Integrated Planning and Reporting Program and Budget 2026/27 – Adoption

File No: X127618

Summary

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

Council adopted Sustainable Sydney 2030–2050 Continuing the Vision on 27 June 2022 which continues our vision for a more sustainable future. The City incorporated this vision into the integrated planning and reporting framework and developed a suite of documents to support the key directions, targets and major objectives within the Community Strategic Plan Delivering Sustainable Sydney 2030–2050. The community strategic plan was refreshed in 2025.

The draft operational plan 2026/27 provides an annual instalment of the City's delivery program 2025–2029 and identifies the specific plans and activities to be undertaken during the forthcoming year to achieve the deliverable outcomes. It also contains the draft operating budget, capital budget and revenue policy including the proposed rates, waste and stormwater charges along with the other proposed user fees and charges for the year.

The draft resourcing strategy 2026 supports the activities outlined in the delivery program. It comprises a long-term financial plan, a people (workforce) strategy, asset management planning including an asset management strategy and policy and a community asset management plan and an information and technology strategy. An updated community engagement strategy, including the community participation plan, is also included within the resourcing strategy, articulating the City's objectives and approach to community engagement. The resourcing strategy demonstrates the City's commitment and capacity to deliver the strategic outcomes in a planned manner to ensure the long-term financial sustainability of the Council.

These documents were endorsed by Council on 11 May 2026 and placed on public exhibition from 19 May to 15 June 2026 in accordance with the requirements of the Local Government Act 1993. 33 submissions were received on these documents.

The details of the various issues raised have all been assessed by relevant staff across the organisation.

A summary of the issues raised in the submissions, together with responses and staff recommendations, are all included in Attachment C.

This report recommends that this suite of Integrated planning and reporting documents, as attached to this report, are either endorsed or adopted in accordance with the requirements of the Local Government Act 1993.

Recommendation

It is resolved that:

(A) Council note the submissions received from the community, and staff responses, on the exhibited suite of the Integrated planning and reporting documents as shown at Attachment C to the subject report;

(B) Council note the proposed changes to the documents, including fees and charges, as incorporated within the operational plan and resourcing strategy, and set out in Attachment D to the subject report;

(C) Council adopt the Operational Plan 2026/27, as shown at Attachment A to the subject report;

(D) Council adopt the long term financial plan, asset management planning documents consisting of the asset management strategy (including the asset management policy) and the community asset management plan, community engagement strategy and community participation plan, and the information and technology strategy within the Resourcing Strategy 2026, as shown at Attachment B to the subject report;

(E) Council endorse the people strategy (workforce management strategy) within the Resourcing Strategy 2026, as shown at Attachment B to the subject report;

(F) Council adopt the draft operating and capital budgets and future years' forward estimates as reflected in the operational plan 2026/27 and resourcing strategy 2026 including:

   (i) Operating income of $776.4 million, operating expenditure before depreciation of $671.1 million for an operating result of $105.3 million, and a net result of $95.7 million after allowing for interest, depreciation and capital contributions;

   (ii) Capital works expenditure of $265.2 million and a capital works contingency of $8.0 million;

   (iii) Plant and assets net expenditure of $18.0 million;

   (iv) Capital works (technology and digital services) of $25.5 million; and

   (v) the updated Net property divestments of $115.6 million;

(G) Council adopt the rates, domestic waste management charges, stormwater charges and user fees and charges included within the Operational Plan 2026/27; and

(H) authority be delegated to the Chief Executive Officer to make minor amendments for clarity or correction of drafting errors, and to finalise design, artwork and accessible formats for publication prior to publication.

Attachments

Attachment A. Operational Plan 2026/27

Attachment B. Resourcing Strategy 2026

Attachment C. Summary of Public Exhibition Submissions

Attachment D. Register of Proposed Changes to Draft Integrated Planning and Reporting Documents

Background

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

2. These documents are underpinned by a resourcing strategy including a long-term financial plan, asset management planning including an asset management strategy and policy and a community asset management plan, workforce (people) strategy and an information and communication technology strategy, to demonstrate that Council has adequate resources to achieve the planned outcomes while ensuring the council's long-term sustainability for the community and stakeholders.

3. Council adopted Sustainable Sydney 2030–2050 Continuing the Vision on 27 June 2022 which continues our vision for a more sustainable future, along with our Community Strategic Plan Delivering Sustainable Sydney 2030–2050 which guides the development and planning for the City of Sydney local government area. The community strategic plan was refreshed in 2025. It builds on the work undertaken thus far to realise Sustainable Sydney 2030–2050, responds to relevant global trends and policy frameworks, encapsulates our communities' values and aspirations and is underpinned by research and analysis of data. As the highest-level plan within the integrated planning and reporting framework, it provides the mechanism for the implementation of the vision for our city.

4. On 11 May 2026, Council endorsed a draft operational plan and draft resourcing strategy to be placed on public exhibition for public comment from 19 May 2024 to 15 June 2026 in accordance with the requirements of the Local Government Act 1993.

Operational plan and resourcing strategy

5. The Plans were made available through the City's Sydney Your Say website, which had 1,276 page views and 647 downloads of the operational plan and resourcing strategy combined. the consultation also included:

   (a) notification of the exhibition to 3,620 subscribers to the City's Sydney Your Say e-newsletter on 19 May 2026.

   (b) City of Sydney News to 5,226 subscribers on 19 May 2026.

   (c) City of Sydney library news to 24,367 subscribers on 20 May 2026.

