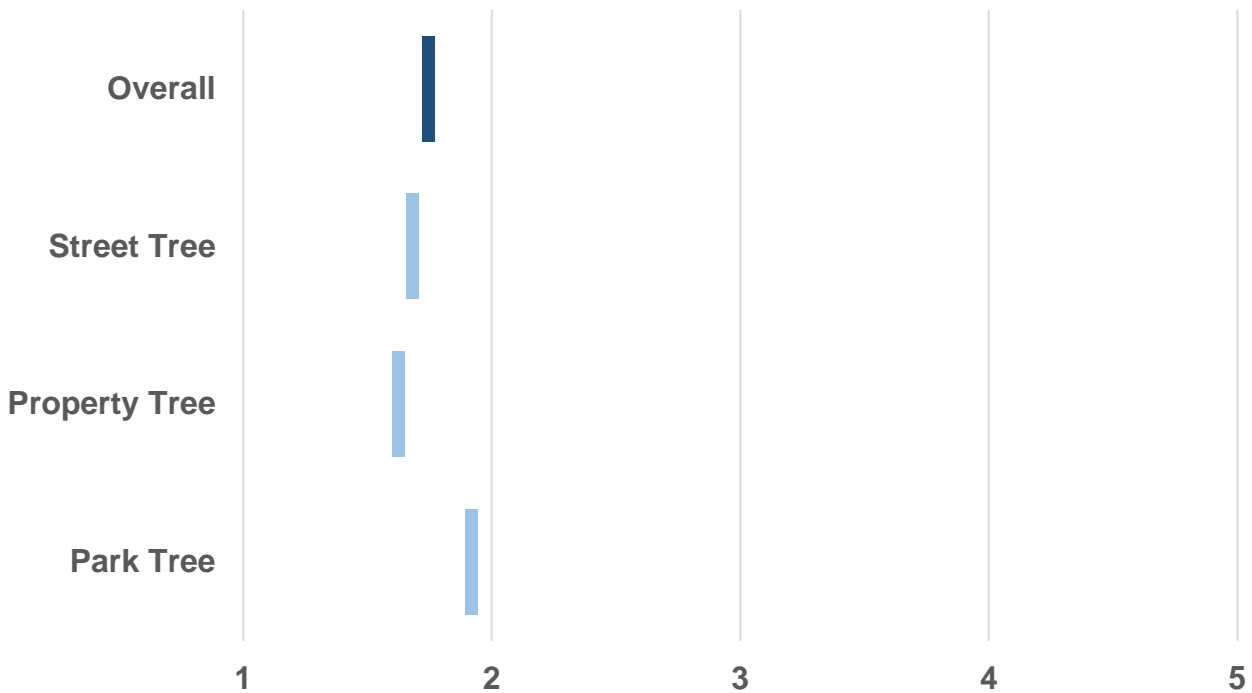


Asset Condition - Trees

The chart below shows the condition of all trees in the City of Sydney. All street trees, park trees and trees within City properties are now in one dataset in the corporate asset management system and their conditions are being assessed in the same way. As these are living assets these conditions are more of an indication of health.







The chart below shows the average condition of the trees per tree type.



Community Asset Management Plan 2024

Below are photographs that demonstrate the condition of Parks and Tree assets.

Condition	Parks	Trees
Condition 1 Very Good		
Condition 4 Poor		

Asset Valuations

Listed below are written down value (depreciated value) and calculated Average Annual Asset Consumption used in the lifecycle and sustainability calculations.

Asset Type	Current Replacement Cost	Written Down Value	Average Annual Asset Consumption *
Parks and Open Spaces	758,559	302,125	24,675
Park Trees	49,904	49,904	950
Street Trees	101,237	100,237	128
Total	909,702	452,496	24,803

Figures shown in \$000

* For the purposes of financial reporting, trees are not depreciated but in order to determine the lifecycle requirements notional consumption based on a typical life of trees are used.

Lifecycle Costs

The table below shows the trend for the last 5 years of infrastructure expenditure for the parks and open spaces and tree network. Operational and maintenance expenditure is obtained from the internal unit operational budgets and the renewal, upgrade and new expenditure from the capital work program.

Parks and Open Space

Year	Operating/ Maintenance	Renewal	Upgrade	Expansion
2018/19	16,565	5,597	1,156	7,411
2019/20	16,321	10,967	1,951	13,904
2020/21	19,326	12,068	2,773	18,390
2021/22	19,647	7,762	4,101	9,588
2022/23	21,278	10,509	4,688	6,746
5 year Average	18,627	9,381	2,934	11,208

Figures shown in \$000



Image: City Farm, Sydney Park, St Peters

Tree Management

Year	Operating/ Maintenance	Renewal	Upgrade/Expansion
2018/19	8,301	2,084	1,547
2019/20	8,757	1,416	1,212
2020/21	8,987	617	800
2021/22	9,190	1,456	758
2022/23		1,661	666
5 year average	8,665	1,447	997

Figures shown in \$000

The costing of some tree maintenance activities is combined with general park maintenance activities somewhat compromising the accuracy of these figures to some extent. Capital Upgrade and Capital Expansion for Trees is combined – both refer to new trees in this category.

Maintenance, Renewal and Upgrade costs

This table shows the Report on Infrastructure Assets as at 30 June 2023 in accordance with the OLG Code of Accounting Practice and Financial Reporting. It shows the estimates to bring the open space assets to a satisfactory standard as described in the 'Estimate of Cost to bring asset to satisfactory condition' section of this report.

Asset Class	Asset Category	Estimated Cost to bring assets to satisfactory standard**	Estimated Cost to bring to the agreed service set by Council ##	2022/23 Required Maintenance	2022/23 Actual Maintenance
Open space & Recreational assets	Open Space	14,444	25,260	17,719	21,278

** As per Office of Local Government Requirements, reflects the estimated cost to restore all Council assets to condition '3' or better. These cost assessments remain highly subjective as in previous years

- reflects the estimated cost to restore all assets assessed to be at a condition beneath Council's minimum service levels. These standards (i.e. target conditions) reflect the strategy of maximising the consumption of the assets' service potential before renewal works are undertaken.

The City's general definition of agreed level of service is that any asset that has reached a Condition 4 – Poor or Condition 5 – Very Poor should be renewed as a matter of priority.

Park and Tree Assets - Financial Summary, Projections and Sustainability

Medium Term – Lifecycle costs based on current expenditure

The table below shows the current sustainability index using the average of the last 5 years estimated costs. This is the basis of the long term cost that the City will need to fund for the life of the assets.

