

## Integrated Planning and Reporting Program and Budget 2022/23 - Adoption

**File No: X084366**

### 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 maintains its core functions, services and assets, and remains financially sustainable over the long term.

A vision for the city in the three decades to 2050 was developed and is set out in Sustainable Sydney 2030-2050 Continuing the Vision. A draft Community Strategic Plan - Delivering Sustainable Sydney 2030-2050 was also developed which provides the mechanism to implement the vision. These documents were endorsed by Council on 11 April 2022 and placed on public exhibition from 12 April to 23 May 2022.

A total of 407 responses were received, including 365 responses to a survey on Sydney Your Say and 42 submissions on these documents. The overwhelming feedback from the public has been to endorse the vision and directions as set out in Sustainable Sydney 2030-2050 Continuing the Vision and the Community Strategic Plan.

On 16 May 2022, Council then endorsed the remaining suite of Integrated Planning and Reporting documents, including a draft Delivery Program, draft Operational Plan and draft Resourcing Strategy, to be placed on public exhibition for public comment from 17 May 2022 to 13 June 2022 in accordance with the requirements of the Local Government Act 1993. A further 17 submissions were received on these documents.

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

As previously advised, the Minister for Local Government responding to NSW councils' concerns over the level of the Independent Pricing and Regulatory Tribunal (IPART) determined rate peg of 0.7 per cent (and an additional 0.7 per cent for the City's past population growth), announced an additional special rates variation mechanism for the 2022/23 financial year. Council resolved in April 2022 to apply for a permanent increase of 2.5 per cent for the 2022/23, and future financial years, in line with its existing long term financial plans. As Council is still awaiting IPART's determination on this application, the draft Operational Plan and Resourcing Strategy presume approval, but also includes alternative financial scenarios without the potential rates increase. IPART has advised that it will provide a final determination by 21 June 2022, which will enable the City to finalise the documents and recommendations ahead of the Council meeting on 27 June 2022.

## Recommendation

It is resolved that the Corporate, Finance, Properties and Tenders Committee:

- (A) note that the City is awaiting a final determination from the Independent Pricing and Regulatory Tribunal in relation to its application for a 2.5 per cent increase in rates for 2022/23;
- (B) note the proposed draft resolutions to be recommended to Council; and
- (C) note that a final version of recommended resolutions and updated documents will be provided by way of an Information Relevant To Memorandum following the receipt of the Independent Pricing and Regulatory Tribunal's final determination.

## Draft Council Recommendation

It is resolved that:

- (A) Council note the Engagement Report for Sustainable Sydney 2030-2050 Continuing the Vision and Community Strategic Plan, as shown at Attachment G to the subject report
- (B) 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 F to the subject report;
- (C) Council endorse Sustainable Sydney 2030-2050 Continuing the Vision, as shown at Attachment A to the subject report;
- (D) Council endorse the Community Strategic Plan Delivering Sustainable Sydney 2030-2050, as shown at Attachment B to the subject report;
- (E) Council adopt the 2022-2026 Delivery Program, as shown at Attachment C to the subject report;
- (F) Council adopt the Operational Plan 2022/23, as shown at Attachment D to the subject report;
- (G) Council adopt the Resourcing Strategy 2022, including the draft Operating and Capital Budgets and future years' forward estimates, as shown at Attachment E to the subject report;
- (H) Council note that the 2022/23 budgets include:
  - (i) Operating income of \$651.1M, operating expenditure before depreciation of \$530.1M for an Operating Result of \$121.0M, and a Net Operating Surplus of \$77.1M after allowing for interest income, depreciation and capital contributions;

- (ii) Capital Works expenditure of \$202.1M; including a capital contingency of \$10.0M;
  - (iii) Plant and Assets net expenditure of \$19.9M; including Information Technology Capital Works of \$7.0M; and
  - (iv) Net Property Acquisitions of \$147.8M;
- (I) Council adopt one of the two proposed Rating structures as exhibited, being the one that aligns with the Independent Pricing and Regulatory Tribunal's final determination;
  - (J) Council note the proposed changes to the fees and charges, as incorporated within the Operational Plan, and set out in Attachment H to the subject report;
  - (K) Council approve additional funding for the Blackwattle Playground, Park on Lyons and Woolworths Façade Remediation capital works projects from the relevant asset renewal provisional capital budgets for 2022/23, as set out in the subject report; and
  - (L) authority be delegated to the Chief Executive Officer to approve any minor editorial and document design corrections prior to publication.

