

2013

The City of Newcastle **Annual Report**

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Lord Mayor's Message

Financial year 2012/13 was one of great challenges and emerging achievements for our City. Council worked to get its financial house-in-order and forge a pathway to sustainability.

I pay tribute to my fellow Councillors who've steered improvement of our great city after careful consideration and attention to due process. I am impressed with the way they consult tirelessly with the community and participate passionately in debate.

I also recognise the efforts of General Manager Ken Gouldthorp who is leading the Council and its staff through a time of great change.

Council aims to deliver meaningful services in an efficient manner to benefit the maximum number of constituents, necessitating major organisational restructure. I would like Council to be an employer of

choice in Newcastle and a place people can say they're proud to work.

If we each take pride in our corner of Newcastle, we'll see wholesale improvement across the city. Council has cleaned the exterior of heritage City Hall to reveal striking pink sandstone, and has landscaped the surrounds. Council was recently overwhelmed with 58 Hunter Street shop owners planning to improve their shopfronts.

The value of development applications determined by Council increased by 98 per cent in the past 12 months, with more than \$500million in approved investments now starting to change the face of our city.

Newcastle's coastline is a stand-out. Council is laying a wide walkway all the way from Nobbys

to Merewether. In 2012/13, this Bathers Way between Dixon Park and Merewether Baths was completed, along with upgrades to Bar Beach car park. The cultural centre of the city at Laman Street was modernised to a plaza-style pedestrian friendly street.

Council's events team attracted new exciting festivals such as Asia Pacific Special Olympics, Nutri-Grain Ironman Series, AFC Asian Cup, the British and Irish Lions Rugby Tour, and the Eastern Australian University Games.

Given these considerable successes and the changing face of our city, I believe Newcastle can look forward to a promising future! I would like to thank staff for all their efforts.

Cr Jeff McCloy
Lord Mayor

General Manager's Message

Council's ten year financial modelling shows that if we continue with a 'business as usual' approach by 2022 the net overall budget deficit could be as high as \$37 million per annum.

Clearly the 'business as usual' approach is unacceptable and a significant realignment is required.

The City of Newcastle is not alone in this position. According to the NSW Treasury Corporation 2013 Report, the majority of councils are reporting operating deficits and a continuation of this trend is unsustainable. In 2012 only one third of councils reported an operating surplus.

There are several reasons behind our current situation. Council currently manages \$1.6 billion of infrastructure, property, plant

equipment and investment property. Within this, there is a \$117.3 million backlog of remediation work.

Council's operating costs have been increasing annually and our expenses, along with an ambitious capital works program, exceed our recurrent revenue.

The NSW Government's average annual rate cap is well below the average rate rise in every other state. The discrepancy has severely impacted Council's ability to meet costs of service delivery.

State and Federal Governments now expect councils to undertake greater responsibilities than ever before, but provide no additional funding to deliver these services.

Rising fees and charges, including significant taxation and levies,

impact on waste disposal charges.

Increasing utility costs (electricity, gas, water etc), and a drop in grants and contributions are also impacting on Council's financial position.

The positive news is that Council is acting decisively to address the problem.

Council has reviewed its priorities and is implementing efficiency measures to bring the budget back to a surplus.

We will work closely with our elected Council and community to ensure that The City of Newcastle remains sustainable for the long term and continues to deliver a broad range of services.

Ken Gouldthorp
General Manager





Who We Are

The City of Newcastle employs more than 1,000 staff and is responsible for providing services and facilities to more than 155,000 people in our local government area (LGA).

Council's Organisational Structure

The City of Newcastle is comprised of two distinct parts: the Elected Council and the Administration.

The Elected Council

Twelve councillors and the Lord Mayor make up the decision-making 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 The City of Newcastle policies, objectives and criteria relating to the regulatory functions of The City of Newcastle.
- Review The City of Newcastle'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 The City of Newcastle.

The Council meets every third and fourth Tuesday of the month, except for December and January where meetings may be adjusted to take into account public holidays..

The Administration

The administration is organised into four 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.

Elected Council 2012-2016



Lord Mayor

Cr Jeff McCloy

Ward One Councillors

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
1



Cr Michael Osborne



Cr Stephanie Posniak



Cr Lisa Tierney

Ward Two Councillors

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

Ward
2



Cr Tim Crakanthorp



Cr Therese Doyle



Cr Brad Luke

Ward Three Councillors

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

Ward
3



Cr Nuatali Nelmes



Cr Andrea Rufo



Cr Sharon Waterhouse

Ward Four Councillors

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

Ward
4



Cr David Compton



Cr Jason Dunn



Cr Allan Robinson

Legend Labor Liberal Greens Independent

Administration



General Manager

Ken Gouldthorp



Director

City Assets

Steve Edmonds

Strategic Property Management Services

Financial Services

Information Management Services

Commercial Enterprise Services

Tourism and Economic Development Services

Summerhill Waste Management Centre



Director

Liveable City

Frank Cordingley

Infrastructure Management Services

Roads and Asset Management Services

Parks and Recreation Services

Compliance Services

City Presentation Services



Director

Future City

Judy Jaeger

Strategic Planning Services

Development and Building Services

Environment and Climate Change Services

Libraries

Art Gallery

Museum



Director

City Engagement

Martin Coates

Governance and Council Services

Human Resource Services

Customer Service, Communication
and Consultation Services

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

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 Coquun.

Novocastrians are known as a proud community shaped by our heritage. 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. We have coped with earthquakes, floods and the closure of major industries and we continue to grow and change.

Population

Newcastle 154,896

NSW 7,211,500



Born overseas

Newcastle 12%

NSW 26%



Renting

Newcastle 33%

NSW 29%



Median Age



Newcastle 37,
NSW 38

Households with internet connection

Newcastle 71%

NSW 73%



Household size



Newcastle 2.3

NSW 2.6



Aboriginal population

Newcastle 3%

NSW 3%



What We Do

Council currently manages an asset portfolio of \$1.6billion and provides a wide range of services including waste collection, recycling, development assessment, food and environmental health inspections, pet registration, local law enforcement, parking management and much more.

Council also manages and maintains hundreds of assets and facilities including two ocean baths, City Hall, Civic Theatre, Newcastle Art Gallery, Newcastle Museum and Fort Scratchley, along with five swimming centres and nine libraries.

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.

The following is a snapshot of the services provided by Council throughout the 2012/13 financial year:

- 3,558 lineal metres of concrete footpath replacement.
- 1,255 lineal metres of kerb and gutter replacement.
- 10,746 m² of defective road restoration and resurfacing.
- 957 m² of defective asphalt footpath restoration and resurfacing.
- 5,780 concrete grinds to eliminate trip hazards.
- 1056 m² of paver replacement.
- 350 new street name signs were installed throughout the city, with major projects such as the conversion of parking signs in the CBD involving the changing of some 900 signs in a little over two weeks.
- 4400 tree work orders carried out.
- 894 food premises inspections.



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.

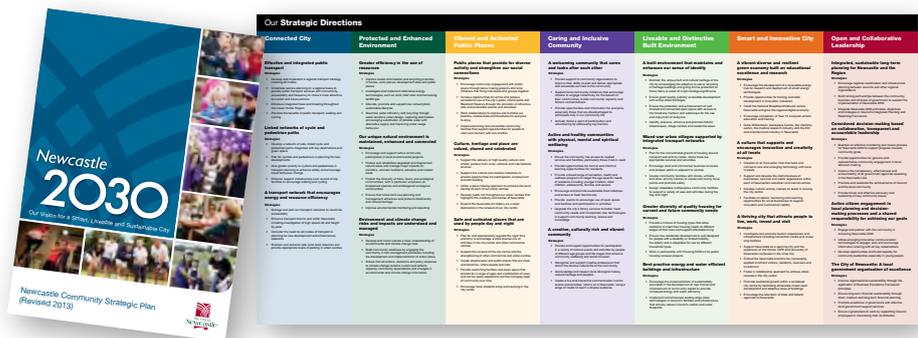
'In 2030 Newcastle will be a Smart, Liveable and Sustainable city. We will celebrate our unique city and protect our natural assets. We will build resilience in the face of future challenges and encourage innovation and creativity. As an inclusive community, we will embrace new residents and foster a 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.







What We Achieved

A key objective of The City of Newcastle is to ensure the area remains a great place that offers a great lifestyle, and has a great future. In the past year, Council has realised a significant number of key achievements in its role of providing quality facilities and services that are good value for money.