Asset Type	Asset Consumption Cost	Operational, Maintenance, Renewal and Replacement Costs	Difference
Parks	41,878	40,204	1,673
Trees	10,457	11,741	1,283

What we should be spending What we are spending

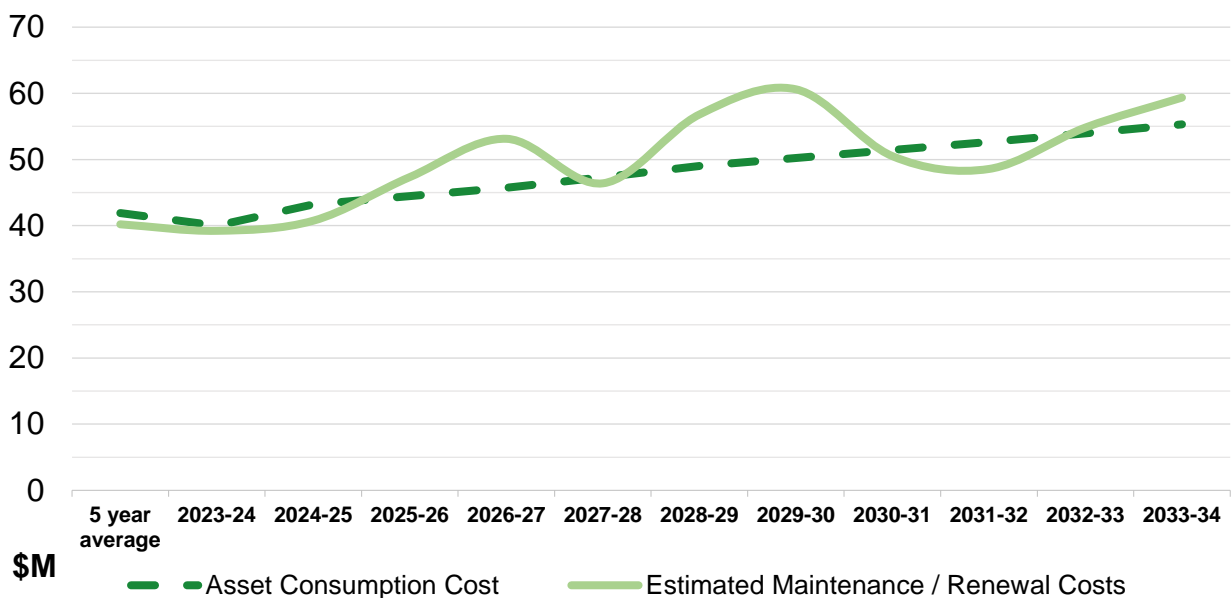
Figures shown in \$000

The decrease in average spending, particularly in Parks and Open Spaces, can be attributed to the extended La Niña weather cycle, resulting in delays for renewal and upgrade projects due to persistent heavy rainfall. Additionally, global supply chain disruptions and prolonged community consultations have played a role. However, the Long Term Financial Plan includes substantial budget allocations for the renewal, upgrade, and expansion of Parks and Open Spaces, which will help address these discrepancies over the medium term.

Long Term – 10 year financial planning period

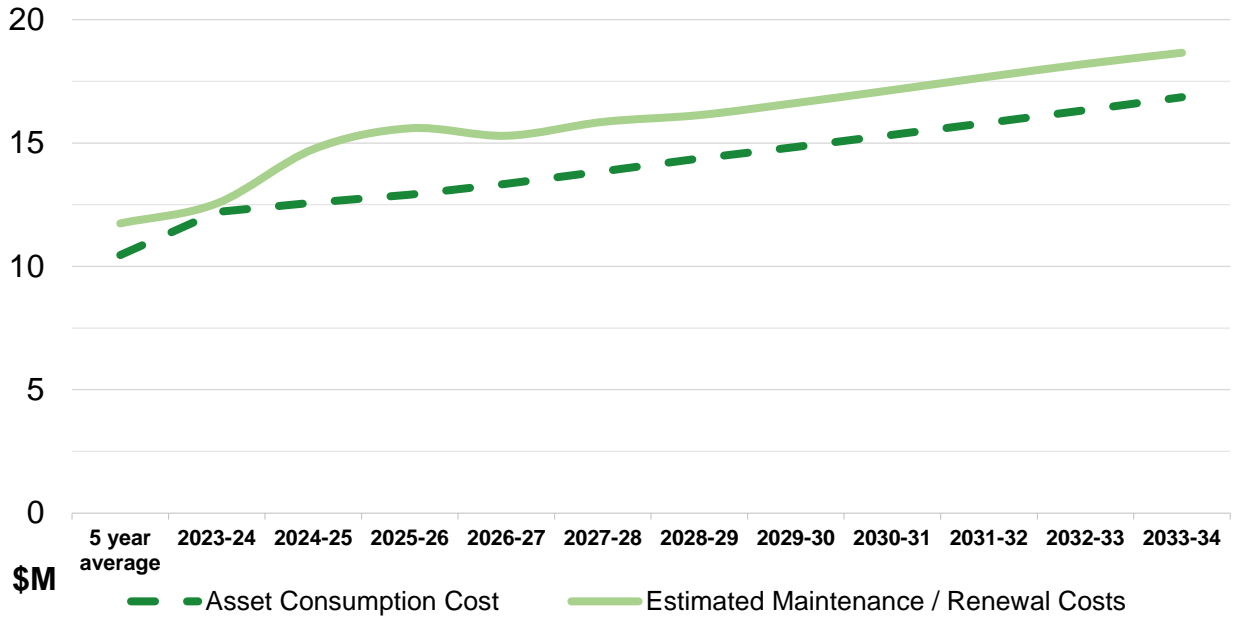
These charts show the relationship between the Asset Consumption Costs and the funded Long Term Financial Plan for estimated Operational, Maintenance and Renewal and Replacement costs.

