

# **Attachment A**

**Revised Operational Plan 2019/20**

# Revised Operational Plan 2019/20



# Contents

Introduction	3
Amended 2019/20 Annual Budget	6
Expanded Grants and Support Program	12

# Introduction

The City of Sydney is the epicentre of the Australian economy and cultural and creative institutions, and the Council has a responsibility to the health and wellbeing of our community – to our residents, to business, to artists and creatives living and working in our city, and to the institutions that support them. We also bear a responsibility to the most vulnerable and marginalised members of our community, and to the organisations that continue to support them during this difficult time.

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## Revised Operational Plan<sup>1</sup>

The COVID-19 pandemic is an unprecedented public health crisis which is causing an economic crisis. Unemployment is forecast to rise, with job losses impacting sectors particularly concentrated in our city community, such as accommodation and food services, retail trade, arts and recreation services, construction and professional services.

In response to this crisis the City of Sydney has revised its Operational Plan to reflect changes to our current year budget arising from the City's support and stimulus package responding to the COVID-19 pandemic.

The revised Operational Plan 2019/20 includes the amended budget and grants program for 2019/20. The proposed grants programs were supported at an extraordinary council meeting on 30 March 2020 and include immediate and future support for business, our cultural and creative industries and our community provided in the following pages.

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## Small Business, Cultural and Creative Support Packages

The City has proposed two phases of measures to support business and the economy. The estimated value of the total package of support is \$72.5 million.

Our actions are intended to complement the stimulus and support measures of the State and Federal Government and to leverage the resources of Council to ensure the safety and survival of our business, cultural and community sectors.

These measures are designed to enable organisations and businesses to adapt to a rapidly evolving context, to support their resilience so they are well positioned to bounce back once this is over and use our own resources to generate employment and provide relief to those most affected.

### Phase One

The City of Sydney's initial package put forward on 9 March 2020 and endorsed by Council on 30 March 2020 was valued at up to \$25 million and supports businesses to reduce the financial impact of COVID-19. It included the following measures which were to be in place for an initial period of six months:

- a. waiving fees for Health and Building compliance activities;
- b. reviewing rents in conjunction with tenants in City premises for those tenants that require support on a case-by-case basis;

<sup>1</sup> This document should be read in conjunction with the adopted Operational Plan 2019/20, available on the City of Sydney website at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

- c. waiving standard contractual terms and return venue booking and banner fees to people and organisations who have booked City of Sydney venues and banners and are now unable to proceed with their bookings;
- d. waiving footway dining, market permit and filming fees on the grounds of hardship; and
- e. a flexible approach to parking and other infringements.

The City will work with our major business partners and contractors, whether or not services continue to be provided in their current form, to support them as much as possible so they can maintain business continuity in the long term.

The City implemented policy changes in addition to the financial support (some of which can no longer be implemented due to changes in health advice) including:

- working with businesses to facilitate the expansion of their outdoor dining areas to enable social distancing and enable them to increase or introduce take away food options;
- only taking enforcement action for matters that present an imminent public, environmental, health or safety risk; and
- enabling supermarkets and other stores to operate their loading docks 24 hours a day so that essential goods can be delivered.

Since these measures were undertaken, the situation has changed significantly. Increased restrictions on public movement and physical distancing guidelines have forced the closure of restaurants, bars, theatres, clubs and gyms, leading to significant job losses in these sectors. The stimulus and support packages announced by Federal and State Governments seek to provide urgently required access to income support through the bolstered jobseeker allowance and other benefits.

## Phase Two

Phase Two of the City's support measures significantly expands the initial measures with a second package of financial support valued at up to \$47.5 million. It includes immediate and future support for business, cultural and creative industries and our community.