Connected City

Strategic direction

In 2030 our transport networks and services will be well connected and convenient. Walking, cycling and public transport will be viable options for getting around the city.



John Parade, Merewether Stage 2 road reconstruction from Dixon Park to Merewether Surf Club. Improved drainage and traffic movement within the area by constructing a roundabout, segregated cycleway, reconstruction of kerb and gutter and footway widening. Works were completed within budget.



Construction of the much needed footpath from Lookout Road in New Lambton Heights down to the bus stop in Carnley Avenue, Kotara including a retaining wall. This work allows for the safe passage of pedestrians exiting from buses and continuing to the signalised crossing at Lookout Road. Works were completed under budget at a cost of \$162,000.



The City of Newcastle has contributed to increased public safety through the implementation of the following programs:

- Installation of a new safe taxi rank in conjunction with the Sydney Junction Hotel and Newcastle Taxis.
- Introduction of the Newcastle After Dark mobile application that provides information on safe pedestrian walkways, public transport timetables and access points, a car finder etc.
- Regular safety audits in areas identified for improvement.



Implementation of the Coastal Revitalisation Masterplan Strategy continues with the concept plan for the Bathers Way adopted unanimously by Council. Together with the Merewether Beach Plan of Management, these documents form the basis for the detailed design and construction works now underway at Merewether Beach.



New cycleways completed included:

- Stockton coastline cycleway.
- John Parade, Merewether shared pathway.
- Shared pathway from Park Avenue, Kotara along Kullaiba Road.



Protected and Enhanced Environment

Strategic direction

In 2030 our unique environment will be understood, maintained and protected.



Summerhill Waste Management Centre (SWMC) managed over 180,000 tonnes of materials and carried out over 106,000 transactions. During this period SWMC continued to achieve the highest standards of operation and compliance in a highly regulated and competitive business. At its busiest times SWMC can receive over 900 tonnes of materials or process over 120 vehicles in just one hour—that's one vehicle or 7.5 tonnes every 30 seconds.



Council was a recipient of the Champion of Catchment Management award from the Catchment Management Authority in recognition of The City of Newcastle's efforts to maintain its bushland reserves around, and combating erosion of, our precious waterways.



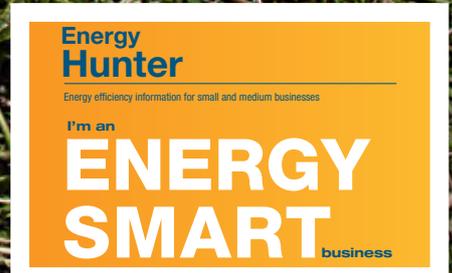
Council began implementation of the Citywide Flood Risk Management Study and Plan with the awarding of three grants from the Office of Environment and Heritage to: facilitate finalisation and distribution of the plan; implement a flood warning system; and investigate long-term management and land use options for low lying areas.



Installation of a 92.1 kilowatt Solar PV System at the City Works Depot to generate 15 per cent of the overall site electricity consumption.
Installation of a Granex solar thermal system at Wallsend Pool to provide 30 kilowatt of electricity and thermal heating for the pool.
Installation of a 2.4 kilowatt wind turbine at Summerhill Waste Management Centre as part of the Smart Grid Smart City trial.



Successfully awarded \$600,000 as part of a \$1.2m 'Energy Hunter' energy efficiency program in collaboration with the Hunter Business Chamber and Hunter TAFE to provide energy efficiency information to Hunter businesses.



Completed a feasibility study and market research to successfully offer environmental upgrade agreements in the Newcastle LGA for 2013/2014 to encourage the retrofit of aged building stock and promote city revitalisation.



Vibrant and Activated Public Places

Strategic direction

In 2030 we will be a city of great public places and neighbourhoods promoting people's health, happiness and wellbeing.



During the financial year over 240,000 people visited or attended events at Civic Theatre, City Hall and/or Fort Scratchley—delivering a 17 per cent improvement on the net operational result over the previous year. City Hall reversed its trending decline in performance delivering a 39 per cent improvement on the previous year.



The City of Newcastle's City Evolutions project has won the gold award for the Best New Tourism Development at the 2013 QantasLink Hunter and Central Coast Tourism Awards.



Newcastle has secured the right to host four Asia Cup football games in 2015. The City of Newcastle is leading the organising committees with Tourism and Economic Development Services coordinating Newcastle activity for the games in January 2015.



Newcastle secured the rights to host the Special Olympics Asia Pacific Games to be held in December 2013. Planning is well underway and this will be a major international event for the region.



Newcastle hosted an additional 11 major events including the British and Irish Lions Rugby Union Test and Eastern University Games; as well as conducting 16 annual events including Surfest and the Australian Bowl Riding Championships that was held at the recently opened Empire Park Skate Park.



Blackbutt Reserve achieved a silver award at the Hunter and Central Coast Tourism Awards, recognising the fantastic contribution the Reserve makes to the local community. This was made possible due to recent refurbishments including the upgrading of playground equipment and opening of additional exhibits.



Caring and Inclusive Community

Strategic direction

In 2030 we will be a thriving community where diversity is embraced, everyone is valued and has the opportunity to contribute and belong.

Seniors Week was held in April 2013 with an estimated 1,400 seniors attending a range of events. This involved over 200 volunteers who contributed approximately 700 volunteer hours. The diverse program attracted a large number of seniors (46 per cent) who were not participating in existing local programs or activities—68 per cent of people who participated in the program had not been involved in the festival in the past.



Council launched its Aboriginal Employment Strategy with Aboriginal employment identified as a focus area for The City of Newcastle under the Human Resources Strategy. Council recognises the vital importance of the contributions Aboriginal and Torres Strait Islander people make to strengthening and enriching our city and region. A key goal of this project is to improve our strategic position in the area of Aboriginal employment and strengthen our community connections. Council will be taking specific proactive measures to ensure we achieve an improved brand and deliver a culturally appropriate service.



Council launched its first Reconciliation Action Plan during Reconciliation Week in May 2013. This plan outlines keys actions that will allow Council to effectively partner with groups from the Aboriginal community to deliver outcomes that value the wisdom and continuity of Aboriginal and Torres Strait Islander cultures.



The Make Your Place Community Grants program continues to be well subscribed by the community with a total of 25 grants awarded and projects completed during 2012/13. The grants included seven creative and cultural projects, 11 community events and seven greening/gardening projects and involved over 3,500 people. Council's grant contribution was \$41,080 with an additional value of \$111,061 added by the community.



Assisting the development and implementation of two youth programs: Angling for a Future with the Newcastle PCYC and High Impact Youth Camp with Wallsend Baptist Church.



In 2012 Newcastle Region Library celebrated the National Year of Reading, co-presenting a program with Lake Macquarie City Library that received a special mention at the *2012 NSW Marketing Awards for Public Libraries*. The libraries united to present 51 literacy programs for over 9,000 participants.



During 2012 the Library partnered with Northern Settlement Services to provide a library induction program for refugee women in Newcastle.



The Library's community outreach programs included the IDEAS disability expo, the Multicultural expo and the Hunter Homeless Connect Day. Special events were also held for Refugee Week, Harmony Day and NAIDOC Week.



The Newcastle Art Gallery launched its inaugural exhibition of works by Tasmanian landscape artist, Philip Wolfhagen. The exhibition was the culmination of three years of development and planning, in collaboration with the Tasmanian Museum and Art Gallery, and involved the curatorial selection of over 50 works of art from private and public collections from around Australia and overseas. The exhibition was a comprehensive survey of Wolfhagen's works over a 25 year career as a landscape painter. The exhibition was highly successful attracting 7,759 people during the exhibition period.



Liveable and Distinctive Built Environment

Strategic direction

In 2030 we will live in an attractive city that is built around people and reflects our sense of identity.

The State Government released the Newcastle Urban Renewal Strategy for public comment in December 2012. This plan builds on the Council adopted Hunter Street Masterplan and provides direction for the revitalisation of the city centre as a major destination, and employment and residential hub.

Council was successful in being awarded two grants for the Cathedral Park project which will see the restoration of early grave sites within the former cemetery as well as improved access, lighting and landscaping within the park



The city centre Facade Improvement Program awarded grants to 37 local businesses to upgrade their facades which will result in a total investment of \$309,000, with Council and Newcastle Now each contributing \$60,000.



The gazetting of Council's new standard template Local Environment Plan in late June 2012 was the impetus for an update to the Development Control Plan for Newcastle. Council staff now regularly review and update the Development Control Plan (DCP).



