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2013/14

The City of Newcastle Annual Report



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The City of Newcastle

Authorisation
General Manager





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A MESSAGE FROM THE LORD MAYOR'S OFFICE

IT IS WITH GREAT PLEASURE THAT I PRESENT THE CITY OF NEWCASTLE'S ANNUAL REPORT FOR 2013/2014.



Cr Jeff McCloy

Lord Mayor

17 September 2012 - 15 August 2014

(Includes the 2013/2014 reporting period)

We have made substantial and lasting changes to both the organisation and the city in the last 12 months to continue on the path to recovery and revitalisation.

The turnaround in the organisation's finances is significant and should not be understated. In 12 months Council has gone from a \$29 million deficit to a balanced budget. This is a credit to the organisation. This has been achieved in tandem with focusing on immediate priorities and delivering works on the ground.

The completion of the Merewether Beach component of the coastal revitalisation project has provided the whole Newcastle community with a fantastic place to enjoy. It also provides an insight into what the coastline will look like when the whole project is complete. Bathers Way will be an outstanding asset for our city.

In addition to council works, we partnered with the CityServe team to overhaul our six local surf clubs and the results were fantastic. All six clubs were repainted, cleaned and many maintenance jobs completed. What a fabulous initiative!

We have been fixing roads, building new shared pathways, tending to our parks, playgrounds

and sportsgrounds, patrolling beaches, planting and maintaining trees, collecting waste and plenty more. These are just some of the essential services and facilities that we provide to the Newcastle community throughout the year and the annual report will demonstrate more of our achievements throughout the 2013/2014 year.

We have also been preparing the City for the international spotlight as we count down to the AFC Asian Cup 2015. We were announced as a host city of four games in March 2013 and have been working closely with the 2015 Asian Cup Local Organising Committee ever since.

The collaboration between business, government and sports organisations is an example of what can be achieved when everyone works together towards a single outcome. I know the Newcastle community will cheer on the different countries at the games being played in our city.

Cr Nuatali Nelmes
Lord Mayor



Cr Nuatali Nelmes

Lord Mayor

20 November 2014 - Current

A MESSAGE FROM THE GENERAL MANAGER

THE HALLMARK OF 2013/2014 WAS
OUR FOCUS ON SECURING OUR
FINANCIAL FUTURE.



Council's decision to adopt strict budget principles was rewarded with the audited 2013/14 annual financial statements reporting a modest net operating surplus of \$754,000 which is a turnaround of more than \$14 million from the \$13.4 million deficit reported in 2012/13.

The statements also show an \$18.7 million net operating surplus which includes an amount of \$18 million for capital grants and contributions. While these funds cannot be used to meet operational expenses they have however allowed us to increase community equity through improvement of the public domain, renewal of Council facilities and delivery of priority infrastructure.

Work toward lowering the deficit has been consistent throughout the year and the improvement was achieved through implementing a range of measures including restructuring and reducing the workforce and management team, prioritising projects, completing asset sales and changing how we deliver some services.

Our financial turnaround is a great achievement and it demonstrates the core initiatives identified in our 2013/17 Delivery Program have been successful. We should take a moment to celebrate this small win, however we need to be mindful that while on paper this looks great, the reality is we still have significant work to do.

Broadly, financial sustainability of Council operations requires that there is sufficient operational revenue to cover operational expenses in the long run. However Council revenue, as disclosed in the audited financial statements, includes some items which cannot be applied to cover normal operating costs. To build an accurate picture of Newcastle's future financial sustainability all revenue that cannot be applied to cover normal day to day operational costs should be excluded. After adjusting for these items the underlying operating deficit is \$6.2 million. This is not sustainable.

We have been talking to the community about the long term financial health of the organisation for some time now including the need for a rate increase above the rate cap to achieve financial sustainability. This additional rating income is necessary to address the balance of the underlying deficit and to reduce our \$90 million backlog of infrastructure work.

In 18 months we have made significant in-roads into Council's financial challenges although we still have a way to go to achieve long term financial sustainability. Support from Council and the community for an above cap increase from 2015/16 would allow us to close the gap to financial sustainability.

It has been a challenging year but

we have made good progress. We have continued to deliver major priority projects such as the award winning coastal revitalisation project while also providing services to the Newcastle community. We remain on the road to recovery and with your continued support we will make even more progress on our journey to financial sustainability concomitantly with continuing improvement to customer services and outcomes for the Newcastle Community.

In closing I would like to thank Council staff. The significant turnaround in Council's performance could not have been achieved without the ongoing commitment and resourcefulness of our staff.

Ken Gouldthorp
General Manager

ELECTED COUNCIL 2012-2016



Cr Nuatali Nelmes

Lord Mayor

20 November 2014 - Current



Cr Jeff McCloy

Lord Mayor

17 Sep 2012 - 15 Aug 2014

Note: Councillor Jeff McCloy resigned as Newcastle Lord Mayor on 17 August 2014.

In accordance with the *Local Government Act* a Lord Mayor By-election was held of the whole Newcastle Local Government area on 15 November 2014 and Cr Nuatali Nelmes was declared as the new Lord Mayor on Thursday 20 November 2014 and resigned as a Ward 3 councillor meaning a by-election for a replacement Councillor in Ward 3 will be held early in 2015.

Ward 1

Bar Beach, Carrington, Cooks Hill, Islington, Maryville, Mayfield, Mayfield East, Mayfield West, Newcastle, Newcastle East, Newcastle West, Stockton, The Hill, The Junction (part), Tighes Hill, Warabrook, Wickham

Ward 2

Adamstown, Adamstown Heights, Broadmeadow, Hamilton, Hamilton East, Hamilton South, Hamilton North, Merewether, Merewether Heights, The Junction (part)

Ward 3

Georgetown, Jesmond, Kotara, Lambton, New Lambton, New Lambton Heights, North Lambton, Waratah, Waratah West

Ward 4

Beresfield, Birmingham Gardens, Black Hill, Callaghan, Elmore Vale, Fletcher, Hexham, Lenaghan, Maryland, Minmi, Rankin Park, Sandgate, Shortland, Tarro, Wallsend





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THE CITY OF
NEWCASTLE
EMPLOYS
MORE THAN
900 STAFF
AND IS
RESPONSIBLE
FOR
PROVIDING
SERVICES AND
FACILITIES
TO MORE
THAN 155,000
PEOPLE

WHO WE ARE

The City of Newcastle is comprised of two distinct parts: the elected Council and the administration.

Elected Council

Twelve councillors and the Lord Mayor make up the elected body of The City of Newcastle. The Newcastle local government area is divided into four wards, with each ward represented by three councillors who are elected for a four year term.

Under the *Local Government Act 1993*, councillors have a responsibility to:

- participate in the determination of the budget
- play a key role in the creation and review of Council policies, objectives and criteria relating to the regulatory functions, and
- review Council's performance and the delivery of services, management plans and revenue policies.

A councillor represents residents and ratepayers, provides leadership and guidance to the community, and facilitates communication between the community and Council. Council meets every third and fourth Tuesday of the month from February to November.

The Administration

The administration is organised into three groups, each with a range of responsibilities.

The General Manager leads the administrative arm of The City of Newcastle and is responsible for the efficient and effective operation of the business and ensuring that the decisions of Council are implemented.

The General Manager reports to the full elected Council.

ADMINISTRATION



General Manager
Ken Gouldthorp

Council and Legal Services

Frank Giordano



Director Planning and Regulatory
Peter Chrystal

Development and Building

Geoffrey Douglas (Acting)

Strategic Planning

Jill Gaynor

Regulatory Services

Andrew Baxter

Cultural Facilities

Liz Burcham

Libraries

Suzie Gately



Director Corporate Services
Glen Cousins

Finance

Andrew Glauser

Information Technology

Greg Brent

Human Resources

Graeme Holland

Commercial Property

Paul Nelson

Customer Service

Graeme Browne



Director Infrastructure
Frank Cordingley

Infrastructure Planning

John Johnston

Civil Works

Greg Essex

Projects and Contracts

Greg Sainsbury

Facilities and Recreation

Phil Moore

Waste Management

Darren North

NEWCASTLE

NEWCASTLE IS AUSTRALIA'S SEVENTH LARGEST CITY. OVER THE PAST DECADE THE POPULATION OF THE NEWCASTLE LOCAL GOVERNMENT AREA HAS SURGED WITH SIGNIFICANT GROWTH IN ITS WESTERN CORRIDOR.

The city offers a remarkable and diverse natural environment—from coastal headlands and beaches to wetlands, mangrove forests, steep ridges and rainforest gullies. This diversity presents significant challenges for Council in terms of maintaining this environment and the broad range of workforce skills required to do so.





OUR PEOPLE

WE HAVE COPEd WITH EARTHQUAKES, FLOODS AND THE CLOSURE OF MAJOR INDUSTRIES AND WE CONTINUE TO GROW AND CHANGE.



Novocastrians are a proud community who have been have been shaped by their heritage.

For thousands of years, the area we now know as Newcastle was nurtured and protected by local traditional custodians, including the Worimi and Awabakal peoples, who lived around the mouth of the Hunter River. They called this place Muloobinba and the river, the Coqun.

From the traditional custodians to European settlement, our culture is shaped collectively by our history as a penal settlement and the birthplace of the Australian coal industry. Ships, convicts and coal—these early and difficult beginnings have made us what we are today: a loyal, welcoming and diverse community.



WHAT WE DO

We are responsible for providing a wide range of community facilities and services. They include:

- town planning
- construction and maintenance of local roads, streets and bridges
- preservation of historic places
- food and public health services
- waste management and recycling
- supervision of building and development control
- strategy and enforcement for parking
- maintenance of parks, sporting fields, pools and beach facilities
- provision and servicing of libraries, community centres, theatres and art galleries
- pet registration and control
- tourism and economic development
- child care and youth services and
- enforcement of a range of legislation.

We currently manage a diverse asset portfolio of hundreds of assets valued in excess of \$1.6 billion. They include:

- Newcastle and Merewether Ocean Baths
- Newcastle City Hall
- Civic Theatre Newcastle
- Newcastle Art Gallery
- Newcastle Museum
- Fort Scratchley

We are responsible for the construction and maintenance of around 3,500 kilometres of roads, footpaths, drainage, and kerbs and guttering. Many natural assets are our responsibility too, including 14 kilometres of spectacular coastline, over 100,000 street trees and more than 400 parks, reserves and wetlands.

We work with local communities and business owners to improve the places we live, by supporting our business improvement associations, place making initiatives, murals in public places and other beautification projects. We are changing the look of the city centre through the façade improvement scheme, which encourages local building owners to undertake maintenance to improve the look of the whole area.

We also provide support to Newcastle Youth Council (NYC). NYC is a resourceful, dynamic group of people aged 15 - 25 years that represent Newcastle's young people. NYC allows for young people to participate within a strategic advisory role to Council, they organise activities for young people and provide advice to organisations wishing to develop programs and activities for young people.

THE CITY OF
NEWCASTLE
MANAGES
14 KMS OF
SPECTACULAR
COASTLINE,
OVER 100,000
STREET
TREES AND
MORE THAN
400 PARKS,
RESERVES AND
WETLANDS



OUR VISION

IN 2030 NEWCASTLE WILL BE A SMART, LIVEABLE AND SUSTAINABLE CITY. WE WILL CELEBRATE OUR UNIQUE CITY AND PROTECT OUR NATURAL ASSETS.





CAZADOR

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COMMUNITY VISION

In order to ensure Council is working towards delivering a better Newcastle in line with the vision of the community, a community strategic plan was developed as a guide to inform policies and actions throughout our city for 20 years. This plan is known as **Newcastle 2030**.

In 2030 Newcastle will be a Smart, Liveable and Sustainable city.

We will celebrate our unique city and protect our natural assets.

We will build resilience in the face of future challenges and encourage innovation and creativity.

As an inclusive community, we will embrace new residents and foster a culture of care.

We will be a leading lifestyle city with vibrant public places, connected transport networks and a distinctive built environment.

And as we make our way toward 2030, we will achieve all this within a framework of open and collaborative leadership.

From this vision the community identified seven strategic directions and 23 objectives to help deliver a better Newcastle. These are:

A connected city

A protected and enhanced environment

Vibrant and activated public places

A caring and inclusive community

A liveable and distinctive built environment

A smart and innovative city

Open and collaborative leadership

Implementing and delivering these strategic directions requires a partnership between government (federal, state and local) and our community. The Newcastle 2030 Community Strategic Plan identifies these key responsibilities and partnerships.