   (d) City of Sydney Green Square news to 2,600 subscribers on 26 May 2026..

   (e) Ultimo Community Centre to 1,177 subscribers on 27 May 2026

   (f) Juanita Nielsen Community Centre newsletter to 1,511 subscribers on 3 June 2026.

   (g) Ron Williams Community Centre newsletter to 611 subscribers on 4 June 2026.

(h) Posters displayed in city community centres.

6. The City received 33 submissions through a combination of the Sydney Your Say website, direct email submissions, phone calls and emails sent to councillors.

Post exhibition changes

7. All submissions have been internally reviewed, with staff recommending 1 clarification change to the exhibited content of the draft plans. The issues raised in the submissions, together with the responses and staff recommendations, are included in Attachment C.

8. Minor amendments to correct administrative errors and improve the clarity of the documents have also been made to the operational plan and resourcing strategy, including minor changes to the draft fees and charges 2026/27.

9. Other changes to fees and charges are updates to statutory fees as set by legislation released after the draft plans were placed on exhibition.

10. The total net property divestments has been updated to reflect the change in timing of a major transaction.

11. A register of the proposed changes is provided at Attachment D.

12. The proposed suite of Integrated planning and reporting documents to be adopted, including the 2026/27 budgets and incorporating the setting of the rates in accordance with the requirements of the Local Government Act 1993, are attached to this report.

Key implications

Strategic alignment – Sustainable Sydney 2030–2050 Continuing the Vision

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

Organisational impact

14. The operational plan and resourcing strategy actions will be implemented during the 2026/27 financial year. The organisation's resources will be aligned to the priorities identified for the 10 years, 4-year and one-year periods of those plans.

Risks

15. This approach is within the City's risk appetite, which states:

- 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.

- We maintain a cautious appetite to financial risks, aiming to minimise the likelihood and impact of significant financial losses. We prioritise the protection of our financial resources and our long-term financial sustainability. We strive to ensure that our financial decisions are well informed, based on sound financial analysis and are aligned with our strategic objectives.

- We assess our capacity to absorb financial losses and maintain sufficient financial resources to mitigate the impact of most unexpected events.

- We have minimal appetite for operating deficits as our operating surpluses are the primary source of funds to renew our assets and our capital works program.

Social / Cultural / Community

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

17. The operational plan and resourcing strategy support the achievement of the desired social, cultural, economic and environmental outcomes contained within the community strategic plan.

Financial Implications

18. The proposed 2026/27 budget projects an operating result, prior to interest income, depreciation, capital project related costs and capital contributions, of $105.3 million.

19. Operating Income is budgeted at $776.4 million with full details provided in the operational plan and the long-term financial plan.

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

21. The Independent Pricing and Regulatory Tribunal (IPART) determined that the City of Sydney's general income may increase by a maximum 5.6% rate in 2026/27.

22. For the 2026/27 year, the following components have been endorsed for the City:

    Core rate peg of 2.9%

    Population growth factor is 2.7%

    resulting in a total allowed rate peg increase of 5.6%.

23. The rates and annual charges include the following key elements:

    (a) rates will be based upon the 1 July 2025 unimproved land valuations as supplied by the Valuer General of NSW;

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

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

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

(iii) Business – CBD (Central Business District) rate - a business subcategory rate for rateable land in the central business district as a centre of activity, as shown in the map contained within the draft operational plan 2026/27.

24. The proposed rates for the 2026/27 rating year are:

Category/Subcategory	**Minimum Rate ($)**	**Ad valorem** **(rate in the dollar)**
Residential - Ordinary Rate	$ 734.80	0.00101133
Business - Ordinary Rate	$ 940.30	0.00306662
Business subcategory - CBD Rate	$ 940.30	0.00740613

Reserves

25. The long-term financial plan incorporates the City's cash reserves, including all the external restrictions required by legislation to quarantine funds raised for specific purposes, including developer contributions, security deposits, and domestic waste and stormwater charges. It also incorporates internal restrictions where Council has resolved to set specific funding aside for employee leave entitlements, asset replacement, and significant strategic commitments such as the Supported Accommodation Affordable and Diverse Housing Fund. The amounts in these reserves are reported to Council as part of the quarterly reporting process.

Relevant legislation

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

Critical dates / time frames

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

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

29. Council must publish a copy of its operational plan on its website within 28 days after the plan is adopted.

Options

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

Public consultation

31. This suite of integrated planning and reporting documents reflects the vast amount of public consultation and engagement undertaken with the City's community and other interested stakeholders in developing the original Sustainable Sydney 2030 Vision.

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

33. A community insights report analysed more than 13,500 pieces of community feedback across 27 key consultation projects between 2022 and 2024 to understand and confirm if community values and priorities have changed.

34. This report, presented to council in 2025 brought together what we heard from the community during our extensive community engagement program over the prior 2 years. The outcomes from that engagement helped inform the refresh of the community strategic plan in 2025 and in turn, the objectives in the underlying delivery program and operational plan.

35. Council is required to exhibit the draft Operational Plan 2026/27, including its revenue policy and budgets for 28 days. The City elects to exhibit all of the draft resourcing strategy at the same time even though it is not a legislative requirement for all components to be exhibited.

36. During the exhibition period, the community were invited to make comments and submissions regarding the plans. The City utilised the Sydney Your Say community engagement platform to seek responses on the draft plans. All submissions received by the City have been considered and assessed against the draft planning documents.

37. Summary details of the submissions and responses are provided in Attachment C.

JEAN-MICHEL CARRIERE

Executive Director Finance and Procurement