The Community Assets and Open Space Policy was adopted by Council in December 2012. The policy establishes principles and a hierarchy for Council provided community assets. It now underpins a review of Council's parks, recreation facilities and community halls that will be completed during 2013/14. The outcomes of this work will ensure Council is managing and investing appropriate resources in these vital community assets.



Smart and Innovative City

Strategic direction

In 2030 we will be a leader in smart innovations with a healthy, diverse and resilient economy.

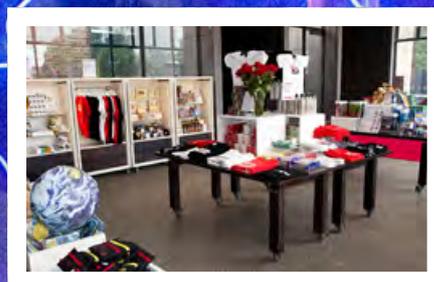
Over 200 people have attended formal courses on utilising digital mediums to access publications, with many more dropping in or phoning for advice. The Library also facilitated intergenerational learning via a community partnership with Jobquest and local high schools. A highly successful program was developed in which tech savvy students were trained to assist older customers with the library's eBooks.



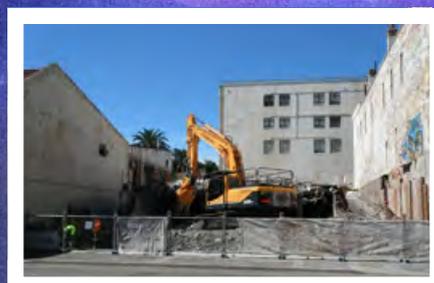
Research conducted by Tourism Research Australia shows the local government area had a total number of 3.6 million day and overnight visitors in 2012. From this figure it is estimated that visitors spent approximately 3.9 million nights in the LGA with a total value to the city's economy of \$722 million.



In May 2013 a new shop was opened within the Newcastle Museum to provide a revenue raising source as well as enhance customer enjoyment and visitor stay. The shop's range of products includes educational games and toys, local history books, jewellery, Newcastle branded souvenirs, stationery, and specially designed t-shirts. The shop stocks environmentally aware and ethical products sourced from local artists and Australian companies wherever possible. It is open 10am–5pm Tuesday to Sunday and seven days a week during the school holidays.



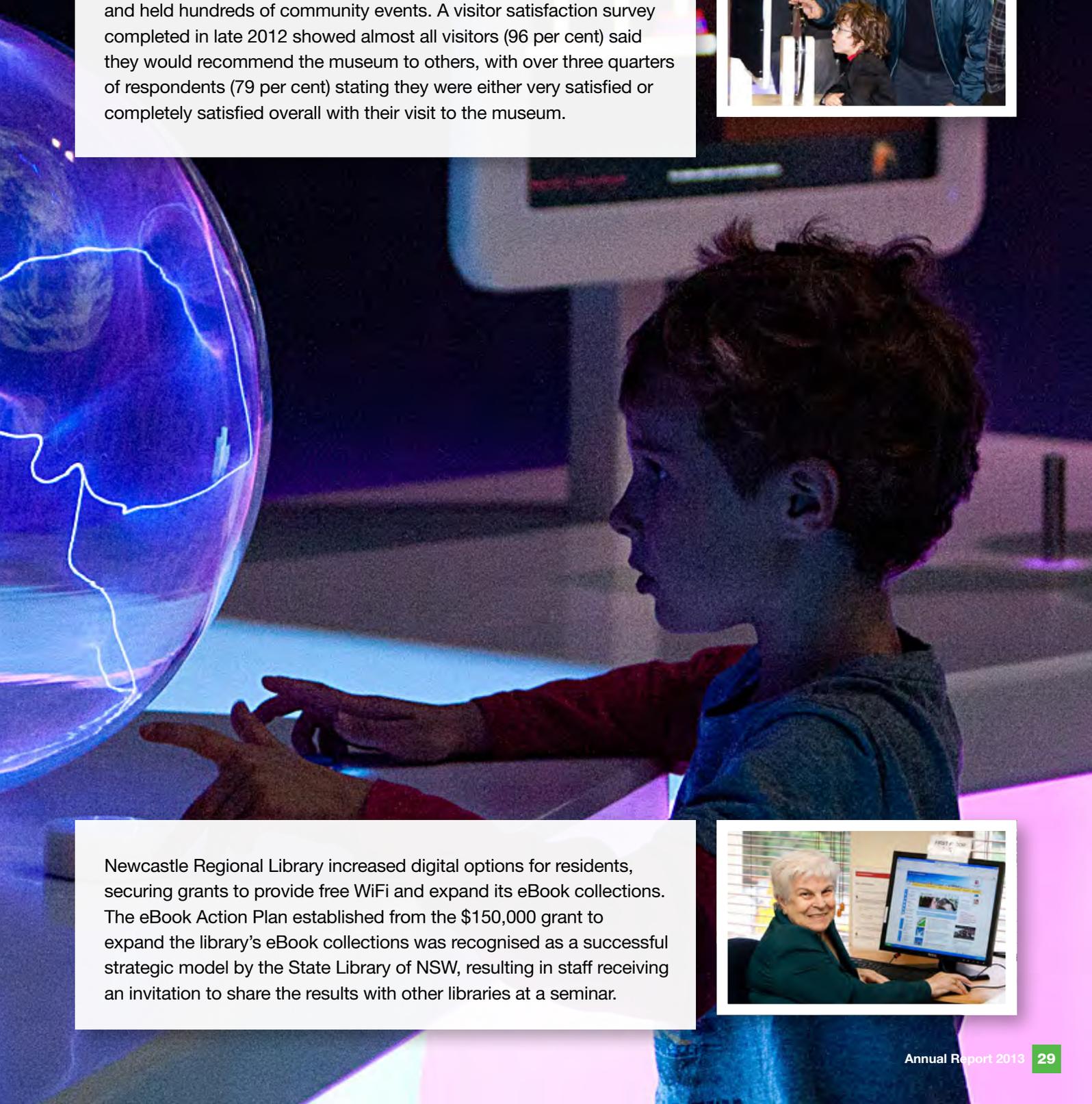
Council has completed the demolition of five buildings as part of its Civic Centre Redevelopment project. The five blocks of land have been consolidated into a single vacant lot which Council will sell to the University of Newcastle as part of its \$95 million development plans for an inner city campus.



The sale of the City West and City East car parking stations is complete, raising over \$10 million in revenue and removing the aging assets from Council's infrastructure backlog. The sale also resulted in the heritage facade of the Bolton Street car park being restored to a very high standard by the new owner.



Since its opening on the 4 August 2011 more than 320,000 people have visited the Newcastle Museum which has presented 23 exhibitions and held hundreds of community events. A visitor satisfaction survey completed in late 2012 showed almost all visitors (96 per cent) said they would recommend the museum to others, with over three quarters of respondents (79 per cent) stating they were either very satisfied or completely satisfied overall with their visit to the museum.



Newcastle Regional Library increased digital options for residents, securing grants to provide free WiFi and expand its eBook collections. The eBook Action Plan established from the \$150,000 grant to expand the library's eBook collections was recognised as a successful strategic model by the State Library of NSW, resulting in staff receiving an invitation to share the results with other libraries at a seminar.



Open and Collaborative Leadership

Strategic direction

In 2030 we will have a strong local democracy with an actively engaged community and effective partnerships.



During the year Council undertook over 30 engagement activities on a variety of projects including:

- Tree renewal at Gregson Park.
- Night Time Economy.
- Water Sensitive City.
- South Stockton Public Domain Plan.
- Newcastle Museum Visitors.



Participation in Council's Newcastle Voice community reference panel continued to increase and by the end of June 2013 total numbers were in excess of 2,700. The annual satisfaction survey indicated that almost 80 per cent of all participants were extremely satisfied or satisfied with their involvement in the panel. The main driver for satisfaction is the ability to directly influence Council decisions through the varying means of engagement.



Review of the *Newcastle Community Strategic Plan, Newcastle 2030*, involved the participation of more than 1,100 people. The outcomes of the engagement activities indicated strong support for the strategic objectives of *Newcastle 2030* and a shared vision of Newcastle as a smart, liveable and sustainable city.



Following on from the first highly successful City Expo, two similar events were conducted during the financial year with both well attended and received. The expositions are designed to allow the community to hear first hand about Council programs and services and to speak directly with the Council staff running those programs. The expo in May 2013 focused on Council's current budget situation and allowed community members to talk directly to councillors, senior management and staff about their concerns.