In 2012/2013 a review was undertaken of the Newcastle 2030 Community Strategic Plan to ensure it continued to represent the vision of the community and included the release of the State of the City Report in August 2012.

The review provided an update of the challenges and opportunities facing Newcastle, and involved a broad range of community engagement activities where feedback was sought on our shared objectives and ideas for the future. More than 1,100 community members participated in this review program.

The following table represents Council's role in the delivery of the Newcastle 2030 Community Strategic Plan:

COUNCIL IS
WORKING
TOWARDS
DELIVERING
A BETTER
NEWCASTLE IN
LINE WITH THE
VISION OF THE
COMMUNITY



Responsibility	Connected City	Protected and Enhanced Environment	Vibrant and Activated Public Places	Caring and Inclusive Community	Liveable and Distinctive Built Environment	Smart and Innovative City	Open and Collaborative Leadership
Advocate	•	•		•	•		•
Collaborator	•	•	•	•	•	•	•
Lead Agency			•		•		•

CONNECTED CITY

1. The **Hamilton South Local Area Traffic Management Study** was adopted and included a range of measures to improve traffic flow in the area including roundabouts at the Union/Parry Street intersection and the Parry/National Park intersection, new pedestrian crossings, speed humps and speed limit changes. The study was developed in partnership with the local residents and once implemented will make a tangible difference for drivers and pedestrians in Hamilton South.
2. Cyclists and pedestrians are enjoying the new infrastructure at **Scenic Drive, Merewether between Hickson Street and Henderson Parade**. The project included almost 1km of shared pathway, a dedicated cycleway, cliff stabilisation and road reconstruction. The new shared pathway connects to the Merewether section of the Bathers Way providing connections to the Surfhouse and Ocean Baths precincts.
3. New **shared pathways** were built at Rowland Park The Junction, Nesca Park Cooks Hill, Hobart Road New Lambton, Park Avenue Kotara and Turton Road Waratah. The wider pathways improve connectivity in the area to allow cyclists and pedestrians to travel safely. A 350 metre long, 2.5 metre wide shared pathway was also built at Minmi Road linking Bishop Tyrell College to the Maryland West subdivision.

OUR
TRANSPORT
NETWORKS
AND SERVICES
WILL BE WELL
CONNECTED
AND
CONVENIENT

Community Indicator	Status
Use of public transport in Newcastle	In 2006, mode share public transport trips to work accounted for 4%, in 2011 this figure was 3.65% (Source: ABS Census) Note: NSW Government is investing heavily in this area in 2013/2014 and 2014/2015.
Adequacy of available public transport	No data available.
Use of bicycles for transport	In 2006, mode share bike trips to work accounted for 2%, in 2011 this figure was 1.82% (Source: ABS Census). Note: Building more cycleways/share pathways is a priority project.
Registered electric vehicles	In 2012, there were 401 registered vehicles in Newcastle classed as 'other fuel type'. In 2013, 422 vehicles (Roads and Maritime Services).

Every year we complete numerous road construction projects as well as undertaking a range of maintenance projects for both regional and local roads. During 2013/2014 we completed the following road works:

Resurfacing 8.7km (71,000m ²)
Surface resealing 7.3km (56,000m ²)
Surface rejuvenation 28km (223,000m ²)
Surface crack sealing 62km of application
Kerb and gutter replacement 3.6km
Laneway reconstruction 0.5km
Road reconstruction 0.8km
Footpath replacement 0.8km (5,300m ²)
3,032 lineal metres of concrete footpath replacement
1,103 lineal metres of kerb and gutter replacement
11,119m ² of defective road restoration and resurfacing
915m ² of defective asphalt footpath restoration and resurfacing
7,391 concrete grinds to eliminate trip hazards
835m ² of paver replacement



PROTECTED AND ENHANCED ENVIRONMENT

OUR UNIQUE
ENVIRONMENT
WILL BE
UNDERSTOOD,
MAINTAINED
AND
PROTECTED

1. Staff and local experts went batty and took Newcastle residents on walks and talks looking for **microbats** in some of Newcastle's most treasured bushland reserves. 130 participants saw and listened (using bat detectors) to a range of animals including the Gould's wattled bat that has an average weight of only 14 grams. People at the George McGregor Reserve even managed to spotlight a juvenile Powerful Owl which is currently listed as endangered.
2. **Coal Mine Creek**, the creek which connects the two ponds at Blackbutt's Richley Reserve was rehabilitated this year. The old log bed erosion controls were deteriorating and have now been replaced with a longer lifespan, rock cascade structure which improved the site's aesthetic appeal, addresses the erosion issues and improves water quality.
3. Local schools and Council revegetated sections of **Pitt Street Reserve**, Stockton including site preparation, mulching and planting of 40 Norfolk Island Pines and 55,000 native grasses. The work enhanced the public space and protects the sea wall from surface water runoff. The project was identified in the South Stockton Public Domain plan and was completed in conjunction with foreshore and shared pathway renewal works.
4. Rehabilitation works of **Ironbark Creek** and its tributaries were completed this year by Soil Conservation Service under contract to Council. Works reduced bank and creek bed erosion to protect surrounding properties, decreased sediment flowing into the catchment and enhanced the variety of habitat for native flora and fauna.

Community Indicator	Status
Domestic waste diverted from landfill	In 2012, 42% domestic waste diverted from landfill. In 2013, 41%.
Household water usage	The average water consumption (KL) per connection has steadily increased since 2011 (Hunter Water).
Household electricity usage	In 2011, the average daily electricity consumption per household was 15.2kwhrs. In 2012 the average was 14.7kwhrs (Ausgrid).
Air quality	The annual average Air Quality Index has increased since 2012. Newcastle's AQI rating still measures in the good to excellent range (NSW Office of Environment and Heritage).
Canopy cover	Data collection due 2014/2015.
Coastal water quality	In 2011, 2012 and 2013 Beachwatch rated water quality at all 11 swimming locations in the Newcastle area as good or very good (NSW Beachwatch).
Migratory shorebirds	A continued decline at the Hunter Estuary since 1990 benchmarks (Hunter Bird Observer Club).
Greenhouse gas emissions from electricity use	In 2012, there were 899,770 tonnes carbon emissions from electricity use in Newcastle's LGA. In 2013 this has decreased to 861,899 tonnes (Australian National Greenhouse Accounts).



VIBRANT AND ACTIVATED PUBLIC PLACES

PROMOTING
PEOPLE'S
HEALTH,
HAPPINESS AND
WELLBEING

1. Newcastle played host to the first ever **Special Olympics 2013 Asia Pacific Games** with the opening ceremony in December, which marked the start of a busy year of national and international events. More than 2,000 athletes from 32 countries plus officials, supporters, spectators and volunteers visited Newcastle providing a fantastic opportunity to showcase our city to the Asia Pacific region. Other events included the Kelloggs Nutrigrain Ironman Series, the Australia Day National Maritime Festival, Australian Bowl-riding Championships, and the MTB Port to Port mountain bike challenge.
2. Newcastle threw a major street party in October to celebrate the opening of **Laman Street**. Council completed work to move utilities, reconstruct the road and create a shared plaza which is pedestrian and cycle friendly and accessible to all. The project brought focus on the cultural precinct and improved access to Newcastle Art Gallery and Newcastle Region Library. The state of the art design accommodates very large trees and includes water sensitive urban design with porous paving to direct storm water into the tree roots.

Community Indicator	Status
Adequacy of good quality parks and recreation areas	In 2014, 65% of residents surveyed were satisfied (Community Snapshot 2014), this is consistent with 2012 results (65%) (Council Community Survey 2012).
Adequacy of natural areas for pursuit of leisure time activities	In 2009, 90% of residents agreed (Hunter Valley Research Foundation Wellbeing Survey 2009). In 2012, 85.6% of residents agreed (HVRF Wellbeing Survey 2012*).
People attending community events	There were a range of community events throughout the year including the Laman Street opening party, tree planting activities, the Junior Ranger fun days at Blackbutt Reserve and more.
Satisfaction with heritage conservation	In 2012, 30% of residents surveyed were satisfied. In 2014, 28% were satisfied (Community Snapshot 2014 and Council Community Survey 2012).
Cultural participation	In 2012, 588,602 people attended events and exhibitions at Council's cultural facilities. In 2013, 524,247 people attended events and exhibitions.
Perception of safety in public areas	This is no longer measured via the Community Survey, however crime rate data is provided below.
Crime rates	16% decrease in incidents in outdoor/public space between 2011-2013 (NSW Bureau of Crime Research and Statistics).

*Data due in 2015



CARING AND INCLUSIVE COMMUNITY

DIVERSITY IS EMBRACED, EVERYONE IS VALUED AND HAS THE OPPORTUNITY TO CONTRIBUTE AND BELONG

1. Council endorsed the Guraki Committee application to the Geographic Names board for **dual naming** of major geographical features in the Newcastle LGA. Dual naming is proposed at: Nobbys Headland-Whibayganba, Flagstaff Hill-Tahbihn Point, Pirate Point-Burrabihngarn, Port Hunter-Yohabba, Hunter River (South Channel)-Coquun, Shepherds Hill-Khanterin, Ironbark Creek-Toohrnbing, and Hexham Swamp-Burraghihn.
2. The City endorsed a proposal to support the design and construction of a mixed housing development, including **affordable housing**, in Newcastle West. The proposed development incorporates a land contribution from the Hunter Development Corporation, the former Empire Hotel site. These developments are important to the revitalisation of the Newcastle CBD.
3. The **2014 Seniors Festival** held in April included 56 activities during Seniors Week. These were attended by more than 2,100 people. Thirty two community based organisations and 166 volunteers assisted in the running of events and activities.

Community Indicator	Status
Social support	In times of need 97.7% of Newcastle residents were able to find the support they require (HVRF Wellbeing Survey 2012*).
Australian Early Development Index	In 2010, 9% of kindergarten students in the LGA were estimated to be vulnerable on two or more developmental domains. In 2012, 6.9% of kindergarten students in the LGA were estimated to be vulnerable on two or more developmental domains (Australian Early Development Index).
Volunteer participation rates	In 2006, there was a 16.2% volunteer participation rate. In 2011, there was a 16% volunteer participation rate (ABS Census).
Sense of community	In 2009, 60.9% of residents agreed their neighbourhood had a strong sense of community (HVRF Wellbeing Survey 2009). In 2012, 70.5% of residents agreed (HVRF Wellbeing Survey 2012*).
Wellbeing Index	In 2009, the wellbeing index was 4.00 where 1 is low and 5 high wellbeing (HVRF Wellbeing Survey 2009). In 2012, the wellbeing index was 4.14 (HVRF Wellbeing Survey 2012*).
Companion animal ownership	In 2009, 55.8% ownership (2009 HVRF Wellbeing Survey). In 2012, 57% ownership (HVRF Wellbeing Survey 2012*).
Satisfaction with local arts, entertainment and culture	In 2012, 62% of residents surveyed were satisfied with local arts, entertainment and culture, compared to 40% in 2014 (Council Community Survey 2012 and Community Snapshot 2014).

*Data due in 2015



LIVEABLE AND DISTINCTIVE BUILT ENVIRONMENT

AN
ATTRACTIVE
CITY THAT IS
BUILT AROUND
PEOPLE AND
REFLECTS
OUR SENSE OF
IDENTITY

1. Hundreds of people celebrated the opening of two new shelters at **Blackbutt's Richley Reserve** during the September school holidays. The "Grey Gum" and "Kookaburra" shelters marked the completion of the first stage of works in the Reserve's 10 year improvement plan. Each shelter can accommodate about 60 people and are fitted out with tables, seating and power. There is also a communal bbq shelter and new pathways connecting the area. The facilities are a great addition to the Richley Reserve side of Blackbutt.
2. **Cathedral Park** is being reinvented as a beautiful, contemporary and engaging public space, right in the heart of Newcastle. The site of Newcastle's first cemetery and the resting place of 3,300 of the city's early residents, the park occupies a spectacular position adjacent to the Christ Church Cathedral, which attracts more than 80,000 visitors each year. The first two stages of works have been completed, as part of the Cathedral Park Master Plan, which included restoration of the cemetery, improved access to the park, new pathways, signage and viewing decks.

