

Item 4.

Public Exhibition - Grants Policy and Guidelines

File No: X119718

Summary

The City of Sydney's Grants policy and guidelines support initiatives and projects that build the social, cultural, environmental and economic life of the city. Sponsorship agreements are managed through the City of Sydney's Corporate Sponsorship Policy.

The Grants policy and guidelines form the framework by which the City of Sydney manages grant funding applications.

The Policy details the aims of the program, its alignment with key strategies and the principles that guide our decision making. The current Grants and Sponsorship Policy was adopted by Council in August 2022.

The Guidelines provide information about the various grants programs including eligibility, assessment criteria and key dates. They assist the community to apply for funding and support under the program. The current Grants and Sponsorship Guidelines were adopted in June 2025.

We commit to reviewing the Policy every 4 years. Following the review, changes to the Policy are recommended to clarify processes and improve guidance for applicants. The recommended changes to the Guidelines will streamline processes, continue to support strong outcomes for our communities and ensure that programs continue to deliver against Sustainable Sydney 2030-2050: Continuing the Vision.

The recommended changes are reflected in the draft Policy and Guidelines at Attachment A and Attachment B, respectively. A table of key changes to the Guidelines is at Attachment C. Current Policy and Guidelines are at Attachment D and E, respectively.

This report seeks Council approval to place the draft Grants Policy and Guidelines on public exhibition from mid December 2025 to late February 2026, for a minimum of 28 days.

Once exhibited and feedback has been received and considered, the Policy and Guidelines will be brought back to Council for decision.

The revised Policy and Guidelines will be implemented in 2026/27, after the Grants budget has been finalised for that period.

Recommendation

It is resolved that:

- (A) Council approve for public exhibition the draft Grants Policy and Guidelines, as shown at Attachments A and B to the subject report;
- (B) Council approve that the Ethics Framework included in the Grants Policy and detailed in the subject report be adopted as the Ethics Framework across the Council and be posted on the City of Sydney website;
- (C) Council note that the Grants Policy and Guidelines, including any recommended changes, will be reported to Council for adoption following the exhibition period; and
- (D) authority be delegated to the Chief Executive Officer to make minor editorial amendments for clarity or correction of drafting errors prior to the exhibition of the draft Grants Policy and Guidelines.

Attachments

- Attachment A.** Draft Grants Policy 2026
- Attachment B.** Draft Grants Guidelines 2026
- Attachment C.** Grants Guidelines – Key Changes
- Attachment D.** Grants and Sponsorship Policy 2022
- Attachment E.** Grants and Sponsorship Program Guidelines 2025
- Attachment F.** Engagement Report October 2025

Background

1. The Grants and Sponsorship Policy and Guidelines were last reviewed in full in 2022 and endorsed by Council in August 2022.
2. The Policy states that it will be reviewed every 4 years.
3. Following further Councillor requests and identified areas for improvement, work on reviewing the current Policy and Guidelines commenced in late 2024.
4. Draft changes to the Guidelines have been developed with input from City of Sydney staff, incorporating feedback gathered from applicant surveys in 2024 and 2 in depth workshops with recent funding applicants in September and October 2025.

Revised Grants Policy

5. On 22 August 2022, Council adopted the current Grants and Sponsorship Policy.
6. Key updates in the draft Grants Policy are:
 - (a) Alignment with strategy: the Policy outlines how the grants program aligns with our overarching vision Sustainable Sydney 2030-2050: Continuing the Vision, its supporting strategies and how funding is prioritised to meet these objectives.
 - (b) Principles of grant administration: in line with best practice, including the NSW State Government 's Grant Administration Guide 2024, the Policy outlines updated principles that underpin our program. These include our commitment to transparency, strong governance, value for money, building social sustainability and resilience and our ongoing support of First Nations communities.
 - (c) Consolidated ethics framework: the City of Sydney currently has multiple different versions of ethics frameworks across different documents. The updated Grants Policy consolidates these into a single version, which will be maintained as a standalone framework on the City of Sydney's website and will be formally applied in other policies and procedures as they are reviewed.