Phase Two was endorsed at an extraordinary council on 30 March 2020 and includes the following actions:

- a. establish a cultural sector resilience grants program to provide support to the not-for-profit organisations and sole traders working in the cultural sector;
- b. direct donations to locally operated sector led funds, Support Act NSW, Artists Benevolent Fund and Actors Benevolent Fund, to provide emergency relief and mental health support to local cultural workers in crisis;
- c. establish a creative fellowships grants program to support artists;
- d. establish a small business grants program to assist businesses with innovation and adaptation;
- e. establish a small business, creative and community concierge service to assist small businesses, not-for-profits and charity groups to access support available to them via the city, state or federal governments;
- f. establish a community hotline that handles inquiries and provides concierge services to residents and community groups seeking information and support;
- g. bring forward future years capital works projects;
- h. provide additional rental support for our Accommodation Grant Program tenants and childcare services by waiving all rent for the next six months;
- i. amend the draft Central Sydney Development Contributions Plan 2020 to adopt a sliding scale for developer contributions;
- j. increase the Quick Response Grants and the Community Support Grants programs; and

- k. make a direct donation to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities;

In addition to the above, grant recipients will be permitted to vary their deliverables under existing grants for the next six months to enable recipients to retain those funds to support the continuing viability of the City's cultural and creative community. Grants may be allocated over multiple financial years.

Council also approved in principal a one-off payment as a contract variation to Belgravia Health and Leisure Group Pty Limited of \$413,000 excluding GST to pay for the salaries and wages of permanent and casual staff employed to work at the City's aquatic centres for a period of two weeks commencing from Saturday 21 March to Friday 3 April 2020 inclusive, with the payment only to be made if Belgravia is not granted assistance from the Federal Government under the package of measures announced on 29 March 2020;

Additionally, Council approved a \$35 million budget variation to increase the CEO contingency to allow allocation of this funding to the appropriate operational budget within the adopted 2019/20 operational budget, in order to achieve a revised Operational Result of \$77.9 million, and a Net Operating Result of \$1.5 million.

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## Support for health, police and emergency workers

Finally, it is critical to support our key health, police and emergency services and other frontline workers to get to work safely and efficiently. The Council has delegated to the Chief Executive Officer authority to take all necessary decisions in relation to the provision of parking for these essential services staff, including making decisions that are contrary to existing Council policies.

This includes the waiving of fees and provision of 24 hour access to our Goulburn Street and Kings Cross car parks and the issue of parking permits where appropriate. These provisions will be in place for up to six months after which time they will be reviewed.

# Amended 2019/20 Annual Budget

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## Financial Impacts of the COVID-19 Pandemic

The City of Sydney will experience a significant financial impact from this crisis. There will be additional operational costs as the City increases cleansing and maintenance regimes, and major losses in revenue as our streets, facilities and operations are impacted.

Closures of all community facilities, such as pools, result in loss of customers. The range of initiatives designed to alleviate financial pressure on small businesses, including a six month hardship waiver of fees for health and regulatory inspections, a discretionary approach to parking fines and rent relief for the City's eligible tenants (on a case by case basis) will significantly lower the City's revenue and impact our financial position.

The breadth and depth of the impact is difficult to assess in this uncertain environment, however initial forecasts estimate potential revenue reductions of up to \$30-35 million for the fourth quarter of 2019/20 and up to a further \$40 million for the first quarter of 2020/21 an impact of around \$75 million within the initial six month period. In addition to this revenue loss, there will also be additional cash flow pressures as the City enters into deferred payment plans for its residents and businesses that need rate relief for the immediate future.

This impact will only increase should the worst of the economic impact continue beyond 30 October 2020.

The City's strong financial management over the past 16 years provides a strong foundation to withstand this once in a generation shock, and provide support to our residents, businesses, creative and community sectors during this time of need.

Council will also be called upon to provide support when the recovery from this crisis is underway. We stand by to work with state government agencies and other bodies to promote and support the delivery of specific events and activities to encourage tourists and visitors back into the City's cultural facilities, restaurants, bars and cafes.

For the present, Council will need to vary its adopted operational budget for 2019/20, which will decrease its planned Net Result.

Our operations were performing in line or better than budgeted up to the arrival of this crisis, however the sheer magnitude of the impact upon our City's economy, including the City's operational revenues for property rentals, licences, parking, enforcement and numerous other fees and charges is unprecedented. The General and CEO Contingency provisions, which each of our budgets set aside to cater for unknown events, are insufficient to address this unforeseeable crisis.