## **Attachments**

**Attachment A.** Sustainable Sydney 2030-2050 Continuing the Vision

**Attachment B.** Community Strategic Plan - Delivering Sustainable Sydney 2030–2050

**Attachment C.** Delivery Program 2022-2026

**Attachment D.** Operational Plan 2022/23

**Attachment E.** Resourcing Strategy 2022

**Attachment F.** Summary of Public Exhibition Submissions

**Attachment G.** Engagement Report

**Attachment H.** Register of Proposed Changes - Fees and Charges 2022/23

## Background

1. In October 2009, the NSW Government enacted the Local Government (Planning and Reporting) Amendment Act 2009, which set a framework to integrate the various statutory planning and reporting processes as required by the Local Government Act 1993 and the Environmental Planning and Assessment Act 1979.
2. The Integrated Planning and Reporting framework requires a number of strategic planning and resourcing documents, with alignment to the term of the elected council. The requirements include a long term Community Strategic Plan (at least 10 years), a Delivery Program for the term of the council (generally 4 years), and a detailed Operational Plan that will set out council's projects and activities for the coming 12 months.
3. These documents are all underpinned by a Resourcing Strategy, including a long term financial plan, an asset management plan and a workforce plan, to demonstrate councils have adequate resources to achieve the planned outcomes while ensuring the council's long-term sustainability for its community and stakeholders.
4. Sustainable Sydney 2030-2050 Continuing the Vision - a vision for the city in the three decades to 2050 was developed. It builds on the work undertaken thus far to realise Sustainable Sydney 2030, responds to relevant global trends and policy frameworks, encapsulates our communities' values and aspirations and is underpinned by research and analysis of data. The Community Strategic Plan Delivering Sustainable Sydney 2030–2050 was also developed. 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. Both were endorsed by Council on 11 April 2022 and placed on public exhibition from 12 April to 23 May 2022.
5. On 16 May 2022, Council then endorsed the remaining suite of Integrated Planning and Reporting documents, including a draft Delivery Program, draft Operational Plan and draft Resourcing Strategy, to be placed on public exhibition for public comment from 17 May 2022 to 13 June 2022 in accordance with the requirements of the Local Government Act 1993.

## Sustainable Sydney 2030-2050 Continuing the Vision and Community Strategic Plan

6. The documents were made available through the City's Sydney Your Say website from 12 April to 23 May 2022. The page also included additional information, links to engagement reports and the City Talks video. Feedback was invited via a short survey, email or phone. There were 6,862 unique pageviews of the Sydney Your Say page.
7. A comprehensive campaign promoted the public exhibition of Sustainable Sydney 2030-2050 Continuing the Vision and the Community Strategic Plan. This included:
  - (a) City Talk held in Sydney Town Hall on 5 April 2022 featuring the Lord Mayor, the Mayor of London Sadiq Khan and a panel of city thought leaders attended by over 1,000 people
  - (b) briefings to City Advisory Panels and community organisations