This Ethics Framework states:

Through the Grant program the City of Sydney does not support any activities or entities that unnecessarily:

- allow the exploitation, misrepresentation or misappropriation of Indigenous Cultural and Intellectual Property (ICIP) or cultural identity;
- pollute land, air or water or derive their principal source of revenue from the extraction or sale of coal, oil or gas;
- destroy or waste non-renewable resources;
- market, promote or advertise products or services in a misleading or deceitful manner;
- produce, promote or distribute products or services likely to be harmful to the community;

- acquire land or commodities primarily for speculative gain;
 - create, encourage, or perpetuate militarism or engage in the manufacture of armaments;
 - encourage gambling or entice people into financial over-commitment;
 - exploit people through the payment of below-award wages or poor working conditions;
 - unlawfully discriminate, or encourage unlawful discriminatory behaviour, including discrimination based on ability, culture, religion, age, gender and sexual orientation in employment, marketing and/or advertising practices or contribute to the inhibition of human rights generally;
 - sell or promote any prohibited items or services on Council land, such as fur and exotic animal skin products and feathers, other than where is permitted under traditional first nation cultural practices;
 - promote pornography ;or
 - support the production of sale of tobacco.
- (d) Grant planning and program design: the planning of a grant program involves a policy decision to meet an identified need within the community. This requires considerable planning, input and collaboration across multiple internal teams. The updated policy provides for better coordination and accountability around grant planning, with the City of Sydney's Manager Grants, ultimately accountable for new initiatives or changes to the program.
- (e) Sustainability and community resilience: we want to encourage organisations to work with each other, build strong partnerships and plan for future financial sustainability.
- (f) The Policy clarifies the assessment process, including the ability for the City of Sydney to potentially engage external assessors in the future and expert advice and guidance provided by Aboriginal and Torres Strait Islander employees where relevant.

Revised Grants Guidelines

7. On 23 June 2025, Council adopted the current Grants and Sponsorship Program Guidelines. The last major review was completed in August 2022.
8. The Grants programs have been under pressure due to increased community demand, shifting expectations, and new strategic priorities. These pressures include:
 - (a) 70% increase in applications since 2020. The success rate for applicants has dropped from 42% in 2020 to 31% in 2024/25. (2025/26 is not yet complete but is anticipated to be slightly less than the previous year)
 - (b) commitment to cultural strategy funding programs valued at \$2 million a year from 2026/27
 - (c) ongoing commitment to best practice in management and governance of the grants programs and
 - (d) increased expectations from community on the level of support and resources available to assist them in applying for funding and managing the contract.
9. The Grants program is one of the mechanisms by which the City of Sydney delivers on the 4 strategic pillars (economic, creative, social and environmental) identified in Sustainable Sydney 2030-2050: Continuing the Vision. One of the key aims of the review was to increase the alignment of the grants with the new strategies.
10. New grants have been developed to meet the pressures on the program, align with strategies, and ensure that the programs are run in an efficient and effective manner. The changes are listed in Attachment C.
11. The Grants program has been restructured around offering one round a year.
12. Offering one round will achieve greater clarity, ease of navigation and simplicity of design for applicants as:
 - (a) The new program is more streamlined, simpler and clearer in its purpose
 - (b) the new categories in the program are easier for applicants to navigate
 - (c) the new categories create more opportunities for new projects while continuing to support current project proposals
 - (d) one round provides clarity for planning of projects - applicants will have earlier notification of funding outcomes for the coming year
 - (e) one round allows for comprehensive assessment of all applications and alignment with funding purpose and
 - (f) one round allows the assessments to be reviewed for equity of distribution of support across the whole city (this includes addressing whether we are supporting larger or smaller organisations).
13. Currently only the Food Support, Green Building Grants, Festivals and Events and Innovation and Ideas streams are offered twice a year. Under the proposed programs, these will be open once per year.