In order to address this crisis and provide this important support, the City has requested that we increase the budget (decrease the budgeted surplus) by \$35 million and vary Council's budgeted Operating Result of \$112.9 million (Net Operating Result of \$36.5M) down to \$77.9 million (Net Operating Result of \$1.5M). This approval will ensure the Chief Executive Officer and staff have sufficient approved budget capacity to continue to procure goods and services in accordance with their authorised delegations for the remainder of the year.

The proposal to bring forward a further \$23 million of capital works into the 2020/21 financial year, is for works budgeted in future years. These amendments will be incorporated into the draft 2020/21 Operational Plan for Council's review and determination.

While there is no doubt these strong measures will help support our business, cultural and community sectors during this crisis, they will leave Council facing difficult decisions on the City's budget and 10 year long term financial plan, which allocates available funds to operational and capital expenditure commitments. Future City budgets will need to balance a reduction in future operational programs, future capital works program, or a combination of both, to ensure the City's long term financial sustainability.

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**City of Sydney**  
Income Statement

Revised Operational Plan 2019/20

	\$'M	2019-20	2020-21	2021-22	2022-23	4 Year Total	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	10 Year Total
<b>Income from Continuing Operations</b>													
Rates & Annual Charges		355.8	364.9	374.3	383.9	1,479.0	393.8	403.9	414.2	424.8	435.7	446.9	3,998.4
Fees		119.8	121.4	124.4	127.4	493.0	130.5	134.0	137.6	141.3	145.2	149.1	1,330.6
Interest Income		14.3	10.7	8.8	11.6	45.5	13.3	12.8	11.6	10.2	8.7	7.6	109.6
Other Income		119.8	124.5	130.0	133.3	507.6	136.6	142.9	147.2	151.6	158.5	164.4	1,408.8
Grants and Contributions provided for Capital Purposes		68.0	59.4	55.2	39.4	222.0	38.7	42.0	41.7	39.7	40.0	40.0	464.0
Grants and Contributions provided for Operating Purposes		14.0	14.3	14.6	14.9	57.8	15.2	15.6	16.0	16.4	16.8	17.2	154.9
<b>Total Income from Continuing Operations</b>		<b>691.7</b>	<b>695.3</b>	<b>707.3</b>	<b>710.5</b>	<b>2,804.8</b>	<b>728.0</b>	<b>751.2</b>	<b>768.2</b>	<b>784.0</b>	<b>804.9</b>	<b>825.2</b>	<b>7,466.3</b>
<b>Expenses from Continuing Operations</b>													
Employee		252.9	256.4	261.4	269.2	1,039.8	277.9	286.0	295.6	304.4	314.9	326.1	2,844.6
Borrowing		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 Contracts		117.9	124.8	129.5	133.8	506.0	137.6	142.1	146.6	151.2	155.9	160.2	1,399.6
Depreciation Expense		107.5	112.0	115.5	116.8	451.8	118.0	121.3	121.8	123.4	123.9	127.4	1,187.7
Other Expenditure		136.0	140.0	139.3	142.8	558.1	143.6	149.2	152.0	156.3	160.9	167.1	1,487.2
Light Rail Contribution to NSW Government		40.9	0.2	0.0	0.0	41.1	0.0	0.0	0.0	0.0	0.0	0.0	41.1
<b>Total Expenses from Continuing Operations</b>		<b>655.3</b>	<b>633.3</b>	<b>645.7</b>	<b>662.6</b>	<b>2,596.8</b>	<b>677.1</b>	<b>698.6</b>	<b>716.0</b>	<b>735.3</b>	<b>755.5</b>	<b>780.9</b>	<b>6,960.2</b>
<b>Net Operating Result for the Year</b>		<b>36.5</b>	<b>62.0</b>	<b>61.7</b>	<b>47.9</b>	<b>208.0</b>	<b>51.0</b>	<b>52.6</b>	<b>52.2</b>	<b>48.8</b>	<b>49.3</b>	<b>44.2</b>	<b>506.1</b>
Additional CEO Contingency Expense due to COVID 19*		35.0				35.0							35.0
<b>Covid 19 Adjusted Net Operating Result for the Year</b>		<b>1.5</b>	<b>62.0</b>	<b>61.7</b>	<b>47.9</b>	<b>173.0</b>	<b>51.0</b>	<b>52.6</b>	<b>52.2</b>	<b>48.8</b>	<b>49.3</b>	<b>44.2</b>	<b>471.1</b>
<b>Net Operating Result (excl Light Rail Contribution)</b>		<b>42.4</b>	<b>62.2</b>	<b>61.7</b>	<b>47.9</b>	<b>214.1</b>	<b>51.0</b>	<b>52.6</b>	<b>52.2</b>	<b>48.8</b>	<b>49.3</b>	<b>44.2</b>	<b>512.2</b>

