

Newcastle City Council **Operational Plan**

2016/17



Surfest 2016. Merewether Beach.

Newcastle City Council acknowledges that we are meeting on the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land, and that they are the proud survivors of more than two hundred years of dispossession.

Council reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

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OVERVIEW

On 1 October 2009, the NSW Government adopted new integrated planning and reporting legislation for local Councils. The Integrated Planning and Reporting Framework in response to this legislation is demonstrated in the diagram below.



About the operational plan

The Operational Plan supports our Delivery Program 2013-17. It outlines in more detail the actions that Council will undertake in the 2016/17 financial year and allocate the resources necessary.

The Operational Plan is based on Council's organisational structure and includes business profiles, budgets, operational activities, business improvement plans, key strategic projects and KPI's for each of the business units. These activities and projects are linked backed to our strategic directions and objectives addressed in Council's Community Strategic Plan and corporate goals.

Also included are Council's annual budget, capital works program and fees and charges, as well as other financial details including information on rating and domestic waste management.

ORGANISATIONAL STRUCTURE

Elected Council



Interim Chief Executive Officer

Frank Cordingley

Executive

Lord Mayor's office (administrative support)
Chief Executive office



Director

Peter Chrystal

Planning and Regulatory

Development and Building
Strategic Planning
Regulatory Services
Cultural Facilities
Libraries



Director

Glen Cousins

Corporate Services

Finance
Information Technology
Human Resources
Commercial Property
Customer Services
Communication and Engagement
Legal and Governance



Director

Ken Liddell

Infrastructure

Infrastructure Planning
Civil Works
Projects and Contracts
Facilities and Recreation
Waste Management

WHERE WE ARE NOW

Financial Overview

Under the Local Government Act 1993 ('The Act'), Council is required to prepare and adopt an annual budget. The budget must be adopted by 30 June each year.

The 2016/17 budget presented in this report has been developed through a rigorous process of consultation and review with Council and staff. It is Council's opinion that the budget is financially responsible and contributes to the achievement of the Delivery Program and Operational Plan strategic objectives.

An operating surplus of \$5.4 million is projected for 2016/17 and will be used to create the capacity for Council to increase asset maintenance and asset renewal to sustainable levels in line with the Long Term Financial Plan.

The total expenditure on Council's works program will be \$82 million including capital expenditure of \$64.4 million and operational expenditure of \$17.6 million. The program will include \$40.2 million of work renewing existing infrastructure assets, \$9.9 million on the 2012 SRV priority projects, \$17.9 million upgrading existing & creating new assets, and \$14 million of work on non-infrastructure projects.

The 2016/17 budget will ensure Council continues to be financially sustainable into the future with a focus on

increasing the level of asset maintenance and reducing the asset backlog. Council will continue to review all services and capital infrastructure to ensure it is positioned to best meet the needs of the community into the future.

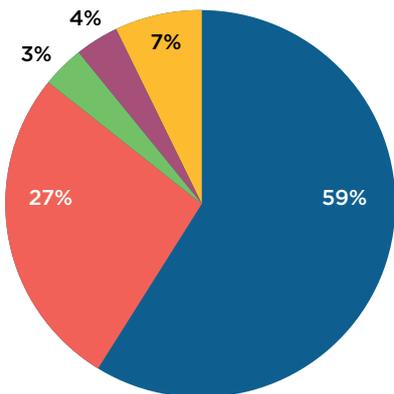
Community Engagement

Community Satisfaction

The 2014 Community Survey was undertaken to better understand key issues, community needs and community priorities and to determine the importance of and satisfaction with the services and facilities provided by Council. This Community Survey will be undertaken every 2 years, with the next one being completed in May 2016.

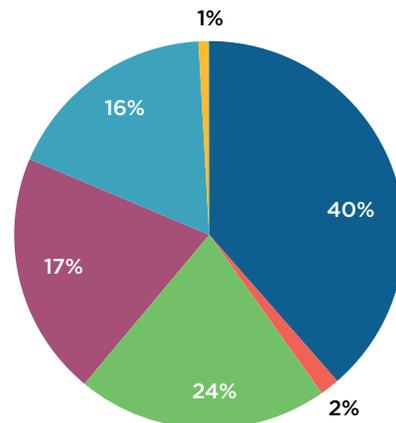
Satisfaction with Council's performance overall

Overall, satisfaction with Council's performance has shown improvement since 2012. The proportion of respondents stating they were satisfied or very satisfied increased from 29% in 2012 to 32% in 2014. There was also a decrease in the proportion saying they were dissatisfied or very dissatisfied, from 49% in 2012 to 38% in 2014.