Local government elections were held in September 2013 resulting in the election of a new lord mayor and eight new councillors. The role of a councillor is extremely complex and is governed by many pieces of legislation. The induction of so many new councillors is a massive process and was conducted over several weeks—doing so in an efficient and effective manner was a significant achievement by Council officers.



The 2012/2013 year saw the benefits of an effective safety management system. The total number of injuries reported fell to 180 compared with 280 in the previous year, with lost time injury rates having also fallen significantly. In October 2012 Council achieved a month where no lost time injuries were recorded.

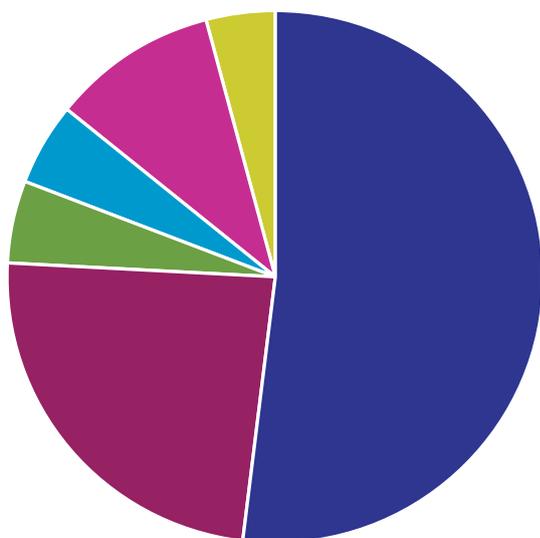


Financial Performance

(Section 428 4:a)

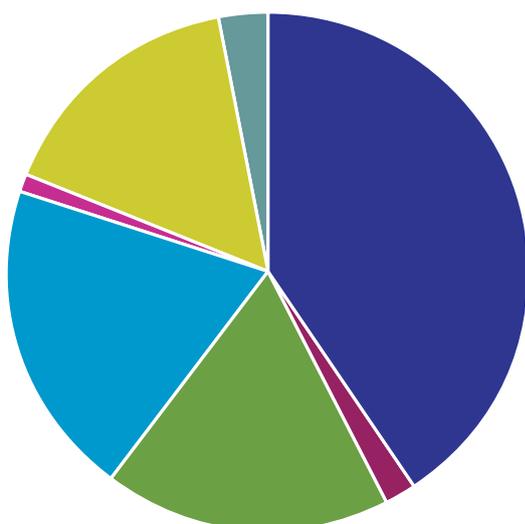
The information provided has been sourced from the audited financial statements.

2012/13 Total Income \$227,227 Million



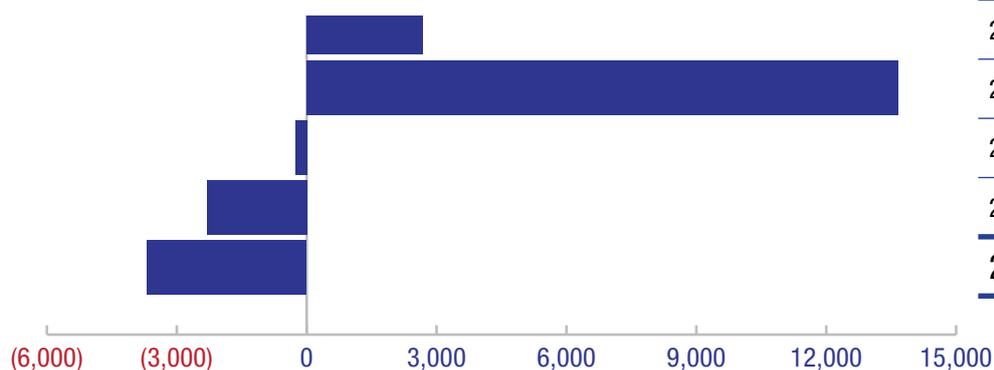
■ Rates and charges	117,956
■ User charges and fees	54,218
■ Interest	10,890
■ Other operating revenues	10,810
■ Grants and contributions - Operating	23,632
■ Grants and contributions - Capital	9,721
	227,227

2012/13 Total Operating Expenses \$230,911 Million

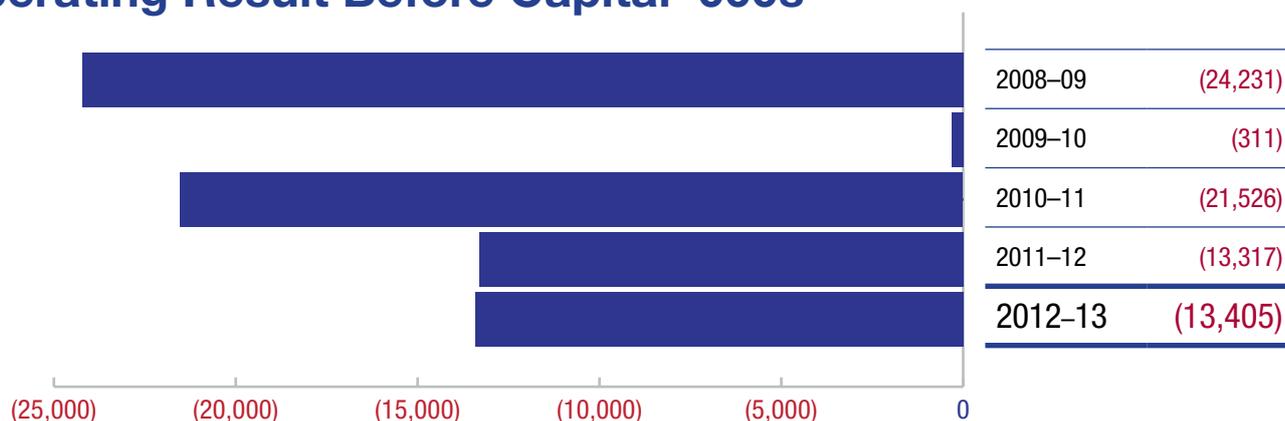


■ Employee costs	94,688
■ Borrowing costs	4,137
■ Materials & contracts	40,653
■ Depreciation & amortisation	46,585
■ Impairment	1,341
■ Other operating expenses	37,511
■ Net losses from the Disposal of Assets	5,996
	230,911

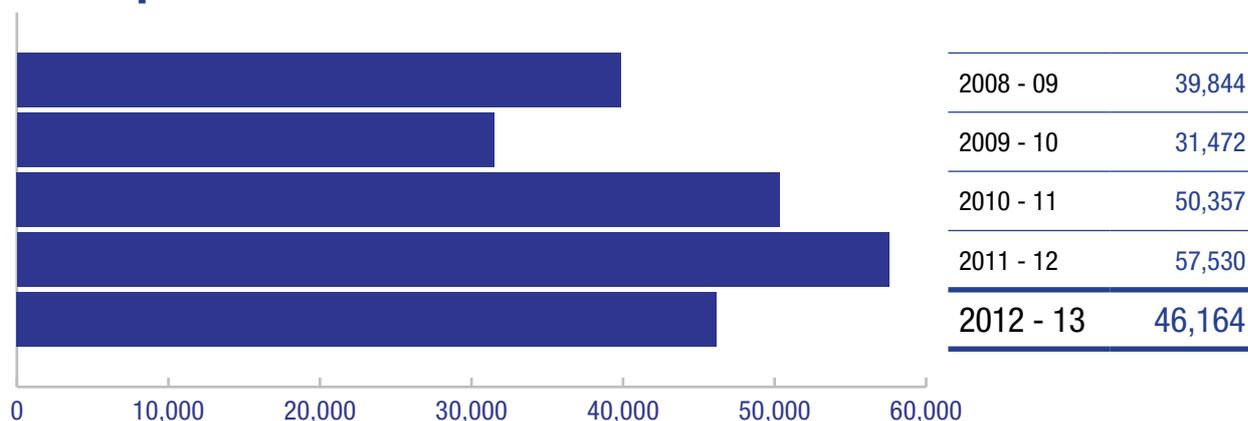
Operating Results '000s



Operating Result Before Capital '000s



Capital Expenditure '000s



Delivery Plan Performance

(Section 428 4:a)

The City of Newcastle supports the achievement of the Newcastle 2030 Community Strategic Plan through its four year Delivery Plan program. Activities and projects for the 2012/13 financial year have been aligned and documented against the seven strategic directions. The following information is based on projects that were due to be completed within the 2012/2013 period.