Community Indicator	Status
Satisfaction with neighbourhood	In 2009, 91% of residents were satisfied (HVRF Wellbeing Survey 2009). In 2012, 87% of residents were satisfied (HVRF Wellbeing Survey 2012*).
Listed heritage items	In 2013, 691 heritage items in Newcastle Local Environmental Plan and 37 items in the State Heritage Register. An increase from 2010.
Reasons for living in neighbourhood	In 2009, 25% of residents nominated proximity to services such as shops, recreation facilities and schools (HVRF Wellbeing Survey 2009). In 2012, 26.9% of residents nominated proximity to services (HVRF Wellbeing Survey 2012*).
Agreement that a range of housing types needed is available in local area	Data is no longer collected by Council. Council has provided funding for affordable housing projects via the Building Better Cities Committee.
Homes with solar photo voltaic systems installed	In 2011, 3,828 systems were connected. In 2012, 4,667 systems and in 2013 5,243 systems (Ausgrid).
Potable water consumption	Measurable data for water, gas, electricity and fuel consumption for all council sites will be available from 2015.
Carbon pollution reduction	Measurable data for water, gas, electricity and fuel consumption for all council sites will be available from 2015.

*Data due in 2015



SMART AND INNOVATIVE CITY

A LEADER
IN SMART
INNOVATIONS
WITH A
HEALTHY,
DIVERSE AND
RESILIENT
ECONOMY

1. Over 350 small to medium-sized Hunter region businesses have saved money and electricity through **Energy Hunter**, a free energy efficiency service. The program works one-on-one with each business to deliver installation of real-time electricity monitoring, a customised energy assessment, and a bill analysis. Across all businesses in the program, there was a year-on-year reduction from 2012 to 2013 of over 1.5 million kilowatt hours of energy usage, saving \$400,000 for Hunter businesses. Energy Hunter is a partnership between the City of Newcastle, Hunter Business Chamber and Hunter TAFE.
2. Adamstown and Wallsend libraries piloted the use of **Radio Frequency Identification (RFID)** technology for the tracking of books and materials in their collections. Items are tracked with RFID tags using radio waves, allowing materials to be processed significantly faster than with the previous bar code system. Benefits include the ability for library patrons to check out books and manage their library loans without staff assistance, improved access to library collections because materials can be re-shelved more quickly, and faster updating of customer records.
3. Council began using the **Electronic Housing Code (EHC)**, an online system for the end-to-end processing of complying development applications under the NSW Housing Code. Designed for project home builders, certifiers, planners, builders and developers, the aim of EHC is to speed up planning decisions and reduce holding costs, helping to lower the cost of building homes. EHC is a key step in making the Planning system easier, more accessible and more user-friendly.
4. Newcastle region libraries are embracing everything digital. The latest addition to their collection is **Zinio**, a digital magazine download service. The addition of e-collections helps ensure that our libraries have the latest information and are providing the best service possible to the community. Using Zinio, library users can download the latest editions of magazines to view on their smart phone, tablets or personal computer.

Community Indicator	Status
Research projects undertaken for the green economy	Baseline not established.
Skills in green economy	In 2011, there were 3,271 enrolments at Hunter TAFE generating skills in occupations contributing to a green economy. In 2012, 3,391 and in 2013, 2,957 enrolments (Hunter TAFE).
Growth in creative industry occupations	In 2011, there were 2,385 enrolments at Hunter TAFE generating skills in creative industry occupations. In 2012, 2,357 and in 2013, 1,898 enrolments (Hunter TAFE).
Growth in business tourism	In 2012, \$7,173,810 was retained in Newcastle for annual confirmed bookings through the Newcastle Convention Bureau (NCB). In 2013, The figure was \$5,058,600 (NCB). Note: Funding for this unit was reduced during the budget process.
Economic growth from commercial developments	In 2012, the value of commercial developments was \$102,875,082. In 2013, \$134,000,000 (The City of Newcastle).
Occupancy of major short term accommodation	In 2012, the average occupancy rate of major short term accommodation was 74%. In 2013, the average occupancy rate was 70% (ABS Census).



OPEN AND COLLABORATIVE LEADERSHIP

A STRONG DEMOCRACY WITH AN ACTIVELY ENGAGED COMMUNITY AND EFFECTIVE PARTNERSHIPS

1. A new mapping tool called **Social Pinpoint** is a convenient, user-friendly way for the community to have a say in Council's planning process. We seek consultation in a variety of ways, and this online interactive tool offers another option for community members to comment. Its spatial environment allows people to give feedback by dragging markers directly onto a map of the area on which they want to comment. Introduced to gather community input on updated neighbourhood visions to guide future growth, the tool has now been used for community engagement on a variety of topics.
2. In October 2013 more than 800 people from local church communities and surf clubs came together to donate their time to the **CityServe** project which saw the transformation of Newcastle's six surf clubs. The new, modern, colour schemes are a breath of fresh air and just what the beaches needed in the lead up to summer. Volunteers completed works valued at more than \$500,000 and the program received thousands of dollars worth of donations from paint and scaffolding to sausages and bread rolls. In the end surf clubs at Stockton, Nobbys, Newcastle, Bar, Dixon Park and Merewether Beaches were all repainted.
3. In November 2013, Council adopted the **Community Engagement Policy and Framework** to embed an open, transparent and consistent approach to engaging with the community that adapts to local circumstances. Council committed to inclusive, credible and equitable engagement processes by applying standards of engagement across the organisation.

Community Indicator	Status
Hunter Infrastructure and Investment Fund projects in the Newcastle LGA	Fund commenced in 2011. Council has not received funding from this grant to date.
Membership of local community organisations	Baseline not established.
Opportunity to express views on community issues	In 2009, 85.3% of residents believe they had the opportunity to express their views (HVRF Wellbeing Survey 2009). In 2012, 78.6% of residents believe they had the opportunity to express their views (HVRF Wellbeing Survey 2012*).
Business Excellence score	Data was not collected in 2013 or 2014.
Overall City of Newcastle performance	In 2014, 32% of residents surveyed were satisfied with Council's overall performance. This has improved 3% since 2012 (29%) (Community Snapshot 2014 and Council Community Survey 2012).
Council has a reputation as a good employer	No longer a question in Council's Community Survey.

*Data due in 2015



CityServe
www.cityserve.com.au

CityServe
www.cityserve.com.au

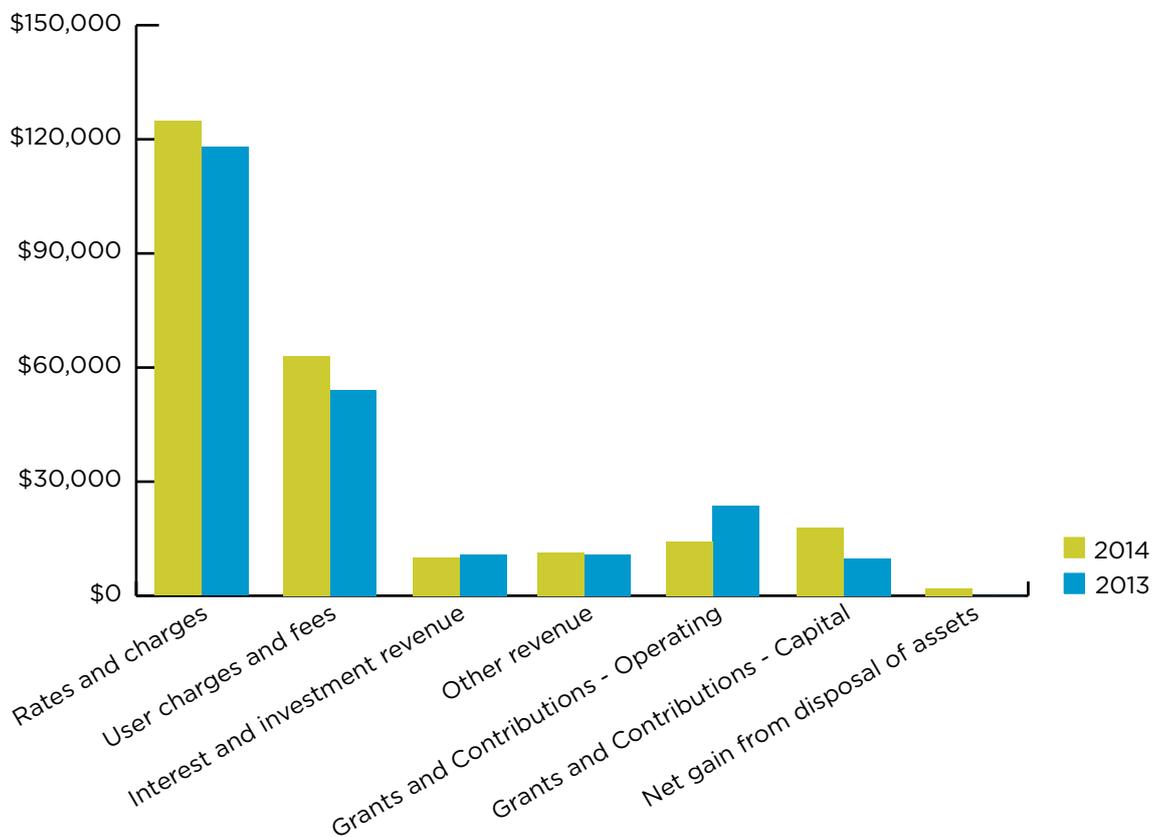
THE
ROAD
LEADS
HOME

FINANCIAL PERFORMANCE

The information provided has been sourced from the audited financial statements.

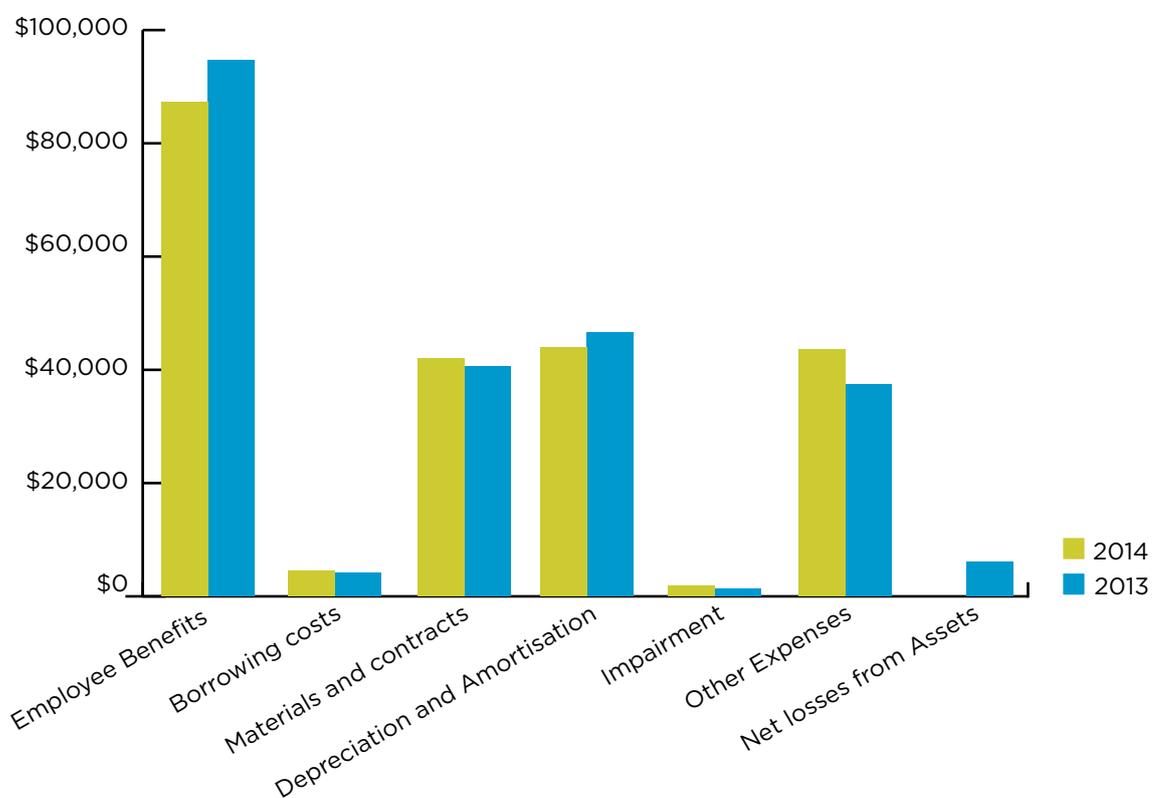
2013/14 Total income \$'000s

	Actual 2014	Actual 2013
Rates and charges	124,781	117,956
User charges and fees	62,926	54,218
Interest and investment revenue	10,117	10,890
Other revenue	11,462	10,810
Grants and Contributions - Operating	14,305	23,632
Grants and Contributions - Capital	18,000	9,721
Net gain from disposal of assets	235	-
	241,826	227,227