- (c) email newsletters to over 30,000 subscribers to Sydney Your Say, City Talks and various City News newsletters
  - (d) A digital marketing campaign to promote and support the consultation reaching 68,288 people.
  - (e) Paid marketing on Instagram, Facebook, Koori Radio and news networks including news.com.au
  - (f) 43 media items over 26 days in print and online media
8. The City received a large number of responses including:
- (a) 365 responses from individuals and organisations to an online survey
  - (b) Open-ended responses provided feedback on
    - (i) Strategic directions (over 200 comments)
    - (ii) Targets (39 comments)
    - (iii) Project ideas (135 comments)
    - (iv) General comments (75 comments)
  - (c) 42 emailed submissions from individuals and organisations that include statements of support as well as detailed submissions that raise a number of issues that have been reviewed and responded to by staff.
9. The overwhelming response from the public has been to endorse the vision and direction set out in Sustainable Sydney 2030-2050 Continuing the Vision and the Community Strategic Plan.
10. 85 per cent of survey respondents agreed or strongly agreed with the 10 strategic directions. There were many general supportive comments as well as comments that supported specific elements of the plan including greening of the city, more action to address climate change, support for walking cycling and public transport, support for culture and creativity in the city, and the importance of affordable housing, including exploring different approaches to addressing the issue. There were points of concern raised by respondents to the survey (although these were in the minority) and points raised that will inform how the city implements the plan.
11. In response to the 10 targets, the majority of comments were supportive. They included suggestions to increase the level of ambition particularly in relation to net zero, greening, and affordable housing targets. This was consistent with the feedback received in the e-mailed submissions. The review and amendment of targets is discussed further below.

12. When asked which of the ten project ideas would be most transformative and should be implemented first, 36 per cent of respondents identified 'The green city - increasing city greening'. This was followed by 19 per cent who identified 'Building on housing for all' and 13 per cent who selected 'Three linked city squares'. Of the 131 comments relating to the project ideas, a large number spoke to the importance of multiple ideas, noting that many overlap and contribute to each other. Many just said "I love them all". The largest number of comments related to greening the city and affordable housing. As well, there was significant support for creating more space for people in the city, including improvements for pedestrians and cyclists and more public transport.
13. Of the 75 general comments received, 35 of these were positive endorsements of the vision or elements of the plan. Over half provided specific feedback on issues. There were very few negative comments.
14. 42 submissions were received and all have been reviewed by staff. A summary of the issues raised in the submissions, together with the responses and staff recommendations, are included at Attachment F. Some of the overarching issues arising from the submissions are expanded on below.
15. The themes, nature and volume of comments that were made in response to the survey or drawn from the submissions were consistent with the main themes that emerged during the consultation undertaken to develop Sustainable Sydney 2030-2050 Continuing the Vision. The highest priority topics included greening the city, response to the climate emergency and affordable housing.
16. There were hundreds of suggestions put forward by members of the public and organisations through the survey responses as well as more detailed submissions. While they may not have changed the documents as published, they will influence how the City implements the Vision and Community Strategic Plan. All the suggestions and comments will be forwarded to relevant City staff for consideration as projects are developed and implemented.
17. A number of submissions, as well as many comments provided through the survey, recommended the City accelerate some of its targets. This includes the adoption of net zero by 2030, the acceleration and/or increase to greening and canopy targets and the acceleration and/or increase to affordable and social housing targets.
18. Each of these targets has been developed based on the best data, policy or other relevant information available at this time. On that basis, staff have recommended that the targets remain unchanged. However, it is acknowledged that circumstances change. There is a new Federal Government for example and energy and climate policy settings may materially change as a result. Council is required to review its 10-year community strategic plan every 4 years, as part of the role of the incoming council after council elections. This provides Council the opportunity to adjust and refine targets based on information available at that time. Progress towards the achievement of targets and/or significant changes in policy settings at a national or state level may provide sufficient rationale for such a change at that future time.