Parks



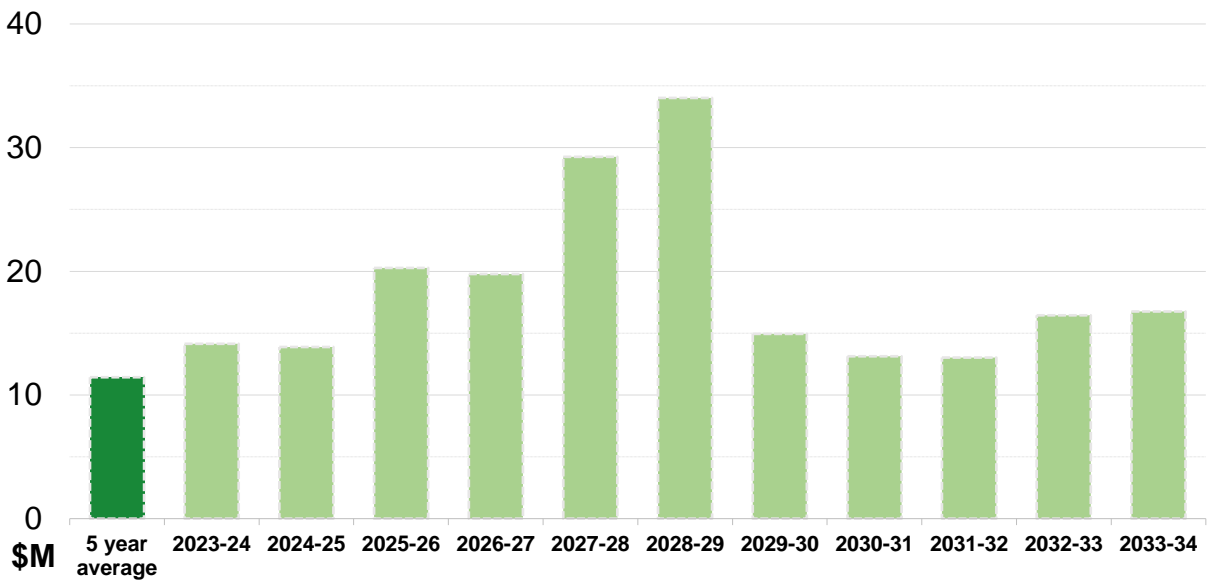
Community Asset Management Plan 2024

Trees

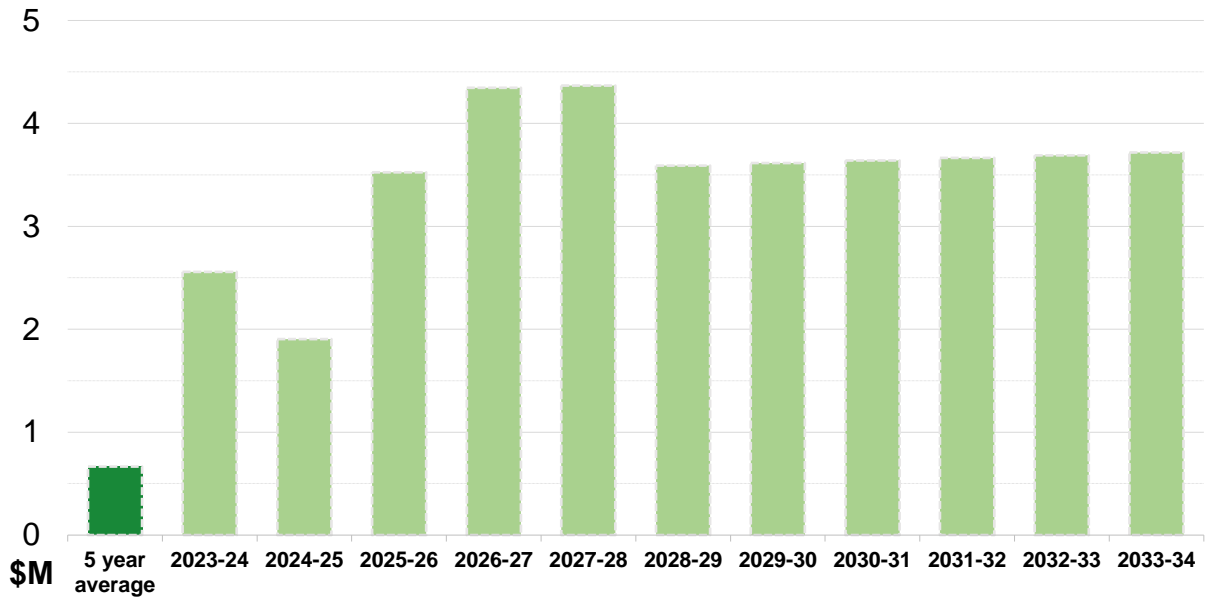


The chart below shows the proposed Upgrade and Expansion Expenditure as shown in the current Long Term Financial Plan.

Parks Upgrade and Expansion



Trees Expansion



This table shows the estimate of the Average Asset Consumption Costs, the Estimated Operational, Maintenance, Renewal and Replacement Cost, and the Sustainability Index 10 Year projection.

	Asset Consumption Costs	Estimated Operational, Maintenance, Renewal and Replacement Costs	Difference	Sustainability Index
	10 year projection calculated	10 year projection budgeted		10 Year period
Parks	48,480	50,680	2,199	1.04
Trees	14,404	16,226	1,822	1.13
	What we should be spending	What we are going to spend		Ratio of what we going to spend to what we should be spending

Figures shown in \$000

Park and Tree Assets - Environmental Summary and Sustainability

Transitioning to Environmentally Sustainable Assets

The City of Sydney has an integrated strategic approach to environmental sustainability, with goals and actions set out in our Community Strategic Plan cascading into strategies and plans.

The following asset management activities are core to environmental sustainability in parks assets and support the City to achieve its goals. The biggest opportunity for our parks is in water use, urban greening, regeneration and biodiversity.

Theme	Core Asset Management Activities
Climate Action	<ul style="list-style-type: none"> reducing urban heat impacts: providing shade and passive cooling, specifying surfaces that reflect light transitioning away from fossil fuel plant and equipment as viable alternatives become available reducing embodied carbon through material and design specifications
Greening Sydney	<ul style="list-style-type: none"> plant choices consider changing climate conditions increase greening through park and streetscape design and operation ensure trees and vegetation are protected during works
Water Stewardship	<ul style="list-style-type: none"> install, use, and maintain water capture and reuse infrastructure consideration of efficient water use for parks operations install low water use plants, use mulch and undertake soil improvements to hold soil moisture to reduce irrigation requirements optimise water consumption via use of smart water meters and irrigation systems, with weather and soil condition monitoring where available use of permeable surfaces to allow water to soak into the landscape following rain events
Restoration of natural environments	<ul style="list-style-type: none"> identify opportunities for native vegetation regeneration and native wildlife habitat waste materials are collected, sorted and returned to productive re-use managing and remediating contaminated land ensuring any risk of pollution entering air, soil or water from city parks is properly managed

Water Use

Parks assets use water to maintain the health of vegetation. Parks operations activities to deliver levels of service can affect water use and nutrient load in local waterways.

The City of Sydney maintains 20 park-scale water harvesting systems to reduce reliance on potable water, and as a drought risk mitigation strategy.

Operational planning, smart irrigation systems and smart meters are used by the parks service to monitor, control, and optimise parks water use, by responding to weather conditions, detecting leaks for rectification, and identifying water efficiency opportunities.

A water use forecast has not been developed, as usage is a function of park utilization, rainfall and leaks.

	Actuals		
	2020/21	2021/22	2022/23
Parks assets water use (ML)	120	99	114

Greening and Biodiversity

Parks, open space and tree assets provide critical green infrastructure and habitat in Australia’s most dense urban environment. Forecast climate conditions will affect these assets. Decisions made now will help to reduce the risk for future asset loss, especially for long lived assets such as trees. The City of Sydney’s Urban Forest Strategy, supported by the Tree Species List and Street Tree Master Plan addresses this risk through research informed guidance including the identification of species that will thrive under the changing climate conditions.

The City’s tree management contract ensures qualified arborists maintain the health of our 50,000 street and park trees. This comprehensive program focuses on increasing canopy cover, including procedures to assist new trees to quickly establish and provide much needed canopy cover.

The City maintains 15 hectares of bush restoration land. These areas provide habitat for various plants and animals, securing biodiversity. Qualified bush regenerators work in partnership with City staff to establish new areas, create habitat, improve plant growth and suppress weeds. Data from citizen science programs that identify local species are used to tailor projects to protect and enhance habitats.

Operational Carbon Emissions and Energy Use

The City of Sydney’s parks and open space assets use energy for parks amenities buildings and park lighting. Since July 2020 all operational electricity is 100% renewable, either through onsite Solar PV or through the direct purchase of renewable electricity from a wind and two solar farms. There is no gas use associated with the operation of parks and open space. Therefore, there are zero emissions associated with this asset class. This is expected to be maintained over the period covered by the City’s Environmental Strategy 2021-2025.

Emissions associated with fleet and contractor fuel use, and waste generation are included in the City’s carbon reporting, we cannot reliably attribute these emissions to activities in parks.

The City of Sydney models the impact of planned projects on our future emissions. It also tracks the effect of energy efficiency projects which will continue to be delivered as a core tactic for our ambition to be a net-zero organisation.

The forecast predicts that electricity consumption will remain steady in the period covered by the Environmental Strategy. There is a slight increase expected towards the end of the reporting period due to increased open space across the local area, including Perry Park sportsfield and the new Crescent Synthetic Sports Field.

	Actuals			Forecast	
	2020/21	2021/22	2022/23	2023/24	2024/25
Electricity consumption (MWh)	1,798	1,798	1,814	1,800	1,900

Concluding Remarks

The information presented in the charts indicate that the City is allocating sufficient funding to provide for the maintenance parks infrastructure, with significant amounts being allocated to renewing and upgrading the parks and trees.

The City is managing the assets effectively and addressing the maintenance and renewal requirements and Special Schedule - Report on Infrastructure Assets cost to satisfactory requirements consistent with the Office of Local Government performance measures.