Summary of Actions

Strategic area	Actions	Achieved/ On target	Deferred	Behind target	Revised	KPI's	Achieved	Deferred	Behind target	Revised
Connected City	8	8				2	2			
Protected and Enhanced Environment	7	7				8	6		2	
Vibrant and Activated Public Places	8	7		1		8	8			
Caring and Inclusive Community	6	5	1			12	10	2		
Liveable and Distinctive Built Environment	9	9				2	1		1	
Smart and Innovative City	5	3	1	1		5	4			1
Open and Collaborative Leadership	15	12	3			28	24	2	2	
Total	58	51	5	2	0	65	55	4	5	1
Performance %		88	9	3	0		85	6	8	1

Special Rate Variation

In 2012 The City of Newcastle was successful in its application for a section 508(a) special rate variation (SRV) of 5% above the cap for a period of 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 ten year period.

As an organisation focused on delivering more sustainable financial outcomes the timetable for delivery of projects identified was reviewed. This coincided with the sale of two of Council's off street parking assets that were identified for improvement within the original application.

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

Council's four year delivery plan, 2013 – 2017 (part 5-5), outlines the following robust principles adopted by Council:

- 8) That no project commences until funding for the full cost of the project is secured or has certainty.
- 9) 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 cycle ways
 - Priority 5: Improving our swimming pools
 - Priority 6: Modernising our libraries
 - Priority 7: Expanding our art gallery
- 10) The cash flow for special projects listed above be sourced from;
 - a) The 5% capital restricted Special Rate Levy awarded to Council in 2012
 - b) Section 94 funds and
 - c) Existing reserves

Since the introduction of the variation in July 2012 \$4,473,000 has been raised. This revenue is placed in a restricted reserve for use on projects identified within the special rate variation application only.

During the 2012/13 financial year \$4,087,993 has been spent on the identified projects with the majority being sourced from other reserve funding. In the 2013/2014 financial year Council has identified \$7,047,000 expenditure on the top three priority projects.

Local Infrastructure Renewal Scheme

In 2012 the City of Newcastle applied for, and was granted, loans totalling \$10 million. To assist in the repayment of these loans the State Government supplied funding through the Local Infrastructure Renewal Scheme (LIRS) to help subsidise the interest charged on the loans. The result of this funding equated to Council receiving a low interest loan.

The \$10 million was sought to fund two projects:

- City Hall facade and clock tower renovations.
- Merewether Baths renovations.

Both projects have commenced and are scheduled for completion within the next two years.

Long Term Financial Plan

The Long Term Financial Plan (LTFP) is a requirement under the Division of Local Government, Department of Premier and Cabinet's Integrated Planning and Reporting (IPandR) framework for NSW local government.

The LTFP is updated annually to reflect the Operational Plan and ensure Council remains financially sustainable.

The purpose of the LTFP is to provide Council with a mechanism to meet the community's expectations and priorities for improving its economic, environmental and social outcomes within the context of finite economic and financial resources. The LTFP enables an increased ability to plan and manage the financial responsibilities of Council by providing an understanding of the long term financial requirements in order to achieve the proposed outcomes. The LTFP includes financial sustainability, service levels, infrastructure renewals and replacement and considers the resource levels required to achieve these plans.

Integrated Strategic Financial Analysis

A high level 10-year Integrated Strategic Financial Analysis (ISFA) was developed to assist Council in prudently managing its long term financial sustainability. The ISFA document was utilised to form the initial four years of the Delivery Plan and is consequently reflected in the LTFP.

The key objective of the LTFP is financial sustainability through the implementation of a series of budget principles. This needs to be achieved whilst delivering Council's strategic objectives and as specified in The City of Newcastle's Delivery Plan and Operational Plan encompassing 2013 – 2017.

Council operations are expected to be impacted by growth in wages costs and reduction in government funding. It will be necessary to achieve future income growth whilst containing costs in order to achieve a positive underlying operating position by 2016/2017.

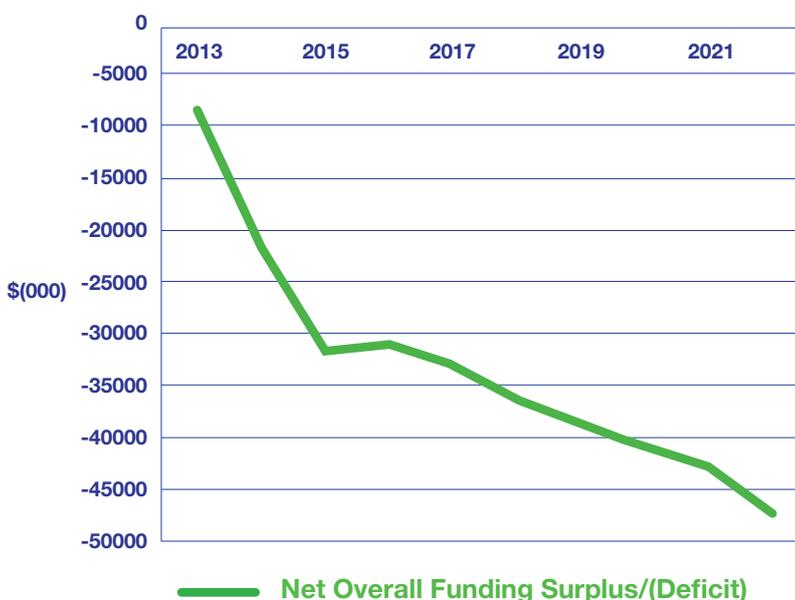
Loan principal repayments for the initial year of the plan have been impacted by the \$10 million Local Infrastructure Renewal Scheme loan (LIRS) leading to an overall increase in Council borrowing costs of \$0.2 million from \$4 million to \$4.2 million. No further borrowings have been forecast for the LTFP.

To achieve these objectives:

- The plan outlines sensitivities should revenues or savings not be achieved. Falls in revenues or costs above forecast will quickly bring Council back into a financially unsustainable position. It is recommended that a minor rate variation be instigated as part of the LTFP.
- Council will need to monitor its current services levels and capital expenditure program within a rate capped environment.
- 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.

Figure 1: 10 Year Net Overall Funding Surplus/(Deficit)



Should a 'business as usual' approach be taken the net overall funding shortfall will continue to rise and, at the current rate, will exceed \$37 million by the year 2022/2023.

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 special rate variation from financial year 2017/2018 onwards.

Statutory Reporting

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

During the 2012/13 financial year Council provided funding to external bodies as per section 356 of the *Local Government Act 1993* under the following programs:

Community Assistance Program

The Community Assistance Program for 2012/2013 provided support through grants and subsidies for 50 separate projects throughout the LGA. The total value of support was approximately \$450,000 which was distributed to projects associated with arts and culture, city revitalisation, community services, environment, community and sporting events.

The projects receiving Council support reported associated budget expenditure of approximately \$1,200,000 and a combined economic benefit to the community of Newcastle valued at approximately \$6,000,000.

A review of the application and assessment process in the past 12 months has ensured that Council priorities are well maintained throughout the process. The quality of applications for 2012/2013 was very high, ensuring that worthwhile projects were supported throughout the year.

Make Your Place

The Make Your Place Community Grants program continues to be popular with the community with a total of 25 grants awarded to community driven projects during 2012/13. The grants included 11 community events, seven creative and cultural projects, and seven greening/gardening projects and directly involved over 3,500 people. Council's grant contribution was \$41,080 with an additional value of \$111,061 added by the community.

Pride of Place

These grants were allocated to five separate categories being:

- Newcastle Beaut Business.
- Proud Schools.
- Outstanding Community Group.
- Community Volunteer.
- Quiet Achiever.

Grants of up to \$5,000 each were awarded across the five categories. The response to these grants was impressive with many inspiring applications.

The grants were an initiative developed by the Pride of Place Task Force to encourage the building of community pride by making our city bright, clean and tidy.

The winner of the Newcastle Beaut Business grant was Goodness Me Organics who chose to utilise their funding to have a mural painted on an outside wall of their business premises which had been identified as a hot spot for graffiti vandals. The mural was designed by local artist, Jessica Coughlan, and painted by another local artist, Elizar Clare Mytka. It is hoped that the mural's presence will reduce the incidence of graffiti whilst beautifying its Date Street location for both the residents of Adamstown and Goodness Me Organics' customers.

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

In the 2012/13 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*. Council spent \$1,083,336 on companion animal management and activities in the 2012/2013 financial year.