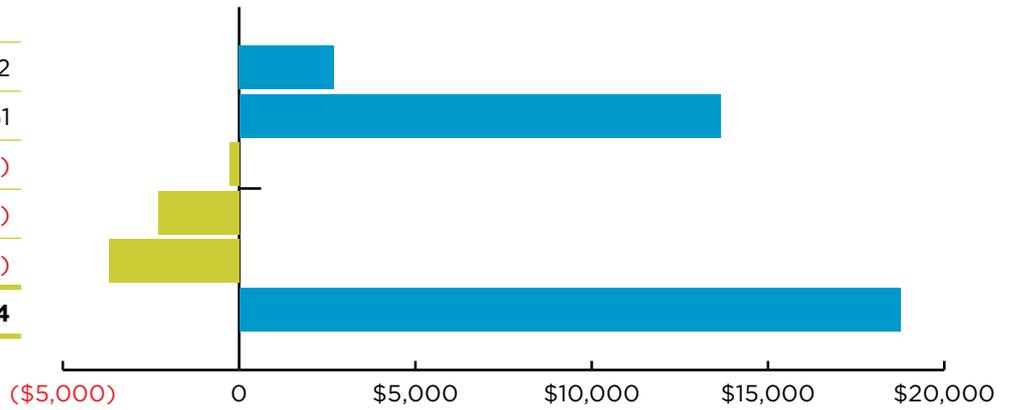
2013/14 Total operating expenses \$'000s

	Actual 2014	Actual 2013
Employee Benefits	87,229	94,688
Borrowing costs	4,450	4,137
Materials and contracts	42,051	40,653
Depreciation and Amortisation	43,873	46,585
Impairment	1,898	1,341
Other Expenses	43,571	37,511
Net losses from Assets	-	5,996
	223,072	230,911



Operating results \$'000

2008-09	2,682
2009-10	13,651
2010-11	(260)
2011-12	(2,300)
2012-13	(3,684)
2013/14	18,754



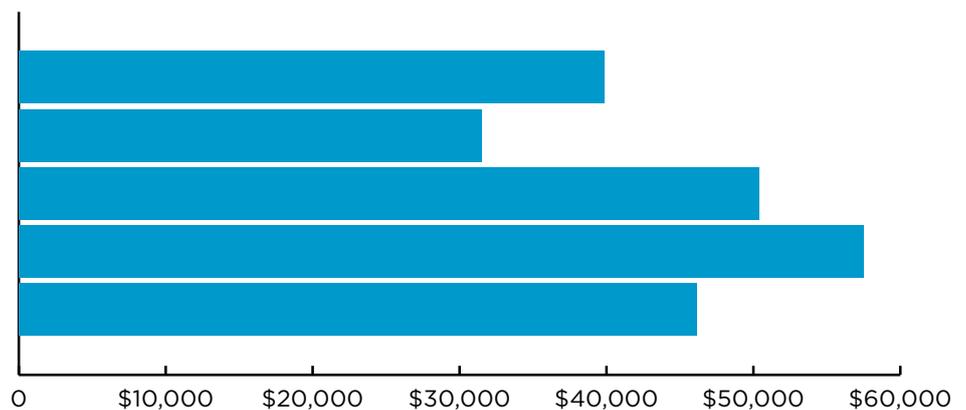
Operating result before capital contributions \$'000

2008-09	(24,231)
2009-10	(311)
2010-11	(21,526)
2011-12	(13,317)
2012-13	(13,405)
2013/14	754



Capital expenditure \$'000

2008-09	39,844
2009-10	31,472
2010-11	50,357
2011-12	57,530
2012-13	46,164
2013/14	42,506



DELIVERY PROGRAM AND OPERATIONAL PLAN PERFORMANCE



Measuring our success

The below table identifies the key performance areas which allow the Council and the Community to monitor the success of the Delivery Program and Operational Plan. The City of Newcastle will report six monthly and annually against its corporate objectives using the following key performance indicators:

Objective	KPI	Measure
1. Deliver on the key civic projects determined as the priorities for the community	Key civic projects are delivered in accordance with the budget and timeframes identified in the 2013/2017 Delivery Plan	Six monthly and annual performance on outcomes of project implementation

Revitalising Hunter Street

The Façade Improvement Scheme for the city centre is well underway having 73% of round one grant recipients with completed or near completed improvement works. Round two applications have been received, assessed and awarded to an additional 15 properties to be improved over the next six months.

Trial changes to Hunter Street, temporary cycleway and pedestrian improvements project, were put to council for approval in October 2013 following a successful community consultation program. Councillors voted to put the changes on hold pending the outcome of a State Government review of light rail options in Hunter Street in early 2014.

Completed several community partnership projects during the quarter including the Christmas in the City project, Hit the Bricks artworks, Newcastle 2020 art competition and Little Birdwood Park improvements.



Upgrading Blackbutt Reserve

We are currently upgrading the existing facilities at the Carnley Avenue side of Blackbutt Reserve. Site preparation commenced in March 2014 and work is scheduled for completion by early 2015, weather permitting.

The upgrade includes construction of a wildlife arena and a new amenities building. The existing amenities building will be replaced with a larger facility to better cater for visitors.

The wildlife arena will be constructed within the wildlife exhibit, giving visitors an opportunity to get up close with Blackbutt's animals.



Revitalising our coast

The budget for the 2013/14 year was \$4,624,969, additional expenditure was approved to in an effort to fast track key coastal projects.

The coastal revitalisation program is continuing to deliver community priorities of Bathers Way for the coast.

Merewether public domain

Surf club promenade, plaza, lifeguard facilities and Bathers Way completed February 2014

Dixon Park stage one

Works are underway from John Parade to Kilgour Avenue and are due for completion November 2014.

Dixon Park stage two

Works from Kilgour Avenue to Cooks Hill Surf Club will get underway in February 2015

King Edward Park Stage one

detailed design commenced February 2014

Nobbys to Newcastle

Construction commenced August 2014

South Stockton

Pitt St Reserve Bollards and plantings completed Mid 2014



Providing new cycleways

A number of cycleways and shared paths have been designed and constructed in 2013/2014 including:

- a 300 metre off road shared pathway at Glebe Rd, Adamstown from Court St to Teralba Rd. The new path connects to the Mackie Ave, New Lambton cycleway
- a 220 metre off road shared pathway at Hobart Rd, New Lambton from Tyrone Rd to Durham Rd linking the east-west cycleway route
- an 880 metre off road shared pathway at University Drive and Wilkinson Ave which safely connects Jesmond to the University.

The program is within budget and on schedule for this financial year. Larger cycleways including Shortland to Tarro and the Richmond Vale Rail Trail are undergoing feasibility analysis. The inner city bike lanes are undergoing concept design. Funding in the current financial year is adequate and will be fully expended.



Newcastle City Hall refurbishment

Newcastle City Hall is one of our most important buildings and the restoration of the sandstone façade is an important part of its preservation. Restoration of the magnificent clock tower is currently underway.

Council awarded the tender for this conservation project to Stone Mason and Artist Pty Ltd and work commenced in May 2014.

The conservation work will take approximately 12 months and will include sandstone replacement and repair, waterproofing and lead flashing replacement, restoration of metal windows, copper roof restoration, replacement electrical and lighting, and refurbishment of the clock mechanisms.



The project is tracking within its overall budget but is slightly behind schedule due to the condition being worse than originally anticipated. It is expected to be completed in 2015.

Merewether Baths redevelopment

Merewether Baths is a unique part of Newcastle's coastline and Council is working to protect the long term future of the Baths, to ensure it remains an active public recreational and social place for future generations. Merewether Baths closed in February 2014 for a complete overhaul and will be completed by November 2014.



Work includes:

- upgrading the pumping and pipework system
- demolition and reconstruction of the surrounding promenades
- bleacher seating along the western side of the children's pool and the western promenade levels will be adjusted to provide a smooth transition around the baths
- the northern promenade will be widened to improve access and to ensure new levels meet accessibility codes requirements
- along with new access ramps into the pools this will provide equitable access to the baths.

Objective	KPI	Measure
2. Engage with the Newcastle community on projects that have a high level of impact on the community	Consultation undertaken for all projects which have a high level of impact on the community	Evidence that consultation has taken place is reported in the annual report

The Newcastle Voice team coordinated a range of engagement activities including 12 surveys and two quick polls and these were supported by information sessions or workshops where relevant. Topics included

- Panel satisfaction
- Museum visitor satisfaction
- Special rate variation for 1.1% (application withdrawn)
- Development control plan – single dwellings
- Merewether Baths Precinct
- Development control plan – Heritage in Cooks Hill
- Businesses in The Junction
- Beach patron winter patrols
- Community satisfaction and priorities (council services)
- Library satisfaction
- Hunter Street day markets

Objective	KPI	Measure
3. Maintain a net funding budget surplus to ensure financial sustainability	Improve financial sustainability of Council	Net budget operating surplus ratio 2.7%

Council's operating result before capital contributions show an operating surplus of \$0.75 million, this is an increase of \$14.12 million from 2012/13.

Broadly, financial sustainability of Council operations requires that there is sufficient operational revenue to cover operational expenses in the long run. To build an accurate picture of Newcastle's future financial sustainability all revenue that cannot be applied to cover normal day to day operational costs should be excluded. Council revenue, as disclosed in the audited financial statements, includes some revenue which cannot be applied to cover normal operating costs. After adjusting for these items the underlying deficit is \$6.2 million.

Council's share of profit from Newcastle Airport is \$2.2 million. In addition operating revenue includes funding generated from the 2012 capital restricted special rate variation which amounts to approximately \$4.7 million per annum. These funds cannot be applied to cover operating expenses. These adjustments account for the \$6.2 million deficit noted above.

It is planned to also implement the initiatives outlined below, including a five year special rate variation for between 6.5% and 6.8% per annum, including the rate peg of 3%.

Initiative	Original Initiative	Updated Initiatives	Current and Future Impact
Organisational restructuring	N/A as new initiative	Council had 1,017 EFT prior to the commencement of the restructure. The report to Council dated 24/9/14 'Determination of Council's organisational structure' resolved a maximum establishment of 935 EFT by end 2013/14 and a further reduction of 11 to 924 by end of 2014/15	Program is ahead of schedule and working to agreed targets. \$8 million savings in 2014/15. Estimated \$93 million over 10 years (assuming 3.25% salary increments)

Initiative	Original Initiative	Updated Initiatives	Current and Future Impact
Outsource swimming pool management	N/A as new initiative	Council sought interest from commercial operators for the operation of Newcastle's five inland swimming centres	Four of the five centres were leased to Lane 4 Aquatics in July 2014
Productivity improvement	N/A as new initiative	Council will commit to the quantum of productivity savings assumed by IPART in determining the rate peg from 2015/16 onwards. 2014/15 will be excluded as there are already productivity / efficiency initiatives built into the plan that exceed this 0.2% factor. Projected savings to 2023 are \$8.8 million	Savings are built into projects for 2015/16 and commence in the same year as the proposed special rate variation (noted below)
Post ERP savings	These savings are \$0.5 million in year 2014/15. They will need to be achieved through improved operational efficiency following the implementation of the new enterprise system in 2015.	Savings can not be determined until implementation is complete	The total value over 10 years is projected at \$2 million
Energy savings	By setting a target each year for energy savings, including changing practices and implementing simple technology, a forecast annual \$0.1 million savings will occur by 2014. The total savings for the 10 year period is estimated at \$6.4 million	Retained in operating plan and projects at \$0.1 million for 2014/15. Savings of more than this will be possible in the future. An exercise will be undertaken in 2014/15 to more accurately determine the benefit	Energy savings of \$0.1 million locked into 2014/15
Maintenance savings and capital raising from asset disposal	Based on an asset disposal program there will be maintenance and operational savings. In addition there will be funds raised through asset sales. These funds will be applied to reduce the asset backlog over the next five years. The total expected to be raised for the 10 year period is \$5.3 million	Asset disposal program has been expanded. \$7.1 million has been included for 2014/15 with a further \$35 million through to 2023. The asset sales are dependent on various approvals so involve some risk of not being approved. The projected sales estimate has been moderated on this basis	\$0.8 million in asset sales will be achieved in 2013/14. The 2014/15 plan reflects \$7.1 million in asset sales. (Note: with property transactions there can be significant timing differences in revenue recognition based on negotiated settlement dates and terms and conditions of sale)
City Hall	The City Hall budget will need to break even by 2015. This will be achieved through higher levels of bookings and better utilisation of rooms including leasing out some rooms to commercial tenants. The total additional income raised over 10 years will be \$5 million	The City Hall estimate remains incorporated in the Operating Plan (\$0.5 million) and reflected in all future year projections	The revenue projected is unlikely to be realised in 2014/15, this is in part due to the major refurbishment works at the site. However plans remain to achieve revenue in future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target