Amounts shown for Years 6 to 10 in the charts reflect the renewal provision for several parks and associated upgrades. Delivery contracts and resources are improving with greater efficiency to deliver renewal works.

The spike in the upgrade/expansion, and the associated dip in renewal and replacement, in the medium to long term is due to the implementation of the open space components of the Green Square Urban Renewal project. This plan also shows the allocation of funds for renewal projects while committing ongoing resources and maintenance budgets to these expanded assets.

The Greening Sydney Strategy commitments will expand the tree canopy and increase the total amount of trees in the city. This has been accounted for the medium to long term.



Image: Dyuralya Square, Zetland

Property Assets

Background

The City's urban landscape is heavily reliant on its architectural assets to deliver services to its residents, corporate entities, and commercial lessees. The city's portfolio of assets encompasses a wide variety of property types, including indoor and outdoor aquatic facilities, libraries, operational depots, public restrooms, commercial real estate, and community spaces, with the renowned Sydney Town Hall being a notable example.

These structures are subject to considerable wear and tear. Regular inspections, continuous risk evaluations, compliance procedures, and condition assessments are conducted to aid city officials in making informed decisions regarding reactive and planned maintenance needs, capital expenditure forecasts, and long-term property strategy alternatives.

The city's portfolio is currently bifurcated into two distinct categories: community and commercial. The necessary expenditure on the city's building renewal program will fluctuate annually and will be influenced by: health and safety risk assessments;

- The age of the assets;
- The condition of the asset components;
- Budget priorities;
- Capacity constraints to deliver services;
- On-going maintenance demand;
- Changes to service requirements; and
- The nature of the asset and its heritage and cultural significance.

The Green Square Urban Renewal Project has led to a significant population surge and a corresponding increase in demand for new

community facilities and local services. The city has recently completed new facilities in this area, including the Gunyama Park Aquatic Centre and the Green Square Creative Centre. Community service demands are continually assessed for the entire local government area. New assets required to meet future community growth will be acquired progressively in line with population growth, development and funding priorities. New community facilities may require sites to be acquired or existing sites redeveloped or with some services consolidated to deliver integrated community facilities.

Timing and funding for these facilities will be influenced by budget allocations and potential development contributions and updated annually within the Long-Term Financial Plan.

Assessing the condition of building assets can be a complex task as modern buildings are composed of numerous building components, often in varying states of condition. The city has established condition targets for buildings that reflect property strategy requirements. In some instances, a building may have a poor or very poor condition rating and will be included as part of a major future redevelopment plan for the site, or the site may be closed. The city has commissioned a detailed building component data collection project, e.g., electrical components, structural components, roof details, etc. These components will include individual assets where relevant, replacement values, current conditions, and maintenance, renewal estimates, and the preparation of the annual maintenance and renewal projects and related budgets. We continually revise unit rates in accordance with industry benchmark rates and actual project cost to ensure our modelling is as accurate as possible.

Community Asset Management Plan 2024

The City currently has external property services providers for facilities management, and property management. The facilities management contract includes building asset, condition and maintenance data collection for the entire portfolio which will inform how the City can improve property services and asset use.



Image: Darling Square Library within Darling Square, Haymarket

Property Assets – Asset Inventory

The table below shows the range, extent and asset replacement cost for the property assets detailed in the Community Asset Plan, together with some associated infrastructure for reference purposes.

Asset Type	Description	Quantity
Community Portfolio	Cost effective fit for purpose accommodation enabling the provision of services into the Community. Buildings include depots, community halls, childcare centres, libraries, public toilets, Town Halls, indoor and outdoor aquatic centres, recreational facilities etc	204
Commercial Portfolio	Buildings owned or utilised by the City for commercial or business purposes	73
Total		277

The total number of buildings includes buildings owned and managed by the City, buildings managed by third parties e.g. Queen Victoria Building, Capitol Theatre, Capitol Square (Watkins Terrace), Manning Building or leased by the City e.g. Cook and Phillip Park. Source-properties.

Property Assets - Levels of Service

The table below shows key target and current levels of service. The service levels are reviewed and updated in 2024.

Current Level of service

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Function	Ensure each building is fit for purpose	Conducting regular maintenance and annual property inspections	Independent annual certification	Achieved
Safety	Minimise significant risks to the public, staff and contractor	Regular Property inspections	Reported monthly Audited annually	Achieved
Quality	Ensure each building is presented and maintained in an acceptable condition	Register of annual property inspections	Target Condition Index set building by building	Current average condition 2.4

Community Asset Management Plan 2024

Key Performance Category	Service Objective	Performance Measure Process	Target	Current Performance
Environment	Ensure the City achieves the target of reducing emissions	Monitoring and reporting of targets through the SMART platform	Achieve reducing operational emissions by 80 per cent by 2025 from the 2006 baseline	74.5 per cent reduction against baseline
Environment	Ensure the City achieves the potable water use target	Monitoring and reporting of targets through the SMART platform	Zero increase in potable water use by end June 2025 from 2006 baseline.	Achieved
Environment	Ensure the City achieves resource recovery targets for operational waste and recycling	Monitoring and reporting of targets through the SMART platform	90 per cent diversion from landfill, with 50 per cent source separated recycling, from City-managed properties by end June 2025	Achieved
Environment	Ensure the City achieves the resource recovery targets for construction and demolition waste generated and managed by City operations	Monitoring and reporting of targets through the SMART platform	90 per cent recovery of construction and demolition waste generated and managed by City operations by June 2025	Achieved

Property Assets - Lifecycle Management

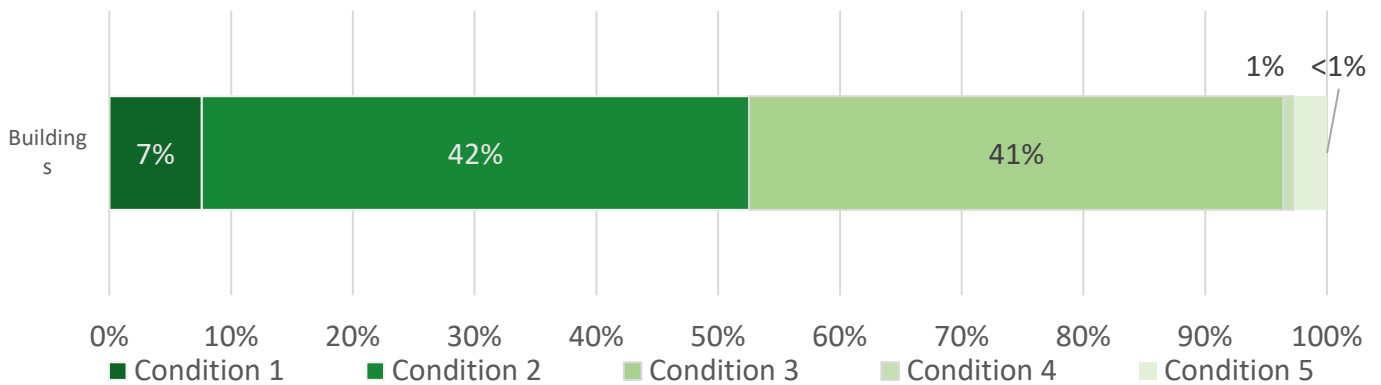
Asset Condition

The City has commenced the condition assessment of its properties. Due to the complexity of collecting structure, services, roof and facade conditions.. There have been several assumptions used to derive the average condition. As the data collection process continues, and the data further refined, the condition rating will be more representative of actual condition.