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 319 dog attacks during the 2012/2013 financial year with dog attacks reported to the Division of Local Government.

Council's pound is operated by the RSPCA. Running costs were \$321,954 with expenditure exceeding income received from the companion animal related revenue from registration and release fees which totalled \$127,992.

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 rehomed. 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: <http://www.newcastle.nsw.gov.au> search for 'off leash'.

The pound data collection return was lodged on 9 July 2013.

Controlling interest statement (Regulation CL 217:1:a7)

Council held no controlling interests in companies during the 2012/2013 financial year.

Contracts/works awarded (Regulation CL 217:1:a2)

During the 2012/13 financial year Council awarded contracts/work to the total value of \$15,111,298 as detailed in the following table.

Contractor Name	Description of Goods or Service	Contract price or service estimate* \$
Sydney Marina Contracting Pty Ltd	North Stockton Boat Ramp Replacement	\$429,036
Michilis Pty Limited	Construction of Promenade – John Parade, Merewether	\$613,728
Warner Company	Scenic Drive, Merewether Heights Batter Stabilisation Works	\$183,238
Adtrans Hino Pty Ltd	Procurement of One 14m3 Waste Collection Vehicle	\$329,016
University of Newcastle	City Evolutions on Watt Street Project	\$280,500
O'Connor Marsden and Associates Pty Ltd	Provision of Internal Audit Services – casual performance over 3 years	\$150,000*
GWM Engineering Pty Ltd	Supply & Install Photovoltaic System – Council Depot	\$198,000
Powershift Tractors NSW Pty Ltd	Hire of Heavy Plant – Summerhill Waste Management Centre – 5 years	\$4,626,543
Ricoh Australia Pty Ltd	Provision of Multi Function Devices – 3 years	\$979,994
Alephori Pty Ltd	Leasing of One Beach Kiosk – 5 years <income>	\$500,000*
Hudson Caterers Pty Ltd	Leasing of Two Beach Kiosks – 5 years <income>	\$325,000*
MAP Projects Pty Ltd	Leasing of One Beach Kiosk – 5 years <income>	\$890,000*
NSW Department of Services, Technology and Administration	City Hall Concert Hall Roof Truss Repair	\$247,500
Michilis Pty Limited	Stage 3a Construction Merewether Beach Domain Plan	\$2,477,817
Ausgrid	Energy Hunter Program Funding Agreement	\$200,000
Feltex Carpets Pty Ltd	Carpet Replacement – Civic Theatre Auditorium	\$169,684
Gilbert and Roach and CWR Transport	Supply & fit two tipping bodies with toolboxes & cranes	\$202,704
CWR Transport and Mercedes-Benz	Supply & fit four tipping bodies to 7500GVM crew cabs	\$312,348
New Lambton Village Community Chamber Inc	New Lambton BIA Service & Funding Agreement (10 year)	\$160,000*
TechnologyOne Pty Ltd	Enterprise Resource Planning Systems and Services (10 year agreement)	\$4,796,490*
RTC Commercial Pty Ltd	Civic Centre Site Demolition & part Civic Arcade Re-adaption	\$1,619,684
General Communications Pty Ltd	NCC Two Way Radio Network Upgrade	\$193,304
Kentan Machinery Pty Ltd	Supply & Delivery of Twelve (12) Diesel Powered Ride on Mowers	\$243,210
Paveline International Pty Ltd	Supply of One (1) Asphalt Maintenance Unit	\$331,468
Citygreen Systems Pty Ltd	Supply of Engineered Tree Vault Cell Units – casual supply over 2 years	\$250,000*
3 contractors accepted	Civil Design Services – casual performance over 2 years	\$200,000*
2 contractors accepted	Civil Computer Aided Drawing Services – casual performance over 2 years	\$200,000*
5 contractors accepted	Road Pavement Services & Materials – up to 2 years	\$6,060,000*
3 contractors accepted	Road Pavement Stabilisation services – up to 3 years	\$300,000*
Australian Native Landscapes Pty Ltd	Supply of coarse mulch – 2 years	\$280,000*
3 contractors accepted	Supply of soils – 2 years	\$174,000*
6 contractors accepted	Supply of base & sub base materials – 2 years	\$184,000*
Rocla Pipeline Products	Supply of pre-cast concrete products – 2 years	\$170,000*
Aqua Assets Pty Ltd	CCTV Inspection, Reporting & Cleaning Services – 2 years	\$168,000*
3 contractors accepted	Road Pavement Rejuvenation Services – 2 years	\$1,268,000*
49 contractors accepted	Hire of Plant, Trucks & Equipment – 2 years	\$6,215,552*
Haskoning Australia Pty Ltd	Civil & Structural Design & Documentation Merewether Baths Redevelopment	\$219,175
Water Art Australia Pty Ltd	Specialist Plumbing Services – casual performance over 2 years	\$300,000*
Recoveries and Reconstructions (Aust) Pty Ltd	Provision of Debt Management Services – casual performance for up to 4 years	\$600,000*
Ausgrid	Relocation of Ausgrid Electrical Infrastructure – Laman Street, Cooks Hill	\$347,755
NSW Soil Conservation Service	Foreshore Rehabilitation - Kennedy Cove Carrington	\$179,315
NSW Soil Conservation Service	Ballast Ground & Sand Spit Seawall Construction Stockton	\$350,046
5 contractors accepted	Supply of Ready Mixed Concrete – casual supply over 2 years	\$2,100,000*
Barrier Signs Pty Ltd	Supply of Road Traffic Signs & Equipment – casual supply over 2 years	\$340,000*
SMEC Australia Pty Ltd	Wallsend Floodplain Risk Management Plan Implementation Strategy Study	\$169,160
Paramount Landscaping Pty Ltd	Construction of Brick Retaining Wall Foreshore Park	\$208,073

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

Lord Mayor Overseas Visits:

In October 2012 the Lord Mayor officially represented Council as part of a delegation of business leaders from Newcastle who travelled to China. The trip was not funded by Council.

Background

In October 2011 Mr Tim Owen AM State Member for Newcastle, opened the Yantai manufacturing facility for Mestelle Engineering, which aims to supply engineering solutions to the Chinese and Australian mining industries. Mr Owen met with civic officials of Yantai at that time and invited them to visit Newcastle (on behalf of then Lord Mayor John Tate) with a view to the two cities entering into a formal relationship.

In November 2011, the mayor and senior civic officials of Yantai accepted the invitation, and visited Newcastle to explore the potential for establishing cultural and trade links with the city. In a meeting between the Lord Mayors of Newcastle and Yantai, it was agreed that the two cities share similar characteristics, and that the concept of a formal relationship between them should be advanced. The objective was to create favourable conditions for the development of business and cultural ties between the two cities.

Following on from the successful meeting between civic officials of Newcastle and Yantai, Mr Owen agreed to lead a delegation of Newcastle business and community leaders to Yantai, to advance the relationship between the two cities. The visit to Yantai occurred between Monday, 8 October 2012 and Tuesday, 16 October 2012.

The visit to Yantai was intended to be the next step in the development of cultural and business ties between Yantai and Newcastle. The visit provided participants with an introduction to Yantai's culture, civic governance, industry opportunities (both for Newcastle and in Yantai itself), financial system and educational facilities. Upon gaining such an understanding and from preliminary meetings, the participants were to identify opportunities and contacts upon which meaningful business relationships can be built.

Councillor Overseas Visits

During the 2012/13 financial year no Councillor undertook an overseas visit as part of their Council duties.

Council Officer Overseas Visits

The City of Newcastle officers, Adam Gilligan and Charles Crispin, were part of a Capacity Building Program to Goroka in Papua New Guinea. This trip was organised through Hunter Councils and funded by AusAid.

Background

The general managers of Hunter Councils members endorsed participation in a Capacity Building Program with Goroka Urban Level Local Government (GULLG) in Papua New Guinea during 2012/13. Volunteers from all member councils were called and two City of Newcastle officers were chosen to participate.



Adam Gilligan (middle) and Charles Crispin (right), part of a Capacity Building Program to Goroka in Papua New Guinea.

Hunter Councils has to date sent seven officers to Goroka to work on a number of projects in the following areas:

- Revenue Stabilisation.
- Water and Sewerage supply.
- Asset and fleet management.
- Solid waste management.
- Information and technology.