Initiative	Original Initiative	Updated Initiatives	Current and Future Impact
Civic Theatre	Civic Theatre will provide improved financial performance by an additional \$250,000 by 2015. This will result in \$2.2 million increased revenue over the 10 year period	The estimate remains incorporated in the Operating Plan (\$0.25 million) and reflected in all future year projections	The revenue projected is unlikely to be realised in 2014/15 however plans remain to achieve revenue in future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target
Newcastle Airport Pty Ltd (NAPL) dividends	Council's 50% shareholding in Newcastle Airport Pty Ltd (NAPL) was restructured on 9 October 2013 to facilitate the potential future part divestment of its shareholding to third party investors. NAPL operates airport as agent for the partners of the Newcastle Airport Partnership (NAP). The four partners are Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 2), respectively owned by Council; and Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4), respectively owned by Port Stephens Council. Council continues to remain a 50% shareholder in NAPL.	Dividends are less than originally projected. First dividend was \$0.6 million. This has been used as a revised basis for the 2014/15 operating plan and future projections. Ten year estimate is approximately \$7 million	First dividend received of \$0.6 million for 2013/14. This has been used as a guide for future years
Fort Scratchley, Museum and Art Gallery	Increased income opportunities will need to be applied to raise an additional \$250,000 by 2015. This will achieve \$2.5 million over 10 years	The estimate has not been included in the budget due to further work required	The revenue is unlikely to be realised but is being retained for 2014/15 and future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target
Waste Management	An improved position of \$0.5 million per annum will be required by 2015. This will raise an additional \$5.1 million in 10 years	Revised revenue target given success of business growth activities in 2013/14. It needs to be noted that costs also increased due to waste levy so net position is more important	Net benefit of \$2 million is built into the 2014/15 plan and is on target to be achieved
Business Improvement Associations (BIAs)	BIAs are rate funded. This service should be full cost recovery. This will cost recover \$0.5 million over 10 years (ie. \$50,000 per annum)	Business Improvement Associations are a successful model and have been retained for 2014/15 and future years.	Estimate built into 2014/15 plan
Special Rate Variation (SRV)	A SRV will need to be applied for and granted by 2014/15. The proposed SRV is to increase general recurrent revenue (s508A) for a period of seven years. It should be noted that this is separate to the 2012 (s508) SRV which can only be used for the key civic projects and therefore does not assist Council to provide ongoing services.	An SRV is still necessary to enable the Council to reach a sustainable financial position. The proposed SRV is for five rather than seven years averaging approximately 3.4% rather than 2% (as originally proposed). The rate application would be for aggregate increases commencing at 6.8% and reducing to 6.4% over the 5 years. This per annum increase is less than many neighbouring Council applications	Council will undertake extensive community consultation and apply for the SRV in 2014/15. If approved the SRV will result in an increase of between 6.5% and 6.8% over five years (including 3% rate peg) commencing in 2015/2016

Objective	KPI	Measure
4. Maintain a strong cash and liquidity position to ensure financial sustainability	Implement the budget principles endorsed by Council 18 April 2014	Achievement of budget principles

Council currently has a strong cash and liquidity position; this is demonstrated with the following ratios

Unrestricted current ratio 3.22:1 (Benchmark is greater than 1.5:1)

This ratio is an indicator of Council's liquidity and has remained relatively stable in recent years, and reflects the impact of the requirement of Accounting Standards to classify investments as current or non-current, depending on the maturity date.

The unrestricted current ratio has been calculated for the purposes of assessing the capability of Council to meet its short term obligations (current liabilities) using current assets. The ratio indicates an improvement on last year due to an increase in cash levels from positive cash flows from operating activities including capital grants and contributions and the 2012 capital restricted special rate variation.

Rates and annual charges outstanding ratio 4.61% (Benchmark is <5%)

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The rates and annual charges outstanding ratio of 4.61% has fallen from 5.05% in 2012/13. This represents a decrease of 0.44%. This is an improvement on the result due to a more proactive approach with Council's mercantile agent.

Cash expense cover ratio 8.7 (Benchmark is greater than three months)

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Objective	KPI	Measure
5. Provide better and more efficient services to customers through the implementation of improved systems and processes by 2017	Improve responsiveness and quality of customer experiences	Improve customer satisfaction scores in the Customer Service Survey by 2% 2014 , 5% 2015, 7% 2016, 10% 2017

This survey was not undertaken in 2014 but has been scheduled for February 2015 prior to the completion of the customer contact centre. An additional survey will be taken within six months of the centre opening.

Objective	KPI	Measure
6. Renew and maintain assets within a sustainable range	Annual renewal ratio	Minimum of 10% variance in the maintenance renewal budget.

The special schedule 7 of the 2013/14 Financial Statements has the infrastructure backlog sitting at \$90.4 million (\$97.7 million 2012/13). The schedule addresses the condition of public works and the estimated cost to bring assets up to a satisfactory standard.

The \$7.2 million net reduction in the backlog is due to the \$29.2 reduction in backlog resulting from asset sales (building and structures) exceeding the \$22 million increase in the backlog relating to other asset classes (roads, stormwater drainage and other infrastructure assets).

The primary reduction in the backlog of \$26.7 million in buildings has been achieved through asset sales of \$21.7 million and via increased borrowing of \$4.7 million.

Other asset classes all reflect a worsening asset position. Specifically these are:

- roads has increased by almost \$10 million from \$7.2 million to \$17.1 million
- drainage works has increased from \$15.4 million to \$17.3 million
- creeks and trees will require capital works of \$7.9 million and \$2.3 million respectively to bring to a satisfactory condition. This asset class has been included to provide a more complete view of the asset maintenance and renewal backlog.

In summary, reductions have been largely achieved by selling assets in poor condition in the building asset class whilst the asset maintenance and renewal backlog has grown in all other classes of assets. This is not financially sustainable and Council will need to increase maintenance and capital works to address the backlog. To do this sufficient funds need to be generated internally to fund the required maintenance and capital works.



Objective	KPI	Measure
7. Identify opportunities for asset rationalisation to fund the infrastructure backlog	Infrastructure backlog: infrastructure backlog (\$m) less internally available infrastructure funding (\$m) = unfunded infrastructure backlog (\$m)	Target backlog is 2% of value of infrastructure (\$)

The 10 year target for asset sales (2012/13 to 2021/22) has been revised down from \$62m to \$52m. This is due to the combined impact of properties being removed from the sale list and the reappraisal of the potential sale proceeds for the remaining properties. These funds will be restricted for the purpose of infrastructure renewal.

Land and buildings	Budgeted settlement amount	Status of sale	Actual settlement amount
3 Torpey Place, Broadmeadow	\$1,200,000	Settled	\$1,351,000
Civic Hotel gaming machine entitlements	\$750,000	Settled	\$690,000
Black Hill (sale to RMS - F3 extension)	\$1,800,000	Settled	\$1,815,000
332 Darby Street, Bar Beach	\$450,000	Settled	\$840,000
6 and 8 Morgan Street, Islington	\$300,000	Settled	\$470,000
3 Northern Avenue, Tarro	\$100,000	Settled	\$180,000
RMS properties (net transfer value)	\$600,000	Settled	\$1,200,000
TOTAL	\$5,200,000		\$6,546,000

Road closures	Budgeted settlement amount	Status of sale	Actual settlement amount
Harriet Street, Waratah	\$121,000	Settled	\$121,000
Road adjoining 11 Anzac Pde, The Hill	\$11,000	Settled	\$11,000
TOTAL	\$132,000		\$132,000

Objective	KPI	Measure
8. Ensure a strong organisation that has the skills and talent to support the delivery of services that meet community needs	Critical skills known and succession plans in place to ensure continuity of service delivery to community	Succession plans in place for all critical positions by 2015

The leadership capability framework is being developed and will be rolled out progressively over the next two years. This process will include the development of a comprehensive succession plan for critical roles within the organisation.



SPECIAL RATE VARIATION 2012

THE VARIATION WAS GRANTED TO DELIVER
PRIORITY CAPITAL WORKS PROJECTS ACROSS
THE CITY FOR THE NEWCASTLE COMMUNITY
WITHIN THE NEXT TEN YEARS

COUNCIL'S
FOUR YEAR
DELIVERY
PROGRAM
- BUDGET
PRINCIPLES
OUTLINE
THE ROBUST
PRINCIPLES
ADOPTED BY
COUNCIL

In 2012 The City of Newcastle was successful in its application for a section 508(2) special rate variation (SRV) of 5% above the cap for one year. The variation occurred in the 2012/13 financial year increasing the base rate charge. The variation was granted to provide Council the ability to undertake works of a capital nature on the projects identified below over a 10 year period.

As the organisation focused on delivering more sustainable outcomes the timetable for delivery of projects identified were reviewed. This coincided with the sale of two of Council's off street parking assets.

In March 2013 the Division of Local Government was notified of the changes. Council was advised that as the special rate variation revenue would continue to fund the identified projects, the conditions of the variation were not breached.

The four year Delivery Program adopted by Council includes the following robust budget principles which are specific to project delivery:

- That no project commences until funding for the full cost of the project is secured or has certainty.
- The special projects capital be prioritised in accordance with community ranking from the Micromex Research 2011 Report and timing for delivery matched to cash flow. These priorities are set according to the support as follows:

Priority 1: Revitalising Hunter Street

Priority 2: Revitalising our coast

Priority 3: Upgrading Blackbutt Reserve

Priority 4: Providing new cycleways

Priority 5: Improving our swimming pools

Priority 6: Modernising our libraries

Priority 7: Expanding parking meters

(Note: Council resolved not to expand the parking meter network.)

Priority 8: Off-street parking stations.

(Note: Council sold two of three parking stations.)

Priority 9: Expanding our Art Gallery

- The cash flow for special projects listed above be sourced from:
 - a) the 5% capital restricted capital rate variation awarded in 2012 (which will generate approximately 30% of the funding needed)
 - b) section 94 funds and
 - c) existing reserves

In the two years since the introduction of the variation in July 2012, \$9,219,644 has been raised. This revenue is placed in a restricted reserve for funding only those projects identified within the special rate variation application only. During the 2013/14 financial year \$4,084,662 has been spent on identified projects with the majority of funding being used for coastal revitalisation.

This brings work undertaken on Council's special rate variation program to \$8,172,655 since the introduction of the variation. In the 2014/15 financial year alone Council is planning on spending in excess of \$11 million on the special rate variation funded program.

Priority	Special Project	2013/14 Actual Spend
1	Hunter Street Revitalisation	407,152
2	Coastal Revitalisation	2,970,154
3	Blackbutt Reserve	385,433
4	Cycleways	321,923
	Total	4,084,662



LONG TERM FINANCIAL PLAN

Integrated strategic financial analysis (ISFA)

Financial modelling has forecast that the net operating position and cash reserves of Council will decline over the next ten years with organisational expenditures outstripping revenues. The liquidity position will reduce over the period and will likely result in Council becoming illiquid due to reducing current assets and increasing current liabilities.

Advice to Council from the independent members of the Audit Committee, the Financial Advisory Panel (FAP), Treasury Corporation (T-Corp) and Fiscal Star (Percy Allen) have confirmed the following:

- Council is not financially sustainable in the medium to long term
- Council will become insolvent as early as 2017 if no corrective action is taken
- The Infrastructure backlog is a serious issue to be addressed
- Taking on extra debt is a high risk strategy and should be avoided
- Taking on large scale capital projects should be avoided (until the solvency and deficit issues are addressed)
- Bringing budgets back into surplus is essential
- No one single solution will work and all solutions will have an impact on the community and services to varying degrees
- A number of strategic initiatives is required in order to adequately address the 13 budget issues.

Advice from the independent members of the Audit Committee also states:

- Council's future financial position is deteriorating and unsustainable
- This situation requires immediate and decisive action
- Decisions must be made based on current, reliable, independently tested information and be free from political influence
- Given the risks associated with the assumptions and achievement of proposed sustainability options, the current 'Recommended Option' may not be sufficient to avoid the projected ongoing future financial difficulties.

The current decline in the net funding position, should Council continue its 'business as usual' model is illustrated in Figure 1.

The net overall funding shortfall continues to rise and at the current rate will exceed \$37 million by year 2022/23 if a 'business as usual' approach is taken. As a result of this declining net position, The City of Newcastle has explored options to contribute to the long term financial viability of Council. These options included both expenditure reduction and revenue improvement strategies.

The recommended option (Hybrid Option 2 in the ISFA) offers a combination of organisational efficiencies and savings in the first two years, improved financial performance of commercial venues and a SRV from financial year 2015/16 onwards.