19. Several submissions included the Coalition Caring for Community Centres (4Cs) recommendations to improve community facilities in the local area. These recommendations have previously been submitted to Council. Additional positions and funding have been included in the Long-Term Financial Plan from financial year 2022/23 to increase staffing and programming across the City's network of community facilities. Further, the Lord Mayor has convened discussions with a range of community groups to hear and address their concerns regarding the use of community facilities. This engagement will continue. As these processes are well underway, no additional change was recommended to the Community Strategic Plan.
20. A number of submissions raised concerns about development led by the NSW Government in their area, specifically around Central Station and that associated with the Pyrmont Peninsula Place Strategy. The submissions expressed a desire for protection of valued neighbourhoods, and the need for communities to be engaged by the NSW Government in the changes that were occurring around them.
21. A report which provides the detail of the engagement, media and marketing activities and outcomes is included at Attachment G.
22. Sustainable Sydney 2030-2050 Continuing the Vision is included at Attachment A. It remains unchanged from the exhibition version.
23. The Community Strategic Plan Delivering Sustainable Sydney 2030-2050 is included at Attachment B. Minor amendments to correct administrative errors, ensure it is consistent with other Integrated Planning and Reporting documents and improve the clarity of the documents have been made to the Community Strategic Plan. Some minor additions to strategic outcomes have been included as a result of public feedback. All changes are shown in the attached document using track changes.

### **Delivery Program, Operational Plan and Resourcing Strategy**

24. The Plans were made available through the City's Sydney Your Say website, which had 829 unique visits and 175 downloads of the Delivery Program and Operational Plan. The consultation also included
  - (a) notification of the exhibition to 7,172 subscribers to the City's Sydney Your Say e-newsletter.
  - (b) City of Sydney news 15,651 on the 24 May 2022
  - (c) City of Sydney news 16,193 on the 31 May 2022
25. The City received submissions through the Sydney Your Say website with 11 survey responses and six direct email submissions covering several topics. All submissions have been internally reviewed, with staff recommending the exhibited content of the draft plans remain unchanged as a result of the submissions received.
26. The issues raised in the submissions, together with the responses and staff recommendations, are also included in Attachment F.
27. Minor amendments to correct administrative errors and improve the clarity of the documents have also been made to the Delivery Program and Operational Plan.

28. Track change versions of the document have been attached to this report to show changes to the content of the documents. Changes in line with the City's editorial guidelines, such as de-capitalisation (changing from upper to lower case), replacing spelt numbers with numbers and removing or adding full stops and ampersands have not been included in the track changes to improve readability.
29. A register of proposed minor changes to the draft Fees and Charges 2022/23 is provided at Attachment H. These include a number of changes to fee descriptions providing enhanced clarity, alignment of fees, updating statutory fees as set by legislation and introducing a new discounted fee with a \$0.00 to \$15.00 range for volunteer groups that provide direct assistance to vulnerable communities using community halls.
30. The draft Grants and Sponsorship program included in the Operational Plan 2022/23 attached to the Public Exhibition – Integrated Planning and Reporting Program and Budget 2022/23 Council paper did not align with the endorsed draft budget. The proposed Grants Program underpins the endorsed draft budget, as set out in the budget and financial schedules included in the Integrated Planning and Reporting (IPR) documents which remain unchanged. The proposed Grants and Sponsorship Program for 2022/23 has now been included in a separate report to Council, will be considered and exhibited with the Grants Policy and Guidelines, and then brought back to Council for endorsement.
31. While the suite of Integrated Planning and Reporting documents have been on exhibition, the funding required for a number of individual capital works projects have been refined and it has been identified that they require additional budget to commence works. The three projects are all within the asset renewal programs, where additional funding can be transferred from capital provisions for 2022/23 to these specific projects.
32. In the Open Space and Parks renewal budgets, two projects require additional funds as set out below:
  - (a) Blackwattle Playground project - \$0.45M required due an increase in scope, as approved by Council as part of the scoping report in February 2022, and to improve park safety through the inclusion of the renewal of a timber deck, a barrier rail to the sandstone cliff, the replacement of the eastern boundary fence and new curb and ramp to the footpath for accessible entry to the park and playground, and there has also been an escalation of costs relating to supply issues.
  - (b) Park on Lyons – \$0.25M required due to higher priced responses to the tender, and schedule of rates price escalation, in the current market environment.
33. In the Properties Assets renewal budgets, the Woolworths Building Façade Remediation project requires an additional \$1.15M as a result of worse than anticipated latent conditions, including the recent identification of asbestos contaminated putty in the windows on the north and west elevations.
34. The financial schedules included within the Operational Plan and Resourcing Strategy, have been updated so that the schedule of individual capital works projects exceeding \$5M, now reflect all prior years expenditure.