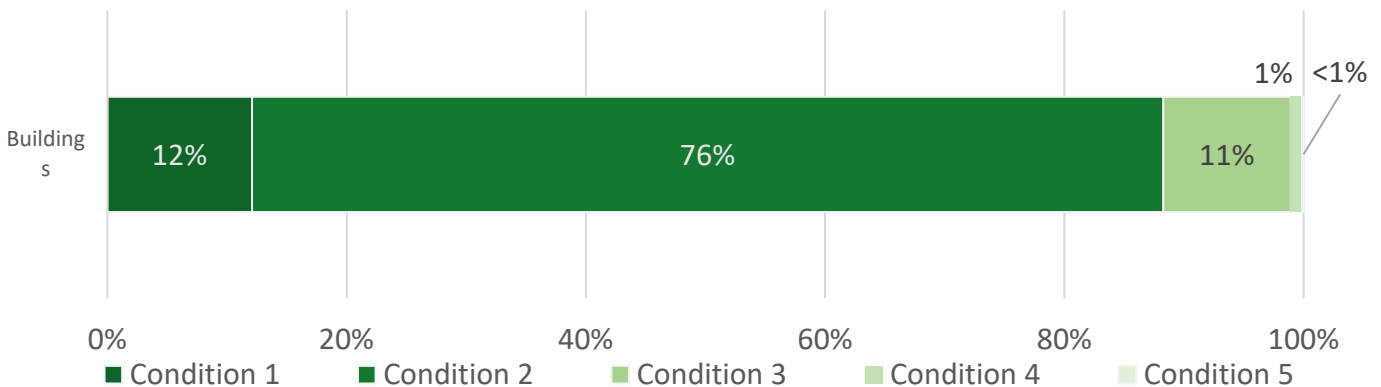
Sydney Town Hall has an insurance replacement value of \$685 million and its current condition is assessed as condition 2 (i.e. Good).

Consequently, the value of the Sydney Town Hall can distort summary reports of the City's wider portfolio using condition categories and replacement values.

The graph below represents the conditions of the City's property portfolio by replacement cost including Sydney Town Hall.



The graph below represents the conditions of the City's property portfolio by replacement cost excluding Sydney Town Hall.



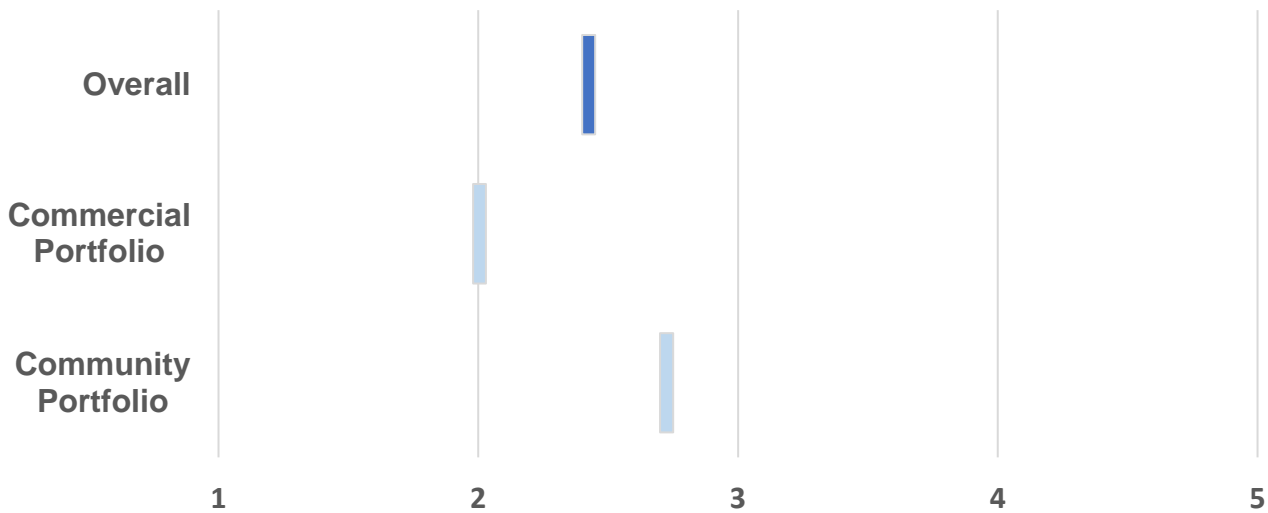


Condition 1 – Very Good.



Condition 5 – Very Poor

The graph below shows the average condition of each of the portfolios and the overall average building condition. This is calculated by replacement cost and includes Sydney Town Hall.



This data presents the derived conditions of the buildings. It has been updated at March 2022. This demonstrates the overall average condition of the buildings is 2.4 and <3% of the buildings falls within categories 4 or 5

Asset Valuations

Listed below are the current replacement, current insurance replacement value, written down value (depreciated value) and calculated Average Annual Asset Consumption amounts used in the lifecycle and sustainability calculations

Asset Type	Current Replacement Cost	Written Down Value	Current Insurance Replacement Cost	Average Annual Asset Consumption *
All Building Portfolios	2,083.9	1,708.8	2,360	28.4

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Asset Type	Current Replacement Cost	Written Down Value	Current Insurance Replacement Cost	Average Annual Asset Consumption *
Sydney Town Hall	620.2	423.9	685,2	4.4
Total	2,704	2,132	3,048	38.2

All figures are \$M

Other valuation methods are used within this category of assets.

Financial accounting valuation – this is based on a mix of market value (where available) and replacement (where market not available). The gross replacement value are disclosed in Special Schedule 7. The financial statements recognise assets leased to or by the City in some instances, for example, Queen Victoria Building, over which the City does not have day to day maintenance control.

Current Replacement value (insurance value) for the entire portfolio – this represents the actual cost incurred if the buildings under the City’s control needed to be replaced as a whole and is generally what the property is insured for. This is the figure used in calculating the average asset consumption and sustainability, and does not include buildings not under the City’s direct maintenance control e.g. Queen Victoria Building, Capitol Theatre.

The Average Annual Asset Consumption for Sydney Town Hall is proportionally lower than the general portfolio due to the long life of the building which is currently assessed as 200 years.

Lifecycle Costs

The table below shows the trend in the last five years in infrastructure expenditure for the property assets portfolio. Operational and maintenance expenditure is obtained from the Business Unit operational budgets and the renewal, upgrade and new expenditure from the capital work program reports. The five year average is the basis for the long term lifecycle costs.

Year	Operating/Maintenance	Renewal	Upgrade/Expansion
2018/19	30,163	9,291	43,707
2019/20	39,501	8,398	43,983
2020/21	36,196	14,955	26,897
2021/22	39,964	17,301	11,559
2022/23	46,743	24,182	8,644/5,133
5 Year Average	38,513	14,828	31,538

Figures shown in \$000

Maintenance, Renewal and Upgrade costs

This table shows the Report on Infrastructure Assets as at 30 June 2023 in accordance with the OLG Code of Accounting Practice and Financial Reporting. It shows the estimates to bring the building assets to a satisfactory standard as described in the 'Estimate of Cost to bring asset to satisfactory condition' section of this report.

Asset Class	Asset Category	Estimated Cost to bring assets to satisfactory standard**	Estimated Cost to bring to the agreed service set by Council ##	2022/23 Required Maintenance	2022/23 Actual Maintenance
Buildings	Non Specialised	26,136	45,814	47,172	43,924
	Specialised	6,219	7,066	2,254	2,819

** As per Office of Local Government Requirements, reflects the estimated cost to restore all Council assets to condition '3' or better. These cost assessments remain highly subjective as in previous years

- reflects the estimated cost to restore all assets assessed that are at a poorer condition than Council's set minimum service levels. These standards (i.e. target conditions) reflect the strategy of maximising the consumption of the assets' service potential before renewal works are undertaken.