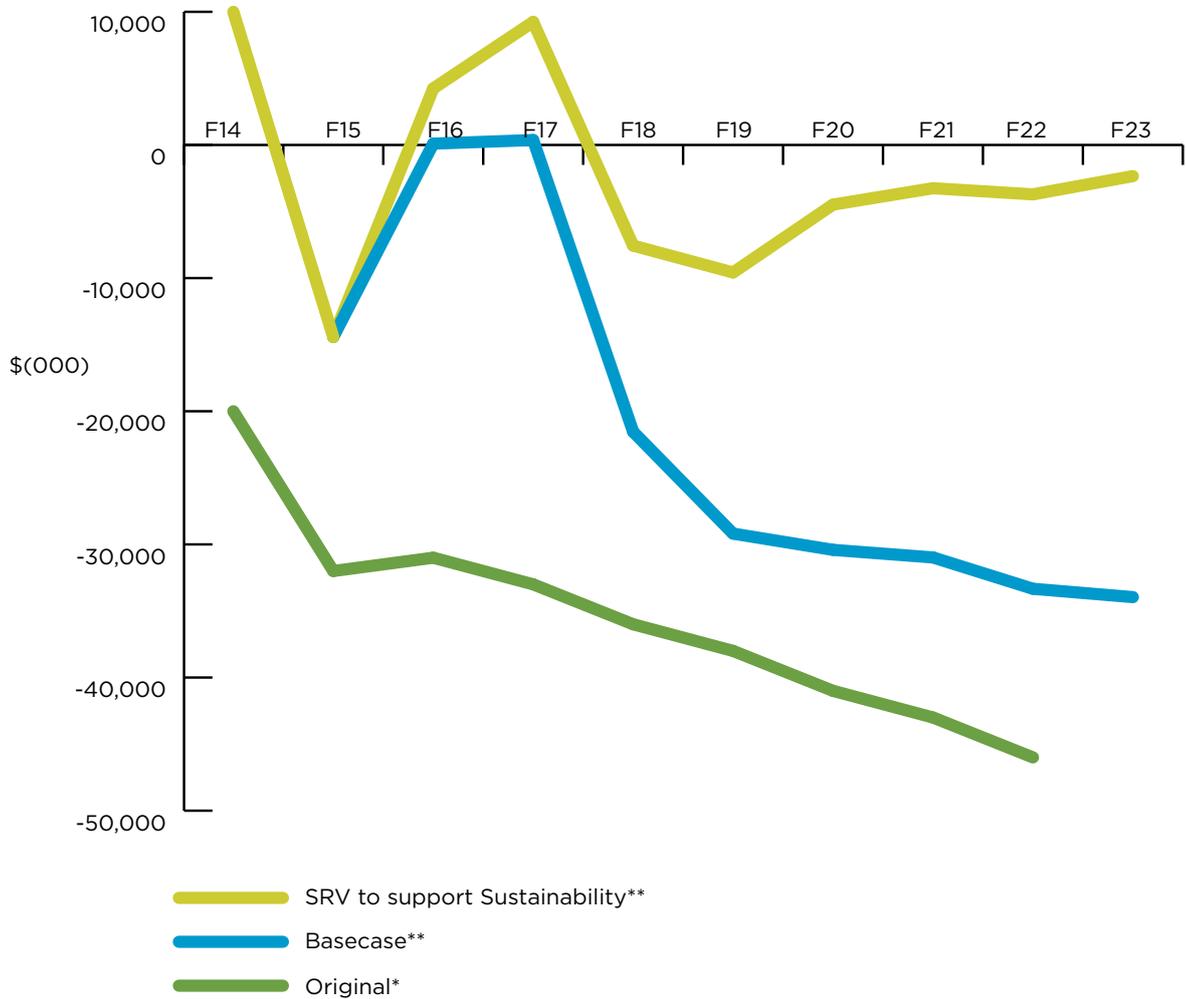
A number of 'additional strategies' were identified in 2013/14 Delivery Program to improve the financial position of Council. The combined impact of initiatives in 2013/14 and future initiatives will result in Council significantly exceeding original targets. The most notable initiative in achieving this result is the organisational restructuring that has been completed. The 10 year savings projection from this initiative alone covers the projected savings of all other initiatives combined (excluding the proposed SRV).

The remaining initiatives have been adjusted based on more information being available.

- For example the asset sales estimate has been increased for the 10 year period
- Some initiatives might not realize savings in the immediate term but are being retained due to potential in the longer term to realise benefits Council will seek to address any shortfall by looking to identify additional revenue sources where possible. This does constitute some risk to Council achieving its budgeted revenue).
- The benefits of some initiatives have been reduced in line with recent experience (for example the airport dividend is less than originally estimated) or removed no longer viable.

In summary Council is exceeding the original plans put in place to realize surplus. The only major initiative which is pending an outcome is the SRV application. The SRV application as noted earlier in the Delivery Program document is a critical element in The City of Newcastle moving from ongoing operating deficits to a sustainable position of recurring operating surpluses.

Figure 1: Forecast Net Funding Position



* Original estimates before Council implemented a range of measures including restructuring and reducing the workforce, prioritising projects, completing asset sales and changing how we deliver some services.

** Based on the current (Oct 2014) Long Term Financial Plan Estimates.



STATUTORY REPORTING

Amounts contributed or otherwise granted *Regulation CL 217(1)a5*

During the 2013/14 financial year Council provided funding to external bodies as per section 356 of the *Local Government Act 1993* under the following programs:

Events Sponsorship Program

Council funds a range of events under the banner of the Events Sponsorship Program. In 2013/14, 13 events were sponsored to the value of \$141,307. The events included Surfest, Eastern University Games, Cotton on Run, Surf Rowing Championships, NutriGrain Ironman and Fuelarama. In addition, Council agreed to sponsor two key events, the MTB Port to Port Mountain Bike Challenge and the 2015 AFC Asian Cup (to be held January 2015). Council also sponsors the annual Anzac Service (\$25,000).

Economic Development Program

Under this program, Council contributed \$78,397 to eight projects/events which included the Winter Carnival at Wallsend, Landcare Forum and Newcastle Writers Festival. Under this program an annual contribution to Screen Hunter and the Hunter Valley Research Foundation is made.

Make Your Place Grants

In 2013/14, 26 projects were funded including 10 community events, seven creative/cultural projects and nine greening projects. These projects directly involved 3,675 people. Council's grant contribution totalled \$39,830 (excluding officer time) with \$181,095 added by the community.

Façade Improvement Program

Council funds are granted for works on building facades (the exterior of the building that is visible from the public realm) and was guided by the Façade Improvement Scheme Policy.

28 grants were awarded to the value of \$39,895.

Coastal protection services *Regulation CL 217(1)(e1)*

In the 2013/14 financial year Council did not impose a levy for coastal protection works.

Companion animals management *Regulation CL 217(1)(f)*

Council uses a range of education and enforcement tools to comply with the *Companion Animals Act 1998*.

Education activities carried out by the Compliance Services team included the distribution of brochures and pooch pouches and attendance at community events.

Council promotes the benefits of desexing animals and maintains a relationship with the RSPCA and Hunter Animal Watch to facilitate low-cost desexing for persons in financial difficulty. Council has also provided microchips to assist in reducing the overall cost of desexing and registering an animal.

Enforcement activities included the investigation and management of straying, attacking dogs, dangerous, restricted, barking and nuisance dogs; as well as feral and nuisance cats. Council investigated and reported 265 dog attacks to the Division of Local Government during the 2013/14 financial year.

Council's pound is operated by the RSPCA. Running costs were \$319,704 with expenditure exceeding income received from the companion animal related revenue from registration fees which totalled \$100,481 and impound fees which totalled \$29,606.

Unclaimed animals in Newcastle are transferred to the RSPCA where homes, if possible, are found for them. Animals are only euthanised when their health or behaviour makes it unsuitable for them to be re-homed. The RSPCA updates the pound data collection return every month and lodges it with the Division of Local Government on an annual basis.

Council has 17 off leash areas. The locations are detailed at www.newcastle.nsw.gov.au search for *off leash*.

Controlling interest Statement *Regulation CL 217(1)(a5)*

Council held no controlling interests in companies during the 2013/14 financial year.

Contractors/works awarded Regulation CL 217(1)(a2)

During the 2013/14 financial year Council awarded contracts/work to the total value of \$36,947,368 as detailed in the following table.

Contractor Name	Description of Goods, Works or Service	Contract sum or estimate*
Soil Conservation Service	Ironbark Creek Restoration Works Stage 2	\$311,310
Wendgold Pty Ltd	Stockton Beach Holiday Park - Supply & Installation of Two (2) Ensuite Cabins	\$150,350
Michilis Pty Ltd	Cathedral Park Construction Stage 2	\$498,153
Daracon Landscaping Pty Ltd	Foreshore Park Construction of Brick Retaining Wall	\$208,073
SMEC Australia Pty Ltd	Wallsend Commercial Centre Consultancy - Design & Acquisition Strategy	\$186,076
Computer Systems (Australia) Pty Ltd	Data Back-up Software & Implementation Services	\$164,945
Big Boys Newcastle Pty Ltd	Gutter Cleaning & Maintenance and Minor Associated Works (2 years)	\$250,000*
Design Landscapes Pty Ltd	Bathers Way Project - Dixon Park to Bar Beach Construction Stage 1	\$2,548,267
Soil Conservation Service	Gunambi Reserve Wallsend Creek-line Rehabilitation Works	\$268,210
FE Technologies Pty Ltd	Radio Frequency Identification (RFID) Library System - Supply & Install	\$177,683
Scape Constructions Pty Ltd	Merewether Beach Domain Plan - Stage 3b Construction	\$983,506
Hays Specialist Recruitment (Aust) P/L	Hire of IT Project Manager	\$155,521
PricewaterhouseCoopers	External Audit Services - Financial & Taxation	\$495,000
John Hersee Master Painter Pty Ltd	Queens Wharf Buildings A & B - Painting & Window Maintenance Works	\$203,530
Michillis Pty Ltd	Shortland Esplanade at Fort Drive Cliff Stabilisation Works	\$381,692
Uniplan Group Pty Ltd	Stockton Beach Holiday Park Supply & Installation of 16 Ensuite Cabins	\$2,176,935
Michillis Pty Ltd	Merewether Ocean Baths - Baths, Pumps & Promenade Construction	\$3,238,510
EnergyAustralia	Supply Electricity to Large Sites (3 years)	\$6,000,000*
Stone Mason & Artist Pty Ltd	Newcastle City Hall Clock Tower Conservation Works - Construction	\$3,873,819
SCE Resources Pty Ltd	Tarro Reserve Soil Remediation Works	\$508,000*
Position Partners Pty Ltd	GPS Based Landfill Management System - Supply & Install	\$210,166
Origin Energy	Electricity Supply for Street Lighting (3 years)	\$2,500,000*
Gilbert & Roach	Procurement of 2 x Parks Trucks with Tipping Bodies	\$174,832
Gilbert & Roach	Procurement of 2 x Trucks with Wood Chipper Bodies	\$285,236
Newcastle Commercial Vehicles Pty Ltd	Procurement of 1 x 4WD Backhoe / Front End Loaders	\$201,640
Komatsu Australia Pty Ltd	Procurement of 2 x 5T Hydraulic Excavators & Attachments	\$222,371
Civil Edge Contracting Pty Ltd	Teralba Road Phase 3 Rehabilitation Construction	\$551,704
Daracon Landscaping P/L t/a Paramount Landscaping	Stockton Beach Holiday Park Civil and Landscape Construction Works	\$425,085

Soil Conservation Services	Creek Rehabilitation off Smith Road Elmore Vale Design & Construction Works	\$198,251
F&D DeVitis	National Park Athletics Complex Sporting Amenities Building Construction	\$682,200
Reino International Pty Ltd	Parking Meter Upgrades - Credit Card Security Compliance	\$1,305,060
Computer Systems (Australia) Pty Ltd	IT Network Storage Hardware – Supply & Commission	\$230,615
Converge International Ltd Incorporating Resolution	Employee Assistance Program Services (up to 3 years)	\$187,932
Boulus Constructions Pty Ltd	Carnley Avenue Reserve Amenities & Arena Buildings Construction	\$816,000
Four contractors appointed	Electrical & Communication Services (2 years)	\$3,000,000*
Four contractors appointed	Tree Maintenance Services (2 years)	\$1,000,000*
F&D DeVitis Builders	Waratah Outer Ground - Canteen & Storeroom Construction	\$173,600
Bruce W Raffan Pty Ltd	Occupational Health Physician Services (up to 3 years)	\$453,024
Data#3 Ltd	Microsoft Enterprise Licensing (3 years)	\$350,000*
Suite Design Australia Pty Ltd	Stockton Beach Tourist Park - Fitout of New Cabins	\$254,431
MacDonald Johnston Pty Ltd	Procurement of One New Road Sweeping Machine	\$349,618
Soil Conservation Services	Stockton Ballast Ground Riverbank Stabilisation Works	\$246,023
Labour Cooperative Ltd	Outdoor Labour Hire Services (3 months)	\$350,000*

Notes:

* means the amount is an estimate with some estimates based on historical expenditure.