From a capacity building perspective the initial visits confirmed that there are significant challenges ahead for the GULLG if they are to remain financially viable and deliver a range of basic services to the Goroka community. A list of critical issues, short term actions and longer term strategies have been identified for each of the project areas. Overall the visits were highly successful in many ways:

- Providing Hunter Councils staff with insight into the culture, lifestyle and working environment in a neighbouring country.
- Building relationships that will ultimately aid a region that is challenged for skilled resources.
- Delivering immediate results through the implementation of basic tools such as accounting software, internet access and e-mail access and associated training.

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 co-workers, customers and the community. Key achievements were:

- The appointment of the Senior Aboriginal Employment and EEO Advisor to articulate Council's commitment towards diversity and equity priorities within Council and for the Newcastle community.
- Re-establishment of Council's Workplace Contact Officer network to provide support to all employees within Council and offer general advice on EEO matters.
- Commenced review of EEO training to ensure all Council employees are familiar with their rights and responsibilities.
- The review and ongoing implementation of the Aboriginal Employment Strategy.
- The creation of an additional four identified positions across Council.
- The commencement of 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.

This process involved the development of an innovative interactive e-Learning resource to deliver EEO training that will be inclusive of our learning environment.

- Review of an ongoing implementation of the Equal Employment Opportunity (EEO) Action Plan.
- Relaunch of the Workplace Contact Officer Network. Development of an eLearning module on EEO.
- In conjunction with Human Resource Services representatives, a comprehensive review of specific policies and procedures within Human Resource Services is being undertaken. This will result in updated information to ensure efficient and effective business practices.

- Websites updated with current information and contact officer details.
- Data verification initiative developed 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.
- Continue to maintain and build both internal and external networks pertaining to EEO i.e. Anti-Discrimination Board, AusPysch, MaiWel Hunter Labourforce Solutions – Disability Employment Service.
- Redeveloped and distributed the Employee Assistance Program promotional material.

External bodies, companies or partnerships (Regulation CL 217:1:a8)

Hunter Councils

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.

With the ever increasing pressure on local government to do more with less, Hunter Councils is constantly striving to reduce the cost of ‘doing business’ for local government through offering economies of scale and efficiencies.

The General Managers’ Advisory Committee, made up of all the Hunter Councils general managers, meets monthly to progress issues of regional importance.

Newcastle Airport Limited (NAL)

Newcastle Airport Limited (NAL), a company limited by guarantee, was formed in May 1993 by The City of Newcastle and Port Stephens Council to stimulate economic development for aviation/airport industries and to provide civilian airport infrastructure to the region. All operating surpluses are reinvested into the airport.

NAL has undergone significant improvements and today services all major domestic airlines to destinations along the east coast. As a contributor to the growth of domestic and international business and tourism in the Hunter, every three years an economic impact assessment is conducted. A summary of the results follows:

	2005		2008		2011	
	\$ Million	Jobs	\$ Million	Jobs	\$ Million	Jobs
Airport operation	80	404	283	2,234	633	858
Visitor spend/tourism	124	1,580	151	894	254	3,079
Construction 1	19	174	32	150	73	186
Total	2 23	2,158	466	3,278	960	4,123
Total Visitors	757,145		1,145,607		1,189,040	

In the 2013/14 financial year significant changes are planned to the corporate structure of Newcastle Airport Limited that will enable the airport to become more commercially flexible.

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. Council supports parks committees for:

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

Community Facility Committees

Community facility committees manage local community facilities on behalf of the community.

Council supports Community Facility Committees for:

- Alice Ferguson Community Centre
- Beresfield Child Care Centre
- Carrington Community Centre
- Elernmore Vale Community Centre
- Hamilton South Community Centre
- Henderson Park Hall
- Jesmond Neighbourhood Centre
- Maryland Multipurpose Centre
- New Lambton Community Centre
- Newcastle Elderly Citizens Centre

Legal proceedings (Regulation CL 217:1:a3)

Expenses Incurred

During 2012/13 the total of legal expenses in relation to legal proceedings incurred by The City of Newcastle was \$151, 837.69.

Of this, the monies expended undertaking litigation and the amounts paid in settlement of costs claims were:

- Amount expended undertaking litigation: **\$151,837.69**
- Amount paid in settlements of costs claims: **\$0**

Local Court

Prosecutions and appeals

Legal proceedings 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.

Prosecutions: In total for 2012/13 Council commenced five Local Court prosecutions. Of these:

- Two matters had convictions recorded and fines imposed.
- Two matters were withdrawn.
- One matter did not proceed to court.

In addition, there was one Local Court prosecution which commenced in 2011/12 and was finalised in 2012/13. In this matter there were convictions recorded, and fines imposed.

Appeals: There were two appeals lodged with the Local Court in relation to dangerous dog declarations issued by Council. Both of these appeals were dismissed and in place control orders were agreed upon.

There was one annulment application lodged in relation to a decision made by the Local Court in 2012/13 regarding non-compliance with a Council issued order. This application is yet to be finalised.

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 2012/13, Council was involved in four cases where the recipient of a penalty notice had court elected. Of these:

- One matter involved five separate penalty notices issued to one company. One penalty notice was withdrawn. The Defendant was convicted on the remaining four penalty notices and fines were imposed.
- One matter had convictions recorded and fines imposed.
- Two matters were dismissed under s10A(1) of the *Crimes (Sentencing Procedure) Act 1999*.

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 2012/13, four class 1 appeals were lodged in the Land and Environment Court against Council. Of these:

- Two appeals were discontinued by the applicant.
- One appeal was settled at a section 34 conciliation conference.
- One appeal has not yet been finalised.

In addition, there was one class 1 appeal lodged in the Land and Environment Court against Council in 2011/12 in which the judgement was handed down in 2012/13. In this matter the appeal was upheld in favour of the applicant.

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 issued by Council.

In 2012/13, two class 4 applications were lodged in the Land and Environment Court by Council. Of these:

- One application was upheld in favour of Council and orders were made against the defendants.
- One application has not yet been finalised.

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 – Court of Appeal

In 2012/13, one appeal was lodged in the Supreme Court – Court of Appeal against Council. This appeal has not yet been finalised.

Other

Arbitration

Council was involved in a contract dispute which was initiated in 2011/12—this dispute was being resolved through arbitration. This matter was settled in 2012/13, with each party agreeing to pay their own costs incurred in relation to the dispute.

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

During the financial year 2012/13 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 and are divided to indicate the expenses incurred prior to the local government elections in September 2012, and those incurred after the elections. The reporting of these expenses is in line with the above regulation.

	Current councillors 09/09/12 -30/06/12	Outgoing councillors 01/7/12 - 08/09/12 -	Total
Members Fees	286,593	99,266	385,859
Official Business	0	3868	3,868
Communication devices	14115	0	14,115
Communication Expenses	20640	2741	23,381
Carers Expenses	775	0	775
Professional Development	5379	635	6,015
Annual Conference	4558	0	4,558
Persons Accompanying	0	500	500
Total	332,060	107,011	439,071

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

The City of Newcastle has implemented a framework under the *Public Interest Disclosures Act 1994* (PID Act) to provide for council officials to make disclosures about serious wrongdoing. The framework also ensures Council meets its obligations under the PID Act.

Statistical information

During 2012/13 the following disclosures were made under the Public Interest Disclosure framework:

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

Obligations

Council adopted a Public Interest Disclosure Policy (Policy) in October 2011. The Policy was reviewed in 2012 but no amendment was made.

The Policy:

- Incorporates the relevant provisions of the PID Act and the NSW Ombudsman's Model Internal Reporting Policy – Public Interest Disclosures (2011 version).
- Appoints a coordinator under the framework who is responsible for assisting the General Manager manage disclosures.
- Appoints 11 council officers from diverse work areas and locations across the organisation who may receive disclosures from staff.

The Policy is currently being reviewed. An amended policy incorporating the most recent version of the NSW Ombudsman's Model Internal Reporting Policy (2013) will be put before the elected Council for adoption in October 2013.

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

- 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.
- Making hard copies of Council's Policy available in a number of easily accessible places at Council's works depot, including through Council's nurse.
- Erecting posters provided by the NSW Ombudsman's Office at numerous worksites which set out the following information:
 - where Council's Policy can be located; and
 - contact details for Council's Disclosures Coordinator.
- Incorporating information about the Public Interest Disclosure Framework 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 Framework. The module has rolled out to all staff with computer access. Further roll out is continuing.
- Supporting a performance management framework includes a section providing for discussion about public interest disclosures to ensure that all staff members are provided with public interest disclosure information on a regular basis.