**Budgeted Income Statement**

\*On 30 March 2020 Council resolved to increase the CEO contingency by \$35M for 2019/20 by in response to the Coronavirus Pandemic. In the coming three months, as areas of Council are impacted by the Pandemic, the Contingency will be transferred to fund any additional expenditure or shortfall in revenue. In early May 2020 Council will approve, for exhibition, the next iteration of the Operational Plan. The further impact on the City's financial position of the Coronavirus Pandemic will be modelled in detail through the associated financial schedules.

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 accounting treatment of the City's \$220M contribution to the NSW Governments Light Rail project (budgeted within the City's capital works program) is reflected as a separate line item in the statement below. The City's operating result is shown below both inclusive and exclusive of this item.

**City of Sydney**  
Detailed Income and Expenditure

Revised Operational Plan 2019/20

	\$'M	2019-20	2020-21	2021-22	2022-23	4 Year Total	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	10 Year Total
<b>Operating Income</b>													
Advertising Income		9.2	12.5	12.8	13.1	47.5	13.4	13.7	14.0	14.3	14.6	15.0	132.4
Annual Charges		56.3	58.0	59.7	61.4	235.5	63.2	65.1	67.0	68.9	70.9	73.0	643.6
Aquatic Facilities Income		1.1	0.5	0.5	0.5	2.5	0.5	0.5	0.5	0.6	0.6	0.6	5.8
Building & Development Application Income		6.1	6.2	6.4	6.6	25.3	6.7	6.9	7.1	7.3	7.6	7.8	68.8
Building Certificate		1.0	1.0	1.1	1.1	4.2	1.1	1.1	1.2	1.2	1.3	1.3	11.4
Child Care Fees		1.7	1.7	1.8	1.8	7.0	1.9	1.9	2.0	2.0	2.1	2.2	19.0
Commercial Properties		77.7	81.5	86.0	88.1	333.2	90.3	95.2	98.1	101.0	106.4	110.7	934.8
Enforcement Income		40.9	41.8	42.8	43.9	169.4	45.0	46.3	47.7	49.1	50.6	52.1	460.2
Grants and Contributions		14.0	14.3	14.6	14.9	57.8	15.2	15.6	16.0	16.4	16.8	17.2	154.9
Health Related Income		1.7	1.7	1.8	1.8	6.9	1.8	1.9	2.0	2.0	2.1	2.1	18.9
Library Income		0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.2	0.2	2.1