The City sets a Target or Minimum asset condition for each building in the portfolio. These are reflective of the current strategy for the building, in some cases a building will have a poor condition rating as the target because it is identified for upgrade or closed. The City's general definition of agreed level of service for Property is the cost to reach the condition Target for that building.

Property Assets - Financial Summary, Projections and Sustainability

Medium Term – Lifecycle costs based on current expenditure

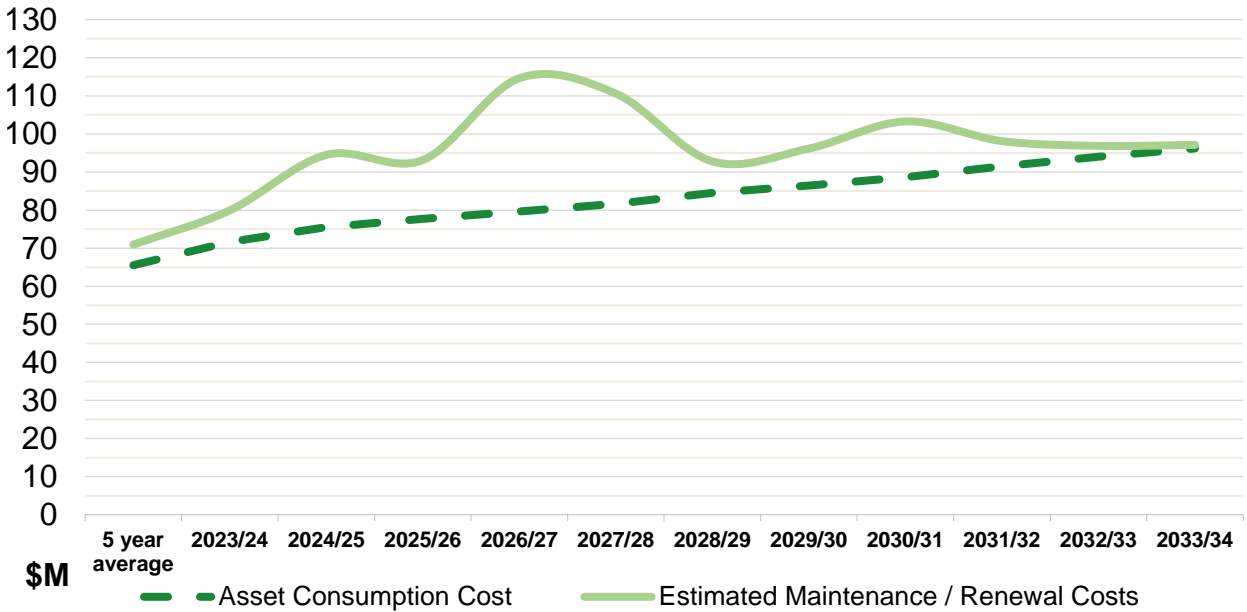
The table below shows the current sustainability index as projected using the average of the last 5 years estimated costs. This is the basis of the long term cost that the City will need to fund for the life of the assets.

Asset Consumption Cost	Operational, Maintenance, Renewal and Replacement Costs	Difference
65,513	70,925	-5,412
What we should be spending	What we are spending	

Figures shown in \$000

Long Term – 10 year financial planning period

This chart shows the relationship between the Asset Consumption Costs and the funded Long Term Financial Plan for estimated Operational, Maintenance and Renewal and Replacement costs.



This table shows the estimate of the Average Asset Consumption Costs, the Estimated Operational, Maintenance, Renewal and Replacement Cost, and the Sustainability Index 10 Year projection.

Asset Consumption Costs	Estimated Operational, Maintenance, Renewal and Replacement Costs	Difference	Sustainability Index
10 year projection calculated	10 year projection budgeted		10 Year period
84,317	97,919	13,674	1.17
What we should be spending	What we are going to spend		Ratio of what we going to spend to what we should be spending

Figures shown in \$000

The chart below shows the proposed Upgrade and Expansion Expenditure as shown in the current Long Term Financial Plan

Community Asset Management Plan 2024

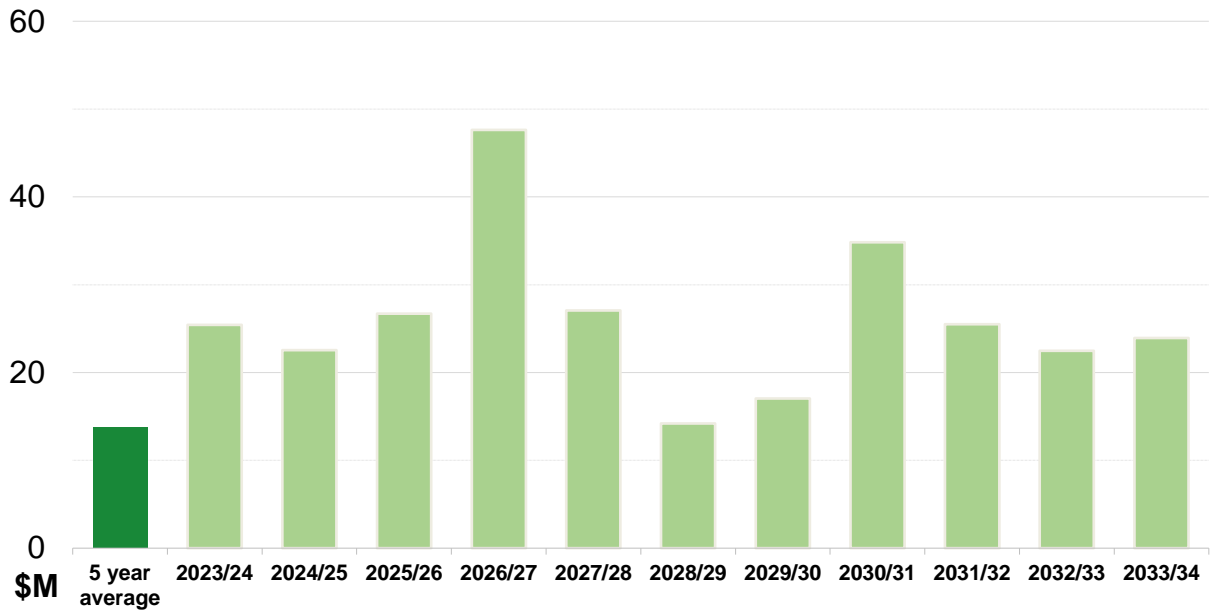


Image: Green Square Night Markets, City Of Sydney

Property Assets - Environmental Summary and Sustainability

Transitioning to Environmentally Sustainable Assets

The City of Sydney has an integrated strategic approach to environmental sustainability, with goals and actions set out in our Community Strategic Plan cascading into strategies and plans.

The following asset management activities are core to environmental sustainability in Property assets and support the City to achieve its goals. The biggest opportunity for our properties is in energy use and electrification, water use and resource recovery.