35. The exhibited suite of Integrated Planning and Reporting documents, including the 2022/23 budgets and incorporating the setting of the rates, in accordance with the requirements of the Local Government Act 1993 are attached to the subject report. It must be noted that these documents still incorporate the two rates increase scenarios (2.5 per cent or 1.4 per cent), pending the Independent Pricing and Regulatory Tribunal's (IPART) final determination of the City's special rate variation application for a 2.5 per cent permanent rate increase. IPART has advised that it will provide a final determination by 21 June 2022, which will enable the City to finalise the documents and recommendations ahead of the Council meeting on 27 June 2022.

## **Key Implications**

### **Strategic Alignment - Sustainable Sydney 2030**

36. Sustainable Sydney 2030-2050 Continuing the Vision is the evolution of Sustainable Sydney 2030. It is the continuing vision for the sustainable development of the city over the next three decades. It will be implemented via the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 from financial year 2022/23 through the 2022 Delivery Program and 2022/23 Operational Plan.

### **Organisational Impact**

37. The Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy will be implemented from financial year 2022/23. At that time, the organisation's resources will be aligned to the priorities identified for the 10+ year, four year and one-year periods of those plans.
38. The proposed budget for 2022/23 provides for all approved full time equivalent (FTE) positions. The City also supports a significant number of additional jobs through the provision of contracts that underpin a range of externally provided projects and services.
39. These positions are required to ensure the ongoing operation of the City, and to advance the outcomes determined by Council. City staff continue to revise functional operations to determine where opportunities arise to improve effectiveness and efficiency of service delivery, to ensure the organisation remains financially sustainable.

### **Social / Cultural / Community**

40. Sustainable Sydney 2030-2050 Continuing the Vision, in representing 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. And to create a city where everyone can participate in, contribute to and benefit from its cultural life.
41. The Community Strategic Plan includes a definition of the communities we serve (drawn from the forthcoming Community Engagement Framework). It includes the many people who rely on our area as the place they live, work, study, do business, access services and visit. As well, it recognises the global connections and obligations our communities have to others around the world and the responsibilities from this that arise for the City of Sydney.

42. There are a number of objectives where outcomes beyond the boundaries of our Local Government area are defined, including:
- 1.4 The City of Sydney is an active contributor to the governance of metropolitan Sydney;
  - 1.5 The transformation of the city is enabled by successful partnerships and collaboration; and
  - 7.3 Infrastructure, services and communities are prepared for and can withstand the impacts of acute shocks and chronic stresses and emergency situations

### **Environmental**

43. In responding to the communities' aspirations for action on climate change, Sustainable Sydney 2030-2050 Continuing the Vision aims for a more sustainable future where everyone does their part to respond to the climate emergency as we start to restore our overheated planet.

### **Economic**

44. Sustainable Sydney 2030-2050 Continuing the Vision positions our city as a leader in our region for just and sustainable growth, creativity and innovation. A city with a thriving 24-hour economy and opportunities for all.

### **Financial Implications**

45. The proposed 2022/23 budget plans for operating income of \$651.1M, operating expenditure of \$530.1M, and projects an operating surplus prior to interest income, depreciation, capital project related costs and capital contributions of \$121.0M.
46. After allowing for interest income, depreciation and capital contributions, the City is budgeting for a Net Surplus of \$77.1M. Full details are provided in the Operational Plan 2022/23, and the long term financial plan within the Resourcing Strategy 2022.
47. The Minister for Local Government, responding to NSW councils concerns over the level of the rate peg, and its underlying calculation, announced an additional special rates variation (ASV) mechanism for the 2022/23 financial year on 7 March 2022, to support councils that had budgeted for a higher rates increase in their long term financial plans. The budget result identified above presumes IPART's approval of Council's application for a permanent rate increase of 2.5 per cent from 2022/23, in line with our Long Term Financial Plan, however this application is yet to be determined.
48. Given the uncertain outcome of the Councils application at this time, the Operational Plan and Resourcing Strategy include modelling for two alternative financial scenarios. Scenario 1a reflects the financial implications if IPART only approve the 2.5 per cent increase for the 2022/23 year. Scenario 1b reflects the financial implications if IPART reject the City's application altogether, and enforce their original approval for a rates increase of just 1.4 per cent (0.7 per cent for local government cost increases and a further 0.7 per cent for population growth) .