Other Building Fees		9.2	9.4	9.6	9.9	38.1	10.1	10.4	10.7	11.0	11.4	11.7	103.5
Other Fees		5.8	5.9	6.1	6.2	24.1	6.4	6.6	6.8	7.0	7.2	7.4	65.5
Other Income		0.6	0.6	0.6	0.7	2.5	0.7	0.7	0.7	0.7	0.8	0.8	6.9
Parking Meter Income		39.4	39.8	40.6	41.4	161.2	42.2	43.1	44.0	44.8	45.7	46.6	427.7
Parking Station Income		10.2	10.5	10.8	11.1	42.7	11.5	11.8	12.2	12.5	12.9	13.3	116.9
Private Work Income		6.5	6.6	6.8	7.0	26.9	7.1	7.4	7.6	7.8	8.0	8.3	73.0
Rates - Business CBD		161.5	165.9	170.0	174.3	671.8	178.6	183.1	187.7	192.4	197.2	202.1	1,813.0
Rates - Business Other		66.0	67.4	69.1	70.8	273.2	72.5	74.4	76.2	78.1	80.1	82.1	736.6
Rates - Residential		71.9	73.7	75.5	77.4	298.5	79.4	81.3	83.3	85.4	87.5	89.7	805.2
Sponsorship Income		0.6	0.6	0.6	0.7	2.5	0.7	0.7	0.7	0.7	0.8	0.8	6.8
Venue/Facility Income		10.9	11.1	11.4	11.7	45.1	12.0	12.3	12.7	13.1	13.5	13.9	122.5
Work Zone		14.9	12.2	12.6	13.0	52.7	13.4	14.0	14.5	15.1	15.6	16.2	141.6
Value in Kind - Revenue		1.9	2.0	2.0	2.1	7.9	2.1	2.2	2.2	2.3	2.4	2.4	21.6
<b>Total Operating Income</b>		<b>609.5</b>	<b>625.1</b>	<b>643.3</b>	<b>659.5</b>	<b>2,537.4</b>	<b>676.1</b>	<b>696.4</b>	<b>715.0</b>	<b>734.1</b>	<b>756.1</b>	<b>777.6</b>	<b>6,892.7</b>
<b>Operating Expenditure</b>													
Salaries and Wages		205.5	207.6	211.1	217.3	841.4	224.4	231.8	239.5	247.6	256.2	265.5	2,306.4
Other Employee Related Costs		2.1	2.2	2.2	2.3	8.8	2.3	2.4	2.5	2.5	2.6	2.7	23.8
Employee Oncosts		6.7	7.0	7.3	7.6	28.6	7.9	8.2	8.5	8.8	9.2	9.5	80.7
Agency Contract Staff		9.2	9.4	9.7	9.9	38.3	10.2	10.5	10.8	11.1	11.5	11.8	104.1
Superannuation		22.2	22.9	23.7	24.5	93.3	25.3	25.1	26.0	25.7	26.6	27.5	249.6
Travelling		0.3	0.3	0.3	0.3	1.3	0.4	0.4	0.4	0.4	0.4	0.4	3.6
Workers Compensation Insurance		4.2	4.2	4.3	4.5	17.2	4.6	4.7	4.8	5.0	5.1	5.3	46.7
Fringe Benefit Tax		0.7	0.7	0.7	0.8	2.9	0.8	0.8	0.8	0.8	0.9	0.9	7.9
Training Costs (excluding salaries)		1.9	2.0	2.0	2.1	8.0	2.1	2.2	2.3	2.3	2.4	2.5	21.8
<b>Salary Expense</b>		<b>252.9</b>	<b>256.4</b>	<b>261.4</b>	<b>269.2</b>	<b>1,039.8</b>	<b>277.9</b>	<b>286.0</b>	<b>295.6</b>	<b>304.4</b>	<b>314.9</b>	<b>326.1</b>	<b>2,844.6</b>