14. Under the proposed program, the Quick Response grants and the Aboriginal and Torres Strait Islander Collaboration Fund continue to be offered all year around as does our Value in kind (VIK) support through the Venue hire and Street banner programs.
15. In the proposed new program:
 - (a) Festivals and Events and Innovation and Ideas will no longer be stand alone programs but will be eligible activities under the 4 core categories during the single grant round;
 - (b) Green Building Grants will be a program within the broader category of Environmental grants and;
 - (c) Food Support is currently offered twice a year and will now be offered during the one main round.
16. As part of the Haymarket and Chinatown Revitalisation Strategy, the Haymarket Activation improvement program was to be delivered over 3 years. The last program round for this grant will open in February 2026 with delivery in the 2026/27 financial year. This will complete the 3-year availability of this program.
17. The funding caps for the Affordable and Diverse Housing fund have been adjusted, increasing maximum funding from \$3 million to \$4 million or no more than 30% of the total cost.
18. If approved, the draft Policy and Guidelines will be on public exhibition from mid-December 2025 to late February 2026. Feedback from the community will be reviewed and considered before the final Policy and Guidelines are submitted to Council for endorsement.

Engagement outcomes

19. Feedback from applicants through surveys and from staff involved in assessing and managing grants contracts over the last 18 months have asked for a simpler, more streamlined and easier to apply process for our grants. Feedback and surveys have also identified the difficulty of navigating eligibility and program requirements.
20. In addition, applicants who completed the survey asked for more guidance, in person advice and examples to help in the application process.
21. Engagement workshops, in-person and on-line, have been held with grant applicants to discuss the proposed changes. A full engagement report is at Attachment F.

22. The feedback raised during the workshop was as follows:

	Feedback provided by workshop participant	Impact	Actions
1	Single Annual Round - may disadvantage some less experienced organisations	Amalgamating 7 specific programs into 4 broader categories makes the program easier for applicants to navigate. Only 4 programs are impacted by this change There are no changes to grants currently offered all year.	Increased support for applicants throughout the year Longer lead times to funding rounds Longer application period open to applicants (6 weeks)
2	Proposed introduction of external assessors - potential to strengthen transparency but will need managing of conflict of interest	Pilot being considered for future years Managing conflicts of interest in community	Delay pilot while new program is introduced
3	Mixed view of funding caps - would support organisations experiencing increased costs but more grants can be provided if smaller amounts	Fewer applications will be funded if larger grants are approved	Due to the community response, funding caps in most categories have remained the same as current guidelines
4	Communication - needs to be clear and multi-channelled	Need to inform community of changes	Communication strategy in development

23. As a result of the feedback, the following amendments were made to the changes:
- (a) External assessment will be investigated in the future with further consultation and research to measure the effectiveness and impact of moving to external assessment and
 - (b) An engagement and communications plan will be developed to clearly communicate proposed changes, including with priority communities, during public exhibition and as part of implementation and will be delivered in mid-2026 prior to the funding rounds opening. This will include in person advice on applying, tailored brief videos on key areas such as budgets, writing project proposals and support material and more case studies demonstrating best practice in grant writing. These resources will reflect our diverse communities.

Grants and Sponsorship Program Summer Round 2026

24. Grants in the summer round are typically open for applications in February and with recommendations reported to Council in June, for projects starting from 1 July.
25. The following categories will be absorbed into wider categories as of July 2026 as part of the new program as highlighted above.:
- (a) Green Building Grants
 - (b) Innovation and Ideas
26. These categories are not time sensitive and, as part of the transition, they will not be delivered this Summer round. This will allow for the full category budget for 2026/27 to be offered with the new program, which will open in July 2026 and be reported to Council in November 2026.
27. The City of Sydney grants website will be updated to reflect this. Note that in the 2025 Grants and Sponsorship Guidelines it states 'our key dates for grants applications can change. Check our website for any updates'.