49. While Scenario 1a would not impact the planned operating or net surplus for 2022/23, Scenarios 1b reduces the 2022/23 operating surplus down by \$3.5M to \$117.5M and the net surplus to \$73.6M. The cumulative impact of lower rate increases through both scenarios would however significantly reduce the City's financial capacity over the years, by \$40M over the ten years of the long term financial plan.
50. While Council applied for a permanent rates increase of 2.5 per cent on 29 April, the final determination of this application is not due from IPART until late June 2022, which will be after the budget has been on public exhibition and considered by Council's committee, but before the Council meeting to adopt the budget and the rates for 2022/23.
51. The proposed rates for 2022/23 rating year, pending IPART's determination on the Council's application for a special rates variation, will be either:
- (a) IPART approval for a special rate variation to 2.5 per cent (as modelled in the main financial schedules)

<b>Category / Subcategory</b>	<b>Minimum Rate (\$)</b>	<b>Ad valorem (rate in Dollar)</b>
Residential - Ordinary Rate	\$613.50	0.00119024
Business - Ordinary Rate	\$785.00	0.00381862
Business subcategory - CBD Rate	\$785.00	0.00755000

- (b) IPART's refuse the application and the initial rate increase including population growth factor to 1.4 per cent stands (as modelled in the Alternative Scenario 1b in the financial schedules)

<b>Category / Subcategory</b>	<b>Minimum Rate (\$)</b>	<b>Ad valorem (rate in Dollar)</b>
Residential - Ordinary Rate	\$606.90	0.00117837
Business - Ordinary Rate	\$776.65	0.00377163
Business subcategory - CBD Rate	\$776.65	0.00747100

52. The Resourcing Strategy, which includes the Long Term Financial Plan, will be aligned with the Community Strategic Plan with implementation commencing from financial year 2022/23. Ensuring long term financial sustainability will remain a fundamental principle of future planning and is always considered when planning for the delivery of the elements of the vision.

53. While the economic fallout from the health crisis, caused by the Covid-19 pandemic, in NSW is far from over, the City's revenue sources continue to gradually recover, with parking related services returning close towards pre-pandemic levels and budgets, and venues also planning to improve their attendance and revenue expectations. However, other key revenue sources including commercial property income and the financial performance of some community facilities, continue to reflect the ongoing effects of the pandemic's economic impact.
54. Local businesses also continue to be significantly impacted by the pandemic with staff shortages, rises in case numbers and inclement weather during peak trade periods of summer and beyond. One mechanism to support businesses through this recovery phase is through outdoor dining. An evaluation survey of outdoor dining approval holders revealed that 91 per cent of respondents reported the outdoor dining to be beneficial or crucial to their business, 39 per cent of respondents estimated up to 20 per cent of their turnover could be attributed to outdoor dining, 74 per cent of respondents with on-street dining spaces believe the extra space led them to employ at least 1 additional staff member per week and 89 per cent of businesses that applied for outdoor dining since November 2020 were satisfied with the temporary provisions such as the fee waiver.
55. For 2022/23, to continue support for business recovery and to help reactivate the CBD, the City has planned to set all outdoor dining fees at zero dollars. The loss of revenue to the City from this initiative is in the order of \$2.5M for the coming financial year.
56. The City's financial recovery plan acknowledges that planned deliverables and actions may be impacted or need to be reprioritised based on the effects of this pandemic, and new priorities may emerge. It anticipated that services, and levels of service may continue to change as we deal with the economic impact, and that these changes may be temporary or permanent according to ongoing community priorities and resources.
57. It is also important to note that our current operating environment remains very uncertain and quite volatile. The City's financial results will or may be impacted by a fast rising CPI and underlying inflation, the finalisation of the City's Award, challenges to the energy resource markets and ongoing supply chain issues affecting our suppliers capacity to tender, resource and deliver our operating and capital programs.
58. The draft budgets reflect our best estimates of required funding at this time, however we anticipate that there will be specific services and projects where we may need to refine funding requirements, and where these price fluctuations cannot be absorbed within the draft budgets, these requirements would be brought back to Council either directly or through the quarterly reports to progress delivery of the planned outcomes.