Theme	Core Asset Management Activities
Climate Action	<ul style="list-style-type: none"> ensuring appliances, plant and equipment are as energy efficient as possible. Use building management systems, passive heating and cooling to reduce energy consumption electrify equipment that currently uses gas, transitioning away from other fossil fuel using plant and equipment as viable alternatives become available install renewable energy generation equipment reducing embodied carbon through material and design specifications
Greening Sydney	<ul style="list-style-type: none"> increase greening through landscaping design ensure trees and vegetation are protected during works
Water Stewardship	<ul style="list-style-type: none"> install, use, and maintain water capture and reuse infrastructure install water meters to monitor use and identify leaks ensuring appliances, plant and equipment are as water efficient as possible consideration of water use during construction works
Restoration of natural environments	<ul style="list-style-type: none"> waste materials are collected, sorted and returned to productive re-use. specifying recycled content materials to reduce damage to ecosystems from extracting virgin resources managing and remediating contaminated land ensuring any risk of pollution entering air, soil or water from city properties and activities is properly managed

Operational Carbon Emissions and Energy Use

Operational energy use in the City of Sydney's property portfolio includes electricity use in all buildings, gas to heat pools and run our cogeneration and trigeneration plants. Since July 2020 all operational electricity is 100% renewable, either through onsite Solar PV or through the City's renewable power purchase agreement (PPA) which is supported by a wind and two solar farms in NSW. Therefore, there are zero emissions associated with electricity from this asset class. The use of gas in properties, and refrigerants in air-conditioning systems contributes to the City's operational emissions

The City of Sydney models the impact of planned projects and property portfolio changes on our future emissions and changes in energy use as a core tactic for our ambition to be a net-zero organisation.

The forecast predicts that emissions associated with this asset class will decline over the period covered by our Environment Strategy, despite an increase in the total number of properties owned by the City of Sydney. None of the additional properties will use gas, and all additional electricity use will be emissions free due to our 100% renewable electricity contract.

The forecast predicts that electricity consumption will increase as a result of electrification projects, such as converting equipment that heat aquatic centres. Electrification projects will reduce gas consumption and have a beneficial effect on our carbon emissions.

Our certified carbon neutral status will be maintained each year through the purchase of verified offsets for those net emissions we cannot eliminate, as we have since 2007.

The table below shows the change in electricity and gas use and change in carbon emissions for the reporting years of the Environment Strategy.

	Actuals			Forecast	
	2020/21	2021/22	2022/23	2023/24	2024/25
Electricity consumption (MWh)	15,667	15,946	18,662	19,500	20,200
Gas consumption (GJ)	87,464	79,422	88,601	45,300	33,700
Total carbon emissions tCO ₂ -e	6486	6112	6286	4100	3300

Emissions associated with fleet and contractor fuel use, and waste generation are included in the City’s carbon reporting, however we are not able to reliably attribute these emissions to properties activities.

Water Use

Property assets water use includes the water for our aquatic centres, and water use by occupants of the buildings. Smart meters are used by the City to detect leaks for rectification and to identify water efficiency opportunities.

A water use forecast has not been developed, as use is a function of building occupancy and leaks.

	Actuals		
	2020/21	2021/22	2022/23
Property assets water use (ML)	215	193	293

Resource Recovery

Property assets provide source separation options for building occupants as a core tactic to reduce waste to landfill and increase recycling rates. Town Hall House, Eveleigh Early Learning and Preschool and Ultimo Community Centre have on-site organic waste processing equipment. The output from this equipment is used in City parks.

Data from the property asset’s waste collection contractor aligns with good practice reporting, through the Better Building Partnership’s guidelines for operational waste. This enables the City of Sydney to identify opportunities to improve resource recovery.

The management of construction and demolition waste in line with the City’s resource recovery targets is included in all construction contracts.

Actuals

Community Asset Management Plan 2024

	2020/21	2021/22	2022/23
Operational waste diverted from landfill	92%	93%	90%
Source separated operational waste	52%	54%	51%
Construction and demolition recycling rate – building construction	93%	88%	94%

Concluding Remarks

The City is allocating sufficient funding to provide for the renewal of the Property infrastructure, with significant amounts being allocated to renewing and upgrading the property infrastructure. .

The challenges facing council is the ability to resource the delivery of the capital works program. In the short term, internal resources will shift from upgrade/expansion projects to renewal projects.

The modelling will be continuously updated in future revisions of this plan and the Draft

Detailed Asset Management Plan for property following the completion of the overarching Property Strategy and building management plans.

The estimate indicates that the City is budgeted to renew the Property assets at a sustainable rate over the next ten years while keeping the current level of service. We are managing the assets effectively and addressing the maintenance and renewal requirements and Special Schedule - Report on Infrastructure Assets requirements consistent with the Office of Local Government performance measures.