All amounts are stated as GST inclusive

Details and purpose of overseas visits by Councillors, Council staff or other persons representing Council *Regulation CL 217(1)(a)*

Lord Mayor Overseas Visits:

During the 2013/14 financial year the Lord Mayor undertook no overseas visits as part of his Council duties.

Councillor Overseas Visits

During the 2013/14 financial year no Councillor undertook an overseas visit as part of their Council duties.

Council Officer Overseas Visits

During the 2013/14 financial year no Council Officer undertook an overseas visit as part of their Council duties.

EEO Management Plan Implementation *Regulation CL 217(1)(a9)*

Equal Employment Opportunity (EEO) focuses on recognising and valuing diversity within the workplace. This means having workplace policies, practices and behaviours that are fair and do not disadvantage people who belong to particular groups.

Council provides a large number of services to a diverse community and aims to promote an environment free from harassment, bullying, victimisation and discrimination. We have an EEO Management Plan with strategies that assist members of EEO groups to overcome past and present disadvantage.

We also deliver EEO training to staff and developed a set of organisational values to define how staff at Council should work together. Our Executive Leadership Team understands the need for all directors and managers to model EEO principles.

All staff members are asked to make a personal commitment to improve the way they work with coworkers, customers and the community. Key achievements were:

- The Senior Aboriginal Employment and EEO Advisor has initiated a number of programmes aimed at improving and increasing diversity.
- The review of EEO training to ensure all Council employees are familiar with their rights and responsibilities was completed and work commenced on establishing a framework for future training.
- The review and ongoing implementation of the Aboriginal Employment Strategy.
- The signing of an official agreement for an Aboriginal Scholarship in partnership with the University of Newcastle.
- The consideration and approval for Council to have a Reconciliation Action Plan. The planning and costing of cultural awareness training ready for implementation.
- Continuing work on data verification to ensure compliance with the *Local Government Act*, Section 345 (c) states that 'collection and recording of appropriate information' is required to assist in the development of the EEO Management Plan.
- Redeveloped and distributed the Employee Assistance Program promotional material.

External Bodies, companies or partnerships *Regulation CL 217(1)(a8)*

Hunter Integrated Resources

Hunter Integrated Resources, a public company limited by guarantee and not having share capital. Council has an interest in this company that was incorporated on 7 December 2000 and is not currently carrying any active business. It was originally incorporated to undertake a Hunter Region waste project joint venture between Newcastle City Council, Lake Macquarie City Council, Maitland City Council and Cessnock City Council.

Hunter Councils

Hunter Councils Limited is a public company limited by guarantee and does not have share capital. The purpose of the company is to provide local government resource sharing arrangements. Hunter Councils brings together 11 Councils to promote cooperation and collaboration to benefit local communities. This has achieved strong communication between councils, sharing professional expertise and inter-council collaboration. The General Managers' Advisory Committee, made up of all the Hunter Councils' general managers, meets monthly to progress issues of regional importance.

Newcastle Airport Pty Ltd

Council was previously in a joint venture with Port Stephens Council to operate the Newcastle Airport. Following the corporate restructure that occurred on 9 October 2013, the four partners of the Newcastle Airport Partnership are now Newcastle Airport Partnership Company 1 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 1) and Newcastle Airport Partnership Company 2 (as trustee for Newcastle Airport Partnership Trust 2), both owned

by Newcastle City Council, and Newcastle Airport Partnership Company 3 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 3) and Newcastle Airport Partnership Company 4 Pty Ltd (as trustee for Newcastle Airport Partnership Trust 4), both owned by Port Stephens Council. Newcastle Airport Pty Ltd operates the Newcastle Airport as agent for the Newcastle Airport Partnership. Under this structure, Newcastle Council and Port Stephens Council hold the rights to their share of the assets and their share of the obligations in the partnership.

As defined in AASB 131 – Interests in Joint Ventures, joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing the control.

Before the restructure each Council had joint control through their 50% share of Newcastle Airport Pty Ltd. After the corporate restructure that occurred on 9 October 2013, this ownership structure ultimately remains the same and Council now owns new holding companies Newcastle Airport Partnership Company 1 (NAPC1) and Newcastle Airport Partnership Company 2 (NAPC2). Council has elected to continue to apply the proportionate consolidation method allowed in AASB 131. Therefore there is no change in the accounting for Newcastle or Port Stephens' share of the joint operation by each Council as the impact of recognising the direct interests in the assets, liabilities, revenue and expenses of the joint operation is effectively the same as recognising their share under the proportionate consolidation method currently in place.

NSW Local Government Mutual Liability Scheme (Statewide)

The NSW Local Government Mutual Liability Scheme started in 1993 as a joint venture with 96 members forming a 'self insurance mutual' covering public liability and professional indemnity insurance.

Membership has expanded to include councils, the Local Government Association, the Local Government Shires Association, a rural Water Board and a Noxious Weed Eradication Board.

Over 18 years, Statewide has delivered many benefits including stable premiums, reduced premium outcomes for Council as well as cost containment and spread of risk.

Functions delegated by Council *Regulation CL 217(1)(a6)*

To better engage the community and reflect local community views and needs, The City of Newcastle delegates a range of its functions to volunteer committees and other organisations.

Changes have included the move for Mainstreets from s355 committees to incorporated associations independent of Council.

Parks Committees

Parks committees manage local parks and reserves on behalf of the community including:

- Beresfield/Tarro Park
- Centennial Park
- Elernmore Vale Reserve
- Federal Park
- Heaton-Birmingham Gardens Park
- Kotara Park
- Myamblah Crescent Oval
- New Lambton Oval
- Stevenson Park
- Stockton Park
- Tuxford Park
- Wickham Park

Community Facility Committees

Community facility committees manage local community facilities on behalf of the community. Council supports Community Facility Committees for:

- Beresfield Child Care Centre
- Carrington Community Centre
- Hamilton South Community Centre
- Henderson Park Hall
- New Lambton Community Centre

Legal Proceedings Regulation CL 217(1)(a3)

The total of legal expenses in relation to legal proceedings incurred by The City of Newcastle was \$206,526.62

Of this, the monies expended undertaking litigation and the amounts, costs or expenses paid or received by way of settlement of claims, the subject of legal proceedings were:

- Amount expended undertaking litigation: \$206,526.62
- Amount paid in settlements of claims costs: \$NIL

Local Court

Prosecutions and appeals

Legal proceeding in the Local Court include prosecutions by Council, usually concerning failure to obtain or comply with orders or development approvals issued by Council. Areas of prosecution range from unauthorised works to failure to comply with animal control orders or clean-up notices. Defendants may appeal any decisions made by the Local Court in relation to prosecutions.

Appeals: There were seven appeals lodged with the Local Court in relation to dangerous dog declarations issued by Council. Of these:

- Two matters were withdrawn.
- In two matters, the offence was proven and a fine imposed.
- In one matter the offence was proven and a fine and control orders imposed.
- One matter was discontinued.
- One matter was dismissed.

There was one annulment application lodged in relation to a decision made by the Local Court in 2012/13 which was successful.

Court elected penalty notices

Legal proceedings in the Local Court also include enforcement of penalty notices. Court elected parking penalty notices are dealt with by the police prosecutors (except in special circumstances where Council may deal with a matter directly, for example if the defendant is a Police Officer). For all other court elected penalty notices, Council's Legal Services Unit will review and determine whether the matter should proceed in the Local Court or whether the penalty notice be withdrawn.

In 2013/14, Council was involved in 10 cases where the recipient of a penalty notice had elected to proceed to court. Of these:

- Five matters had convictions recorded and fines imposed.
- Two matters were dismissed under s10A(1) of the *Crimes (Sentencing Procedure) Act 1999*.
- One matter was dismissed with the imposition of agreed control orders.
- Two matters were withdrawn.

District Court

In 2013/14 one appeal was lodged in the District Court against Council which was subsequently withdrawn.

Land and Environment Court

Class 1 appeals

Class 1 appeals in the Land and Environment Court are related to environmental planning and protection appeals. This includes appeals on the merits only against refusals, or deemed refusals, of development consents or conditions of development consents.

In 2013/14, two Class 1 appeals were lodged in the Land and Environment Court against Council. Both of these appeals were successful on the basis of amended applications.

In addition, there was one class 1 appeal lodged in the Land and Environment Court against Council in 2012/13 which was discontinued in 2013/14.

Class 4 applications

Class 4 applications in the Land and Environment Court relate to environmental planning protection and civil enforcement, This includes breaches of planning law or breaches of conditions of development consent, and also proceedings which question the legal validity of consents or refusals of consent issues by Council.

In 2013/14, one class 4 application was lodged in the Land and Environment Court against Council which was discontinued. In addition a class 4 application lodged by Council in 2012/13 was also discontinued.

There is one class 4 application which was lodged in the Land and Environment Court against Council in 2011/12 - these proceedings continue and are yet to be finalised.

Supreme Court

In 2013/14, one appeal was lodged in the Supreme Court against Council. This appeal was upheld in favour of Council and orders were made against the plaintiff.

Supreme Court - Court of Appeal

In 2012/13 one appeal was lodged in the Supreme Court - Court of Appeal against Council. This appeal was upheld in favour of Council in 2013/14 and orders were made against the plaintiff.

Private work and financial assistance Regulation CL 217(1)(a4)

During the financial year 2013/14 no works were undertaken on private land and no works were subsidised.

Mayoral and Councillor expenses Regulation CL 217(1)(a1)

The following expenses are the combined total for the Lord Mayor and 12 Councillors. The reporting of these expenses is in line with the above regulation.

Financial Year 2013/14	\$
Members fees	397,067
Official business	1,127
Communication devices	819
Communication expenses	23,664
Carers expenses	-
Professional development	10,690
Annual conference	6,188

Public Interest Disclosures (Public Interest Disclosures Act 1994 Regulation 2011)

Council has an adopted Public Interest Disclosure Policy (Policy) in accordance with the requirements of the *Public Interest Disclosures Act 1994 (PID Act)*. The Policy provides a mechanism for Council officials to make disclosures about serious wrongdoing.

Public Interest Disclosures: Statistical Information

During 2013/14, the following disclosures were made under the Policy:

Number of public officials who made Public Interest Disclosures	1
Number of Public Interest Disclosures received	1
Of Public Interest Disclosures received, number primarily about:	1
Corrupt conduct	1
Maladministration	N/A
Serious and substantial waste	N/A
Government information contravention	N/A
Number of Public Interest Disclosures finalised	0

Public interest disclosures: details on how Council met its obligations in 2013/14

Council adopted its current policy in October 2013. The policy:

- Incorporates the relevant provisions of the *Public Interest Disclosure Act* and the NSW Ombudsman's Model Internal Reporting Policy – Public Interest Disclosures (2013 version).
- Appoints a coordinator under the framework who is responsible for assisting the General Manager to manage disclosures.
- Appoints 13 Council officers from diverse work areas and locations across the organisation who may receive disclosures from staff.

Council's General Manager has taken action to ensure staff are aware of the Public Interest Disclosure Policy by:

- Arranging for representatives from the NSW Ombudsman to attend and provide training to Managers and Public Interest Disclosure Officers.
- Making Council's policy available to all staff via a link on Council's intranet. The intranet site also contains a factsheet, frequently asked questions document and a link to the NSW Ombudsman website.
- Ensuring hard copies of Council's policy are available in a number of easily accessible places at the works depot, including via the WHS nurse.
- Erecting posters provided by the NSW Ombudsman Office at numerous worksites which set out:
 - where Council's policy can be located; and
 - contact details for Council's Disclosures Coordinator.
- Incorporating information about the Public Interest Disclosure Policy to new staff as part of its induction program.
- Supporting the roll-out of an e-learning training module which incorporates information and assessment on Council's Public Interest Disclosure Policy.
- Supporting a Performance Management framework includes a section providing for discussion about Public Interest Disclosures.