**City of Sydney**  
Detailed Income and Expenditure

Revised Operational Plan 2019/20

	\$'M	2019-20	2020-21	2021-22	2022-23	4 Year Total	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	10 Year Total
<b>Operating Expenditure</b> (continued)													
Bad & Doubtful Debts		0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	0.4	0.4	3.8
Consultancies		5.5	5.6	5.8	5.9	22.8	6.1	6.2	6.4	6.6	6.8	7.0	62.0
Enforcement & Infringement Costs		9.8	10.0	10.3	10.5	40.7	10.8	11.1	11.5	11.8	12.2	12.5	110.6
Event Related Expenditure		15.3	15.6	16.0	16.4	63.2	16.8	17.3	17.8	18.3	18.9	19.4	171.7
Expenditure Recovered		(8.3)	(5.3)	(5.4)	(5.6)	(24.6)	(5.7)	(5.9)	(6.1)	(6.2)	(6.4)	(6.6)	(61.6)
Facility Management		6.5	6.6	6.8	6.9	26.7	7.1	7.3	7.5	7.8	8.0	8.2	72.7
General Advertising		1.8	1.8	1.9	1.9	7.5	2.0	2.0	2.1	2.2	2.2	2.3	20.3
Governance		2.1	3.7	2.2	2.2	10.2	2.3	4.0	2.4	2.5	2.6	4.3	28.3
Government Authority Charges		7.3	7.4	7.6	7.8	30.1	8.0	8.2	8.5	8.7	9.0	9.3	81.7
Grants, Sponsorships and Donations		16.9	20.3	17.7	18.2	73.1	18.7	19.3	19.8	20.4	21.1	21.7	194.1
Infrastructure Maintenance		42.4	44.1	45.8	47.3	179.5	48.5	49.9	51.4	52.8	54.4	56.0	492.5
Insurance		3.2	3.3	3.3	3.4	13.2	3.6	3.7	3.8	3.9	4.0	4.1	36.2
IT Related Expenditure		13.1	13.4	13.7	14.1	54.3	14.4	14.8	15.3	15.8	16.2	16.7	147.6
Legal Fees		4.2	4.3	4.4	4.5	17.5	4.6	4.8	4.9	5.1	5.2	5.4	47.6
Operational Contingencies		5.5	3.5	3.5	3.5	16.0	3.5	3.5	3.5	3.5	3.5	3.5	37.0
Other Asset Maintenance		2.6	2.3	2.3	2.4	9.6	2.5	2.5	2.6	2.7	2.8	2.8	25.5
Other Operating Expenditure		12.8	12.0	12.3	12.6	49.8	10.2	10.5	10.8	11.2	11.5	11.8	115.8
Postage & Couriers		1.6	1.6	1.7	1.7	6.5	1.7	1.8	1.8	1.9	2.0	2.0	17.8
Printing & Stationery		2.2	2.3	2.3	2.4	9.2	2.4	2.5	2.6	2.7	2.7	2.8	24.9
Project Management & Other Project Costs		1.3	1.3	1.4	1.4	5.4	1.4	1.5	1.5	1.6	1.6	1.7	14.7
Property Related Expenditure		29.6	31.3	32.3	33.2	126.3	34.0	35.0	36.1	37.2	38.3	39.4	346.4
Service Contracts		18.1	19.1	20.4	21.7	79.4	22.8	23.9	25.1	26.3	27.3	28.0	232.6
Stores & Materials		5.3	5.4	5.6	5.7	22.0	5.9	6.0	6.2	6.4	6.6	6.8	59.9
Surveys & Studies		2.4	2.4	2.5	2.5	9.8	2.6	2.7	2.8	2.8	2.9	3.0	26.7
Telephone Charges		2.8	2.8	2.9	3.0	11.5	3.1	3.2	3.3	3.3	3.4	3.6	31.4
Utilities		12.6	13.0	13.3	13.7	52.6	14.1	14.5	15.0	15.4	15.9	16.4	144.0
Vehicle Maintenance		2.8	2.9	2.9	3.0	11.6	3.1	3.2	3.3	3.4	3.5	3.6	31.5
Waste Disposal Charges		22.1	22.7	23.4	24.1	92.3	24.8	25.6	26.4	27.1	28.0	28.8	253.0
Value in Kind - Expenditure		1.9	2.0	2.0	2.1	7.9	2.1	2.2	2.2	2.3	2.4	2.4	21.6
<b>Expenditure</b>		<b>243.6</b>	<b>255.8</b>	<b>259.3</b>	<b>267.1</b>	<b>1,025.8</b>	<b>271.7</b>	<b>281.8</b>	<b>288.9</b>	<b>297.7</b>	<b>306.8</b>	<b>317.3</b>	<b>2,789.9</b>
<b>Total Operating Expenditure (Excl Depreciation)</b>		<b>496.6</b>	<b>512.2</b>	<b>520.6</b>	<b>536.2</b>	<b>2,065.6</b>	<b>549.6</b>	<b>567.8</b>	<b>584.5</b>	<b>602.1</b>	<b>621.6</b>	<b>643.4</b>	<b>5,634.5</b>
<b>Operating Result (Before Depreciation, Interest, Capital-Related Costs and Capital Income)</b>		<b>112.9</b>	<b>112.9</b>	<b>122.7</b>	<b>123.2</b>	<b>471.8</b>	<b>126.5</b>	<b>128.6</b>	<b>130.5</b>	<b>132.0</b>	<b>134.5</b>	<b>134.2</b>	<b>1,258.1</b>