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

28. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
- (i) Direction 2 - A leading environmental performer - Grants contribute to the City's endeavours in improving environmental performance of our residents and businesses by supporting new and innovative approaches to delivering sustainability outcomes and strengthening community resilience.
 - (ii) Direction 3 - Public places for all - Grants contribute to the safe and responsible use of public spaces for community access and enjoyment of city residents, workers and visitors.
 - (iii) Direction 6 - An equitable and inclusive city - Grants contribute to community development and support active participation in civic life. They empower the community to address issues that matter to them and drive projects to create a more inclusive and resilient city.

- (iv) Direction 7 - Resilient and diverse communities - Grants contribute to improved wellbeing, well located, inclusive and affordable services that improve social connections and embrace a safe city.
- (v) Direction 8 - A thriving cultural life - Grants contribute to supporting artistic and creative endeavours in our city, helping foster initiative, experimentation and enterprise by creative workers and providing new opportunities for audiences to engage in the city's cultural life.
- (vi) Direction 9 - A transformed and innovative economy - Grants contribute to helping stimulate business and promote economic activity. They encourage partnerships with other organisations on business development and assist groups of businesses to work together for the collective benefit.
- (vii) Direction 10 - Housing for all - Grants align with the City's position on affordable housing, homelessness and social sustainability, as set out in A City For All, the social sustainability strategy, as well as Housing for All, the City's housing strategy.

Risks

29. This recommendation is within the City's risk appetite, which states:
- (a) We make decisions that align with our corporate objectives, policies and strategies and are committed to conducting our activities in full compliance with applicable laws, regulations and relevant industry standards.
 - (b) We foster a culture of ethics, integrity and responsible behaviour across our organisation. By creating a strong ethical foundation, we aim to minimise the likelihood of reputation-damaging incidents and enhance our ability to respond effectively when challenges arise.
 - (c) The City has a responsibility to ensure that it has sufficient resources in the short, medium and long term to provide the levels of service that are both affordable and considered appropriate by the community.
30. The City has a responsibility to manage the distribution of public money to community through an open and transparent process. The Grants Policy and Guidelines documents provide this transparency and allows for public input.

Social / Cultural / Environmental/Economic

31. The grants program provides the City with a platform to support social, cultural, economic and environmental initiatives from communities, community organisations and businesses within the local area.

Financial Implications

32. There are no additional financial implications beyond the grant budgets which will be submitted in May 2026 as part of the draft 2026/27 budget and future years' forward estimates. The grants budget is included in the long term financial plan.

Relevant Legislation

33. Section 356 of the Local Government Act 1993 regulates how financial assistance can be given by local councils.
34. As part of the Local Government Act 1993 and Integrated Planning and Reporting requirements, the City is required to exhibit changes to its grants program.
35. The Grants Policy provides the governance framework for how the City of Sydney's grants program is managed, and how decisions are made. As set out in the Policy, the Guidelines provide details about each of the grant programs including funding priorities, key dates, funding available, eligibility criteria, application processes and assessment criteria. The Policy and Guidelines ensure that the City of Sydney meets the requirements of section 356 of the Local Government Act 1993 in relation to its grants and sponsorship programs.

Critical Dates / Time Frames

36. The proposed changes to the Grants Policy and Guidelines will be implemented for the 2026/27 financial year subject to adoption by Council.

Public Consultation

37. Changes have been informed by feedback provided by applicants through surveys, engagement workshops held with applicants and extensive consultation with City of Sydney staff.
38. This report seeks Council approval to place the draft Grants Policy and Guidelines on public exhibition from mid December 2025 to late February 2026, for a minimum of 28 days.
39. An engagement and communications plan will be developed to clearly communicate proposed changes, including with priority communities, during public exhibition and as part of implementation and will be delivered in mid-2026 prior to the funding rounds opening. This will include in person advice on applying, tailored brief videos on key areas such as budgets, writing project proposals and support material and more case studies demonstrating best practice in grant writing. These resources will reflect our diverse communities.

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