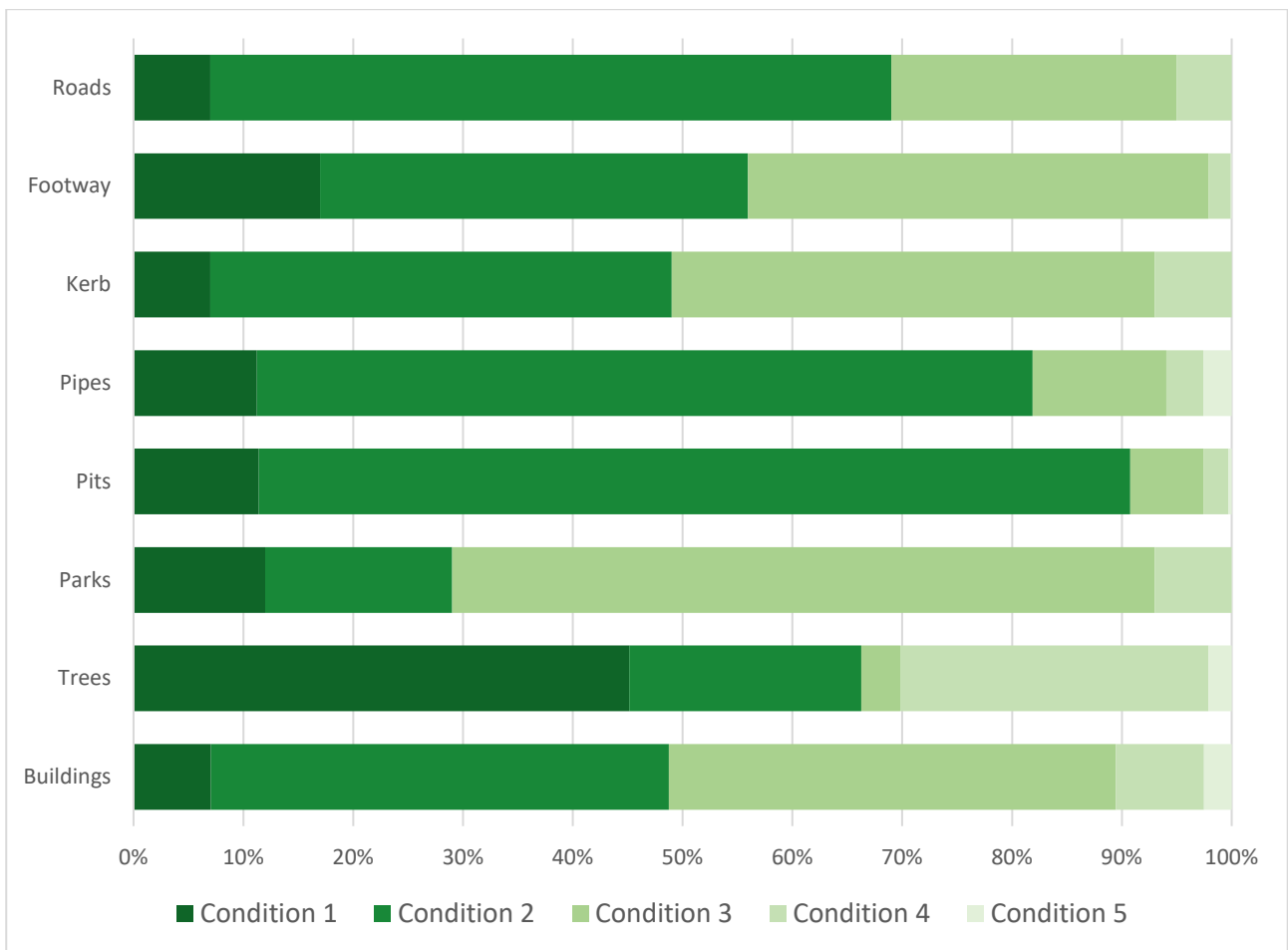
Image: Customs House, Circular Quay

Conclusion

Conditions

The information contained in this Community Asset Management Plan shows that the City is providing and maintaining a strong and vibrant city with most assets in an excellent to good condition. The city is providing adequate funding to sustain the critical infrastructure assets for the next 10 years and is managing the assets effectively and addressing renewal requirements consistent with the Office of Local Government performance measures.

This table is a summary of conditions for the critical assets within the city.



The method of calculation for the conditions is explained in each of the critical asset sections, such as the number of units or replacement value.

Community Asset Management Plan 2024

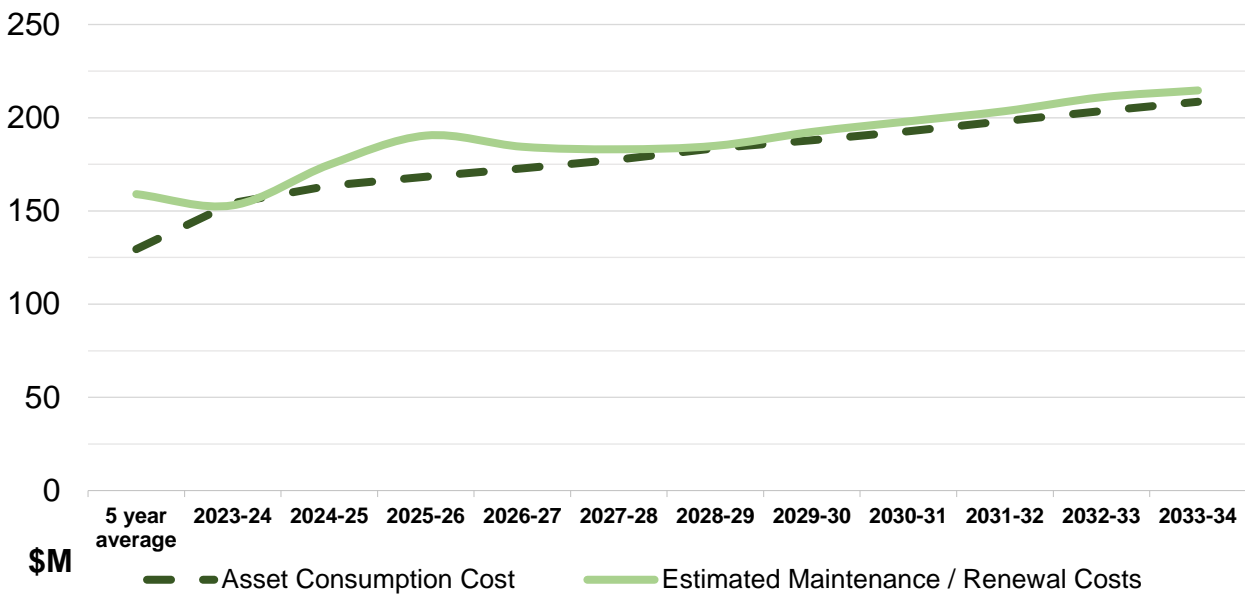
The Table below shows the Average Asset Consumption Costs and the Average Estimated Replacement Costs and the Sustainability Index ten year projection for the four critical asset classes contained in this plan.

Asset Category	Asset Consumption Costs	Estimated Operational, Maintenance, Renewal and Replacement Costs	Difference	Financial Sustainability Ratio
	What we should be spending	What we are going to spend		
Roads	41,364	44,320	2,955	1.08
Stormwater Drainage	8,685	8,908	222	1.02
Parks and Open Space	48,480	50,680	2,199	1.04
Trees	14,404	16,226	1,822	1.13
Property	84,317	97,919	13,674	1.17
TOTAL	193,988	218,053	24071	1.1

Figures shown in \$000/yr

Asset Consumption Costs

The chart below shows the relationship between the whole Councils Asset Consumption Costs estimates and the funded Long Term Financial Plan for the four Critical Asset Categories.



There is a slight dip in maintenance, renewal and replacement spending in the last few years into 2022/23 in relation to the estimate of how much should be spent. As City has delivered multiple upgrade and expansion works during that period the delivery resources will be focusing on renewal-based capital works. Other mitigating factors including the extended LaNina cycle and supply chain shortages has reduced all capital works delivery in the previous few years.

Upgrade and Expansion

The chart below shows the upgrade/expansion proposed for the combined Critical Asset Categories assets in the Long Term Financial Plan.

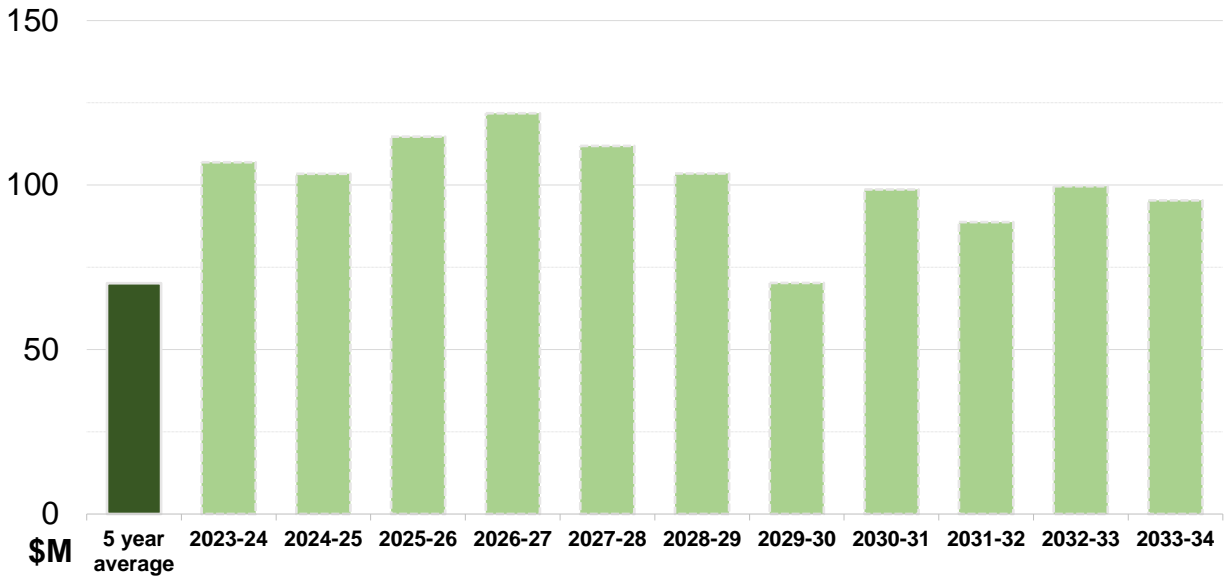


Image: *While I live I will Grow, Joynton Avenue, Zetland*