	\$'M	2019-20	2020-21	2021-22	2022-23	4 Year Total	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	10 Year Total
Operating Surplus/(Deficit)		112.9	112.9	122.7	123.2	471.8	126.5	128.6	130.5	132.0	134.5	134.2	1,258.1
Additional CEO Contingency Expense due to COVID 19*		35.0				35.0							35.0
Operating Surplus/(Deficit)		77.9	112.9	122.7	123.2	436.8	126.5	128.6	130.5	132.0	134.5	134.2	1,223.1
<b>Add Additional Income:</b>													
Interest		14.3	10.7	8.8	11.6	45.5	13.3	12.8	11.6	10.2	8.7	7.6	109.6
Grants and Contributions provided for Capital Purposes		68.0	59.4	55.2	39.4	222.0	38.7	42.0	41.7	39.7	40.0	40.0	464.0
<b>Less Additional Expenses:</b>													
Capital Project Related Costs		10.3	9.0	9.5	9.5	38.3	9.5	9.5	9.8	9.8	10.0	10.1	96.9
Depreciation Expense		107.5	112.0	115.5	116.8	451.8	118.0	121.3	121.8	123.4	123.9	127.4	1,187.7
Light Rail Contribution to NSW Government		40.9	0.2	0.0	0.0	41.1	0.0	0.0	0.0	0.0	0.0	0.0	41.1
Net Operating Surplus/(Deficit)		1.5	62.0	61.7	47.9	173.0	51.0	52.6	52.2	48.8	49.3	44.2	471.1

# Expanded Grants and Support Program

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## Cultural and Creative Sector Support

In the 2019/20 financial year the City budgeted \$4.8 million for existing grants programs to support cultural and creative organisations. In light of the disproportionate impact of the crisis on artists and creatives council has proposed an increase in that figure to \$8.3 million, honouring existing grants regardless of whether the organisation is able to deliver its program, to support the viability of the sector and establishing three new grants programs:

- a. The Cultural Sector Resilience Grant Program, valued at \$2.25 million. This program will provide immediate financial support to the not-for-profit and sole traders working in the cultural sector who are often reliant on individual grant rounds and project based funds to maintain their minimal staff and to pay their artists. Institutions can apply for funds, including to curate creative development programs with groups of artists.
- b. The Sector-Led Crisis Support Donations, valued at \$250,000. This will provide direct donations to existing, locally operated, online platforms Support Act NSW, the Artists Benevolent Fund and the Actors Benevolent Fund, who are raising funds to provide emergency relief and mental health support to local cultural workers in crisis.
- c. The Creative Fellowships Fund, valued at \$1 million. This fund will support artists to engage in creative development of works and initiatives driven by the cultural sector, and to purchase materials and equipment. The works can be presented during or after the crisis has passed.

Cultural and creative organisations who receive an Accommodation Grant, including artists in Live-Work Creative spaces, will receive additional support with the waiving of all rent for the next six months.

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## Support for Small Business

In this rapidly changing context, many businesses are struggling to trade. This relates particularly to businesses impacted by physical distancing measures, such as gyms, retail, cafes, restaurants and bars.

This pandemic is incomparable to any other situation faced by small businesses in the city, and is reflected in the size and scale of Federal and State Government stimulus packages to this important sector of our economy.

The City proposes to implement the following measures to assist businesses to either adapt to an operating model that is safe, abides by appropriate physical distancing requirements and generates income, or to support them to use a period immediately following shutdown to undertake improvements to their premises or operating systems.

The Small Business Grants Program, valued at \$2 million will support businesses with innovation and adaptation grants to:

- Modify their operating model to produce income and supply products or services to address a current or emerging demand in the market;
- Develop online and e-commerce capabilities;
- Undertake training and professional development to better prepare for return to business activities; and

- Invest in capital works to position the business to benefit from the economic recovery

Under the Small Business, Creative and Community Concierge Service, City staff will develop a concierge service to offer advice to small businesses, not-for profit organisations, charities and sole-traders on the support available from the City and direct them to appropriate State and Federal support packages, assisting them to navigate this difficult time. A concierge team will work in consultation with the State Government to ensure the City's service is complementary to that offered by the State.