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

Council levied a Stormwater Management Service Charge (SMSC) of \$25 per residential property, \$12.50 for residential strata lots, and \$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 SMSC drainage works and services over the 2012/13 financial year identified in the Management Plan was \$1,976,231.83. The actual expenditure of these works and services incurred over the financial year was \$2,313,701 of SMSC funds and \$940,000 working funds.

The reason for the difference in the projected spend and actual expenditure was the successful completion of a number of projects, including multiple stormwater pipe rehabilitation projects using trenchless technology and substantial pipe and pit drainage rehabilitation works in Harriet Street, Waratah and Glebe Road, Merewether that were deferred from the previous year. The open channel rehabilitation and head wall restoration program successfully delivered works in Kotara, Elmore Vale, Shortland, New Lambton and Rankin Park.

The 2012/13 SMSC program consisted of 42 projects delivering:

- 2 tide gates
- 1003 metres of pipe rehabilitated,
- 934 metres of pipe relined,
- stormwater infiltration devices in Stockton,
- 61 headwalls rehabilitated,
- 310 metres of open channel
- 20 metres of culvert restoration
- 61 street pits rehabilitated
- education, maintenance and compliance outcomes.

Major achievements in the year include:

- a highly successful community engagement program covering the role of street trees in the delivery of stormwater and urban heat island benefits
- reduction in nuisance flooding from tidal/storm events in low lying areas of Hexham (along Hunter River including Shamrock, Clarke, Merchant and Fenwick Streets)
- adoption of Newcastle DCP stormwater element and technical guidelines
- implementation of MUSIC stormwater quality modeling software
- publication of Drainage and Water Sensitive Design standard drawings for industry and public access via Council's website
- stormwater drainage outlets and pit/pipe works were completed across the city.

In addition, channel works at the following locations were all successfully completed using natural channel reconstruction and revegetation techniques:

- Justin Parade, Elmore Vale
- Coalmine Creek, New Lambton
- Acacia Avenue, Waratah West
- St James Road, New Lambton,
- Parkers Street, Carrington,
- Cobby Street, Shortland
- Beresfield Golf Course, Beresfield.

Laman Street, Cooks Hill - rehabilitation	Ongoing.
Acacia Avenue, Waratah West - outlet rehabilitation	Works completed. Stormwater outlet successfully completed, ahead of budget and timeline.
Blackbutt Reserve - stormwater outlet rehabilitation	Ridgeway Road stormwater outlet successfully completed, ahead of budget and timeline.
Broadmeadow Road Broadmeadow - replace stormwater drainage	Drainage component of works completed in 2012/13 with road works remaining.
Citywide - trenchless technology drainage rehabilitation	90% complete. Ongoing. Expected contract closure September 2013.
Community Education at environment rehabilitation worksites	Project delivered communications for majority of worksites to engage community in public benefits of works and provide volunteering options for local residents in Stockton, Carrington, Waratah, Kotara, Elmore Vale, Fletcher and Mayfield.
Cooks Hill drainage rehabilitation - Council Street	Catchment analysis complete. Design ongoing.
Creeks and waterways - inspect erosion and sediment control	Program completed. Ongoing.
Echidna Creek St James Road - creek rehabilitation	Successfully completed on time and under budget, to satisfaction of neighbours, reserve users and asset owner.
Gundaroo Circuit Maryland - drainage replacement	Investigation determined works not required.
Hargrave Street, Carrington - drainage rehabilitation	BP Oil yet to complete rectification works after their installation caused drainage failure.
Kotara Park - design drainage works	
Turton Road Broadmeadow - drainage construction	Project cancelled – this project will be managed by RMS with NCC to make a contribution as this is a RMS road.
University Drive, Waratah West - catchment rehabilitation	Catchment analysis started and project ongoing.
Various Assets - open channel design and rehabilitation	Nereida Close drainage channel works and revegetation completed. Local Landcare group involved and happy with the works outcome.
Various Assets - stormwater harvesting	Carry forward for Empire Park design, current with Northrop.
Addison Street, Beresfield - rehabilitation of existing GPT	Design documentation underway. Project ongoing with construction 2014.
Various Natural Creeks - drainage rehabilitation design	4 Priority site channel designs completed for forward program.
Moira Street, Adamstown - connect drainage to HWC channel	Works completed December 2012.
Laneway Bridge to Harriet Street, Waratah - drainage replacement	Works completed April 2013.
Natural Asset Management Systems - development	Watercourse Asset Management System completed ready for ERP.
Dent Street, North Lambton - drainage investigation	Works completed December 2012.
Pokolbin Street, Broadmeadow - rehabilitate drainage	Works completed December 2012.
Princeton Avenue, Adamstown Heights - drainage construction	Works completed February 2013.
Glebe Road, Merewether - drainage rehabilitation	Works nearing completion, small drainage works and kerb and gutter. Works scheduled for completion July 2013.
Stormwater Management Plan - technical manual review	Documentation completed and adopted May 2013 and now published.
Beresfield Golf Course - GPT connection and sediment trap	Tender documentation completed. Construction 2014.
Denison Street, Hamilton - drainage rehabilitation	Construction completed May 2013.
Various Headwalls - restoration	Crawchie Creek – two headwalls and channel repairs at Cobby Street, Shortland completed May 2013.
64 Carolyn Street, Adamstown Heights - reinstate capacity	Completion of works in stormwater easement in private property.
Water Sensitive City - stormwater management review	Council continues to attend WSC project outcomes and research briefings. Excellent value in best practice upskilling.
Blackbutt Reserve - repair Richley headwall	Works completed May 2013.
195 Mitchell Street, Stockton - infiltration	Works completed 2013. Excellent feedback from community.
Maitland Rd, Hexham - tide gate replacement	Tides gates replaced. Awaiting RMS review to install fencing. For completion 2014.
Bar Beach Avenue - New Drainage Construction	Applications to HWC for connection to channel. Works not scheduled for construction until 2013/14.
Toolies Industrial Area Sandgate - WSUD	Preliminary concepts completed. Further investigation of soil profiles and detail design to be undertaken.
Council Reserves - WSUD rehabilitation of drainage sites	All site rehabilitation works completed to maximise performance of device suite.
Burgess Parade Tarro - stormwater rehabilitation	Works complete October 2012.
Natural Connection – Newcastle's Healthy Catchments Program	Creek Naming Project underway, Good Bushland Neighbours well received, Merewether (Watkins Street) interpretative sign designed, creek works sites x 7.
Various Stormwater Drainage - construct access	Pit access completed for all sites.
Beresfield Golf Course - water quality improvement	All creekline reaches through Park rehabilitation completed June 2013.
Ocean Street, Merewether - drainage rehabilitation	Design documentation underway. Project ongoing with construction 2014.

Total remuneration for General Manager and senior officers

(Regulation CL 217:1:b and c)

During the 2012/2013 financial year Council's senior officers were comprised of:

- General Manager
- Director City Assets
- Director City Engagement
- Director Future City
- Director Liveable City

All figures stated are in line with relevant legislation that requires the following components to be reported:

(i) the total of the values of the salary components of their packages.

(ii) total amount of any bonus payments, performance payments or other payments made to the general manager that do not form part of the salary component of the general manager.

(iii) total amount payable by Council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor.

(iv) total value of any non-cash benefits for which the general manager may elect under the package.

(v) total amount payable by Council by way of fringe benefits tax for any such non-cash benefits.

General Manager	\$350,000
Senior officers x 4	\$932,702
Total	\$1,282,702

Glossary of terms

Act – *Local Government Act 1993*

Regulation – *Local Government Regulation 2005*

KPIs – Key Performance Indicators

Newcastle 2030 – Council's Community Strategic Plan

DCP – Development Control Plan

LEP – Local Environment Plan

SRV – Special Rate Variation

TCoN – The City of Newcastle

LIRS – Local Infrastructure Renewal Scheme

Additional Information

Newcastle Community Strategic Plan 2030:

http://www.newcastle.nsw.gov.au/about_newcastle/Newcastle2030

Four Year Delivery Program 2013-2017:

http://www.newcastle.nsw.gov.au/council/delivery_program_and_budget/about_the_delivery_program

Local Government Act 1993 Section 428:

http://www.austlii.edu.au/au/legis/nsw/consol_act/lga1993182/s428.html

Local Government Regulation Section 217:

http://www.austlii.edu.au/au/legis/nsw/consol_reg/lgr2005328/s217.html

Newcastle community profile:

www.newcastle.nsw.gov.au