### **Reserves**

59. The Long Term Financial Plan incorporates the City's cash reserves, including all of the external restrictions required by legislation to quarantine funds raised for specific purposes, including developer contributions, security deposits, and domestic waste and stormwater charges. It also incorporates internal restrictions where Council has resolved to set aside specific funding to cater for employee leave entitlements, asset replacement, and significant strategic commitments such as the Supported Accommodation Affordable and Diverse Housing Fund, Green Square Infrastructure, and Green Infrastructure (energy, stormwater and waste).

60. The Plan continues to forecast future cash funding and utilisation of the restricted cash reserves, to reflect the proposed timing of these major projects and commitments of the City. It is important however to recognise that the cash restrictions within the Long Term Financial Plan are designed to demonstrate specifically identified Council commitments, they do not set aside all funding already committed to fund the entire capital works program.
61. The proposed operating and capital expenditure budgets are projected to reduce the City's total cash reserves to \$482.6M by 30 June 2022, in line with the long term financial strategy.
62. Despite the impacts of the pandemic, the City's strong financial management over the past years provides a strong platform to respond to the current crisis. Over the life of the proposed 10 year financial estimates the key financial performance ratios, set out in the plan, are forecast to return to results that satisfy relative industry benchmarks.

### Relevant Legislation

63. Section 8C of the Local Government Act 1993 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

64. Section 402 of the Local Government Act 1993 requires Councils to have a Community Strategic Plan that identifies the main priorities and aspirations for the future of the local area. The plan must be of at least 10 years in duration and include strategic objectives together with strategies for achieving those objectives. The plan must be adopted by June 30 following the election of a new Council.
65. 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.
66. Section 406 of the Local Government Act 1993 requires that councils must establish a new delivery program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.
67. Council is required to place the proposed new documents related to the Integrated Planning and Reporting legislation on public exhibition for 28 days. The Local Government Act 1993 requires the draft budget, and revenue pricing policy for rates, annual charges and fees be incorporated within that exhibition and consultation process.

## Options

68. 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

69. A comprehensive engagement program was undertaken from late 2018 and throughout 2019 to develop the Vision and Community Strategic Plan. This was detailed in a report to Council in December 2019 which also included reports from various engagement activities. The reports are also available on the City of Sydney website.
70. The draft Vision and Community Strategic Plan were on public exhibition for 42 days until 23 May 2022 and any relevant comments received during this period that also relate to the draft Delivery Program and draft Operational Plan will be assessed and incorporated into those documents accordingly.
71. Council is required to exhibit to the community, for a period not less than 28 days, the draft Operational Plan 2022/23, including its revenue policy and budgets, draft Delivery Program. The City elects to exhibit the draft Resourcing Strategy at the same time even though it is not a legislative requirement.
72. During the exhibition of the Community Strategic Plan, specific engagement with local Aboriginal stakeholders and organisations on the Closing the Gap actions took place with feedback and contributions relevant for the Delivery Program and Operational Plan incorporated into the feedback received from others.
73. 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. More details are provided in Attachment F.
74. A detailed community engagement report is provided as Attachment G.

## KATE DEACON

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## BILL CARTER

Chief Financial Officer

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Bob Wallace, Financial Planning and Reporting Manager