It is also important that we support our service providers who have had to cease providing those services because of the Federal Government's pandemic response measures.

Belgravia Leisure are a major contractor to the City, managing and operating our five aquatic leisure centres. They are also a key employer with approximately 360 staff working across the five centres. The Council approved one-off payment as a contract variation to Belgravia Health and Leisure Group Pty Limited of \$413,000 excluding GST to pay for the salaries and wages of permanent and casual staff employed to work at the City's aquatic centres for a period of two weeks commencing from Saturday 21 March to Friday 3 April 2020 inclusive, with the payment only to be made if Belgravia is not granted assistance from the Federal Government under the package of measures announced on 29 March 2020.

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## Community Sector Support

The City currently provides \$2.2 million through the Community Grants Programs. The call on these services is anticipated to increase as the implications of social distancing and isolation wears on. With the increasing closure of essential services, a reduction in volunteers, and the disconnection of existing groups with limited digital access, our vulnerable community members are significantly at risk.

To support the community sector through this crisis, the City will be increasing the City's Quick Response Grants by \$500,000 and Community Service Grants by \$1.5 million to assist organisations to meet the current priority

areas of digital inclusion and social connection to support our vulnerable residents. The cap on the City's Quick Response Grant will also be increased from \$2000 to \$5000.

Additional rental support is proposed for our Accommodation Grant Program cultural and community tenants and childcare service tenants, by waiving all rent for the next six months, on a case by case basis. This is estimated to cost \$1 million.

The previously announced rebate for the City's commercial property tenants is now expected to rise to \$16 million. We will provide rent relief for eligible tenants in Council owned properties for up to six months, assessed in accordance with guidelines established by the City on a case by case basis.

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## Food security and other essential goods and services

As charities and community groups gear up to support the growing number of unemployed and vulnerable, they are finding their normal suppliers of food and goods are diminishing and their volunteers who are often older and at risk are no longer able to assist.

Given the urgency, a partnership has been established between food suppliers and Oz Harvest, an organisation with a well-established food distribution model and physical infrastructure within the City of Sydney. Oz Harvest has indicated that with support, they can adapt their service model quickly.

The Council will donate \$1 million to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities. Oz Harvest is working collaboratively with other charitable organisations such as Food Bank and Youth Off the Streets.

## Revised Grants Program

### Current Grants Program

Current Grants Program 2019/20 – Cash	\$13,124,044	(includes bushfire donations at \$620K)
Current Grants Program 2019/20 – Value in Kind	\$6,198,128	(includes Accommodation Grant Program + banners + venues)
	\$19,322,172	

### Revised Grants Program\*

Increase approved at Council – Cash	\$8,500,000	(includes donations)
Revised Total Grants Program 19/20 – Cash	\$21,624,044	(includes bushfire donations at \$620K)
Revised Grants Program 2019/20 – Value in Kind	\$6,198,128	(includes Accommodation Grant Program + banners + venues)
	\$27,822,172	

\* Grants may be allocated over multiple financial years.

#### Existing grants programs names:

- Cultural and Creative Grants and Sponsorship
- Festivals and Events Sponsorship
- Business Support Grant
- Commercial Creative and Business Events Sponsorship
- Environmental Performance Grants
- Community Services Grant
- Affordable and Diverse Housing Fund
- Matching Grant
- Knowledge Exchange Sponsorship
- Quick Response Grant
- Accommodation Grant
- Creative Spaces Grant
- Short Term Empty Properties Grant
- Venue Hire Support Grants and Sponsorship
- Street Banner Sponsorship

#### New grants programs proposed:

- Small Business Grants
- Cultural Resilience Fund
- Creative Fellowships Fund

#### Budgets increasing for existing grants programs approved at Council 30 March 2020:

- Community Services Grant
- Quick Response Grants