Stormwater levies and charges Regulation CL 217(1)(e)

Council levied a Stormwater Management Service Charge of \$25 per residential property, \$12.50 for residential strata lots, \$25/350m² for business properties capped at a maximum charge of \$1000. Business strata units were subject to a minimum of \$12.50 per strata lot for additional works and services.

The projected expenditure on Stormwater Management Service Charge (SWMSC) drainage works and services over the 2013/14 financial year identified in the Management Plan was \$1,940,000. The actual expenditure of these works and services incurred over the financial year was \$1,556,465 of Stormwater Management Service Charge funds and \$931,134 working funds.

The reason for the difference in the projected spend and actual expenditure was the adoption of proposals to deliver project works that were scoped and designed during the year, as per Council's quarterly review process. This included projects at Glebe Rd Merewether, Curzon Rd New Lambton and Minmi Rd Maryland in 2013/14. Some of the larger scale stormwater drainage pit and pipe rehabilitation projects were designed but the majority will be constructed within 2014/15 Delivery Plan.

The 2013/14 SMSC program consisted of 52 projects delivering:

- five street tree rain gardens devices,
- one large gross pollutant trap,
- two tide gates,
- 1460m of stormwater pipeline rehabilitation
- 15m of culvert restoration,
- 178 street pit entries rehabilitated,
- approx. 590m of open channel rehabilitation,
- as well as education, stormwater quality improvement device maintenance and erosion and sediment control compliance outcomes.

Major achievements in the year include:

- a highly successful community engagement program covering the role of water bug life (macroinvertebrates) in the health of urban stormwater channels and creeks as well as additional water quality monitoring using partnerships with The University of Newcastle;
- substantial residential catchments were investigated for the retrofit of storm water quality treatment devices

(gross pollutant traps, rain gardens and sand filters) and drainage capacity to improve quality of stormwater system performance eg Cooks Hill discharging to Cottage Creek

- feasibility assessment completed for 12 sites for pipeline rehabilitation using trenchless technology (for contract delivery 2014/15 as part of the rolling bi-annual pipe rehabilitation plan)
- the community creekline "natural infrastructure" works successfully completed through Wallsend CBD at Gunambie Reserve. The rehabilitation works used natural creek geomorphic design principles in rock armouring and revegetation, to deliver an award winning outcome
- implementation of a major stormwater failure rehabilitation project at Curzon Rd New Lambton, including the need for land acquisition due to the challenging site constraints, to enable works to be undertaken;
- incorporation of water sensitive urban design principles in delivery of the coastal revitalisation works at Merewether and Dixon Park; and
- a range of stormwater drainage outlets and pit/pipe works completed across the city (Hamilton, Adamstown, Merewether, Newcastle East, Birmingham Gardens, Newcastle, Kotara, Wallsend and Maryland)

Project	Outcome
Cooks Hill drainage rehabilitation - Bruce St install GPT	Design Report and final construction plans completed.
Curzon Rd New Lambton - drainage rehabilitation design	Design completed with concurrence of private landholders. Property purchase completed to enable construction. Site established. Majority of construction and WAE to be completed 2014/15.
195 Mitchell Street Stockton - infiltration	Works completed ahead of schedule June 2013.
Council Reserves - WSUD rehabilitation of drainage sites	All works specified completed.
Cooks Hill Drainage - catchment analysis and design details	Investigation and 1D model completed, to inform catchment drainage design. 2014/15 2D and upstream/downstream model extension required to complete design/construction.
Frederick St Merewether - drainage design	Investigation complete. Design deferred 2014/15.
Wharf Rd Newcastle - replace tide gates	Investigation and drainage catchment model complete. No tide gate warranted.
Citywide - install stormwater quality control devices	Project cancelled. Outcomes delivered alternatively through other site specific works.
Citywide - trenchless technology drainage rehabilitation	Feasibility report completed for next 2014/15 works contract. The balance of the trenchless pipe rehabilitation contract delivered Bar Beach, Merewether and Adamstown.
Creeks and Waterways - inspect erosion and sediment control	Pro-active compliance inspections delivered across the LGA.
Community Education at environment rehabilitation worksites	Council delivered opportunities for community involvement in environmental water related activities every month of year. The Program involved 12 schools with hundreds of residents attending.
Empire Park - stormwater harvesting	Investigation and concept design details completed for a stormwater harvesting project in Empire Park.
Glebe Rd Merewether - drainage rehabilitation	Successful completion of drainage rehabilitation at Corner of Glebe Rd and Beaumont St Merewether.
Maitland Rd Hexham - tide gate replacement	Two tide gates completed. No further complaints of inundation within retail or street locations. Council waiting on RMS approval of Council proposed traffic barrier/fence installation.
Water Sensitive City - stormwater management	Successful review, update and industry presentations of Newcastle DCP Stormwater management planning guidelines and technical manual.
Toolies Industrial Area Sandgate - WSUD	Investigation and water quality monitoring sites established. Design and works deferred to 2014/15.
Laman St Cooks Hill - rehabilitation	Laman St rehabilitation successfully completed. This project installed tree moisture and soil oxygen sensors and porous paving to ensure ongoing health of trees, maximising stormwater capture for tree watering and appropriate responses undertaken.

Marshall St Kotara - rehabilitate creekline	Successful rehabilitation of approximately 120m failed concrete culvert located within a drainage easement traversing a number of private properties in Kotara.
Parker St Carrington - drainage rehabilitation Stage 2	Investigation underway. Expect design, catchment model and required works (potential pipe upgrade/culvert and tidal inflow controls) in 2014/15.
Hope St Wallsend - catchment rehabilitation	Design, property access negotiations & pipe/pit drainage upgrade works completed. Works 2014/15.
King St at Watt St Newcastle - drainage rehabilitation	Project delivered renewal 80m stormwater drainage pipeline & 11 new and 3 upgraded stormwater pits.
Sunderland St Mayfield Roe to Valencia St - drainage design	Project deferred to 2014/15.
Bridges Rd New Lambton - rehabilitate pipe	Bridges Road and Lambton unnamed laneway investigation and concept design complete. Final design & works 2014/15.
Bar Beach Ave-New Drainage Construction	Project design & final plans for stormwater drainage reconstruction to alleviate stormwater inundation issued. Works began. Est. completion date Dec 2014.
Various Assets - open channel design and rehabilitation	Mapping and datasets detailing Road maintenance crews worksites completed to ensure regulatory requirements are delivered. Revised Newcastle Channel Maintenance Guidelines for 2014/15 delivery.
Kotara Park - design drainage works	Project deferred to 2014/15 to be delivered in alignment with Park Ave Road rehabilitation works.
Ocean St Merewether - drainage rehabilitation	Investigation, design and work site set up completed. The project includes rehabilitation of Ocean Street stormwater drainage to improve Livingston St inundation issues and the quality of stormwater discharging onto Dixon Park Beach. Works include two rain gardens, two discharges controls, new pipes (15m) and three pits.
McInnes St Reserve Minmi - headwall restoration	Design completed. Works deferred to 2014/15.
Aries Way Reserve - Aries Way Elmore Vale - headwall	Design and works completed including one headwall restoration, 15m outfall and two bed controls.
Callan Ave Maryland - outlet and headwall rehabilitation	Project concept completed. Liaison with NSW NPWS continuing. Works to be completed 2014/15.
Gunambi to Bousfield Wallsend - drainage channel rehab	Rehabilitation of 310m of failed degraded open channel with fit for purpose stabilisation works generating extended Life for asset and praise from residents and industry.
Richley ponds New Lambton - connection rehabilitation	Project delivered the discharge control (50m) rehabilitation replacing failed copper log revetment with durable sandstone structure that used natural channel design principles.
Hunter Estuary Model - design	Project 50% complete. 2014/15 phase two delivery.
Samdon St Hamilton - drainage rehabilitation	Rehabilitation of 11.45m of drainage pipe and three pits.
Church St Drainage investigate and design	Deferred 2014-14 due to limited staff resources.
Russel Rd New Lambton	Deferred 2014-14 due to limited staff resources.
Archer Crs Maryland - drainage easement	Investigation and negotiation with private property owner undertaken. Final design & works 2014/15.
Fussell St Birmingham Gardens drainage works	Works completed ahead of schedule June 2014 using working funds.
Hughes St Birmingham Gardens - drainage replacement	Project completed rehabilitation of 10m pipe and 3 pits. Works completed using working funds.
Minmi Rd Maryland - drainage rehabilitation	Project completed rehabilitation of 215m pipe and 5 pits. Works completed using working funds.
Gundaroo Crct Maryland - drainage replacement	Cancelled. Project investigation determined no works required.

Hargrave and Robertson St Carrington - drainage rehab	Sundry debtor charge - no SWMSC funds involved.
University Dr Waratah West - catchment rehabilitation	Catchment review, model and drainage rehabilitation works review completed using working funds.
Addison St Beresfield - rehabilitation of existing GPT	Design completed using working funds. Works deferred to 2014/15 due to limited staff resources.
Beresfield Golf Course - GPT connection and sediment trap	Works completed. Gross pollutant trap operating.
Various Headwalls - restoration at natural area interface	Investigation for future works program completed using working funds.
Teralba Rd Adamstown - drainage construction	Completed under contract using working funds.
William St Merewether - drainage construction	Design complete. Works started June 2013 using working funds.
Alister St Shortland - drainage design	Deferred to 2014/15.

Total Remuneration for General Manager and Senior Officers Regulation CL 217(1)(b) and (c)

Council must report on the total remuneration comprised in the remuneration package of the general manager during the year that is to include the following:

- Total value of the salary component of the package \$335,281
- Total amount of any bonus payments, performance payments or other payments \$0
- Total amount payable by the council by way of employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor \$29,616
- Total value of any non-cash benefits for which the general manager may elect under the package \$9,102
- Total amount payable by way of fringe benefits tax for any such non-cash benefits \$6,201

The Council must report on the total remuneration comprised in the remuneration package of all senior staff members (other than the general manager) employed during the year, expressed as the total remuneration of all senior staff members concerned (not of the individual senior staff members) and including totals of each of the following:

- Total value of the salary component of the package \$1,373,346
- Total amount of any bonus payments, performance payments or other payments \$0
- Total amount payable by the council by way of employer's contribution or salary sacrifice to any superannuation scheme to which the staff member may be a contributor \$122,995
- Total value of any non-cash benefits for which any of them may elect under the package \$49,789
- Total amount payable by way of fringe benefits tax for any such non-cash benefits \$27,803

Total rates and charges written off Regulation CL 132(5)

The total rates and charges written off was \$1,807,827.

GIPA ANNUAL REPORT

Obligations under the *GIPA Act*

1. Review of proactive release program – Clause 7(a)

Under section 7 of the *GIPA Act*, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The Council undertook the following initiatives as part of the review of its proactive release program for the reporting period:

- Reviewed the information published on the Council's website to ensure that the information is up to date, informative and relevant.
- Adopted an updated media policy which assists Council to engage with the media on the release of information of interest to the community.
- Increased the release of information via social media with links to main site including twitter and facebook
- Monitored matters of public interest to review whether Council can proactively release information about the matter.

As a result of this review, Council released information about the following Council projects and activities:

- the sale of the civic centre site
- closure and redevelopment of Merewether Baths
- leasing of inland swim centres
- revitalisation of Cathedral Park
- regular updates about the four priority projects including coastal revitalisation, city revitalisation, Blackbutt Reserve and cycleways
- facility upgrades at local parks including new amenities at Waratah, National Park No 4 and Islington Park
- demolition of TPI House
- implementation of the electronic housing code
- GPT development application
- installation of new technology at libraries (RFID)
- the refurbishment of the Newcastle City Hall façade and
- regular reports on our road rehabilitation and resurfacing program

2. Number of access applications received – Clause 7(b)

During the reporting period, Council received a total of 40 formal access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, Council refused a total of two access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the *GIPA Act*. Of those applications, zero were refused in full, and two were refused in part.

4. Statistical information about access applications – Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	1	0	0	1	0	0	0
Private sector business	2	2	0	0	0	0	0	2
Not for profit organisations or community groups	2	0	0	1	0	0	0	0
Members of the public (application by legal representative)	5	1	0	0	3	0	0	1
Members of the public (other)	0	11	0	1	2	1	0	2

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	1
Access applications (other than personal information applications)	5	4	0	2	6	1	0	2
Access applications that are partly personal information applications and partly other	4	11	0	0	0	0	0	2

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	9
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	9
Invalid applications that subsequently became valid applications	6
Members of the public (other)	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	4
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	13
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	29
Decided after 35 days (by agreement with applicant)	5
Not decided within time (deemed refusal)	4
Total	38

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	1	1

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