Source of Funds 2016/17

- Rates & Charges
- User charges & fees
- Interest
- Other Operating Revenues
- Grants & contributions - Operating



Use of Funds 2016/17

- Employee costs
- Borrowing costs
- Materials & contracts
- Depreciation & amortisation
- Other operating expenses
- Net Loss from disposal of assets

Newcastle Voice

Council’s community reference panel has 2,469 members at the end of December 2015. This figure is above approximately 1.65% of the Newcastle Local Government Area population and above the baseline of 1.25% for statistical significance. Across nine projects undertaken throughout the year we had 4,775 surveys completed. Projects included Bibby Street road and footpath reconstruction, Mambo event satisfaction, Revitalising Newcastle in partnership with UrbanGrowth NSW, Show Day holiday, New Year’s Eve event satisfaction, Newcastle Museum satisfaction, Customer Service satisfaction and park safe stay safe.

Road to Recovery

Our journey on the Road to Recovery commenced in 2013. Council has successfully implemented a number of initiatives which have delivered significant financial improvements in the short term. However, Council remains focused on the long term, ensuring that Council maintains the financial discipline necessary to deliver services in line with community needs and expectations in a sustainable manner into the future. Council has made considerable progress on the Road to Recovery which can be divided into three distinct phases:

- The initiative that has generated the greatest benefit was the organisational restructure. The impact of the implementation of this initiative was an immediate, significant and sustainable improvement in our operating position.
- IPART approved a special rate variation of 8% per annum over five years, commencing in 2015/16, increasing Council’s revenue by 46.9% over that period. This has provided the increased levels of

revenue which are essential to fund existing services to the community at the service levels expected, as well as progress towards achieving a sustainable operating position and generating sufficient surplus funds to reduce the infrastructure maintenance and renewal backlog.

- Infrastructure backlog has been reducing over recent years from \$117 million (2011/12) to \$94 million (2014/15), which has been largely due to selling assets of poor condition. However, ongoing asset sales are not a sustainable means of reducing the backlog. As noted above, the IPART approved rate increases will fund significant additional reductions in the backlog in future years.

Fit for the future

Council has continued to pursue the budget principles and corporate objectives identified within the 2013-2017 Delivery Program and, as a result, Council’s financial position has shifted from the NSW Treasury Corporation position that NCC could become insolvent by 2019 to a position that Council is *now financially fit*.

This has been achieved through a significant *organisational restructuring* to reduce costs, initiatives to improve *non-rates revenue* and a *special rate variation* which will conclude in 2020. The designation of financially fit is based on how Council will be placed based on key metrics which Council is forecasting to achieve in the future (2020).

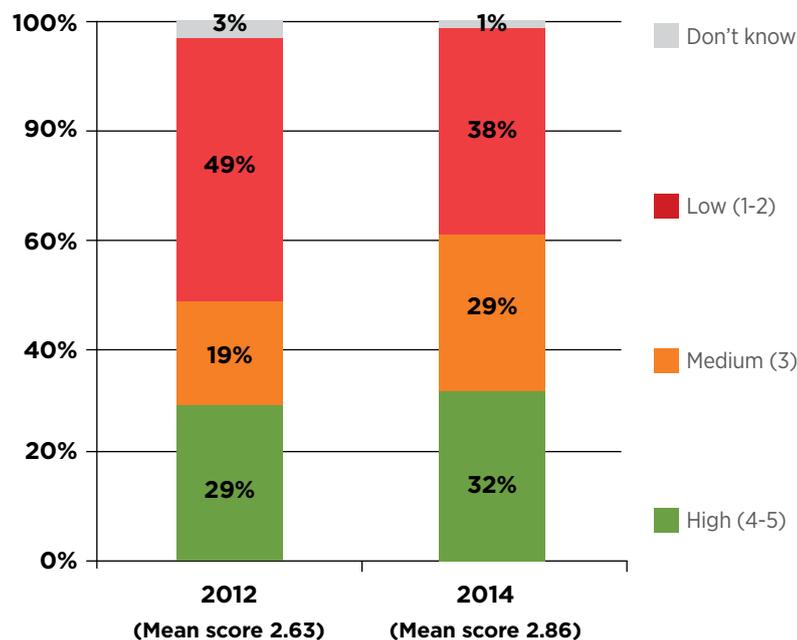


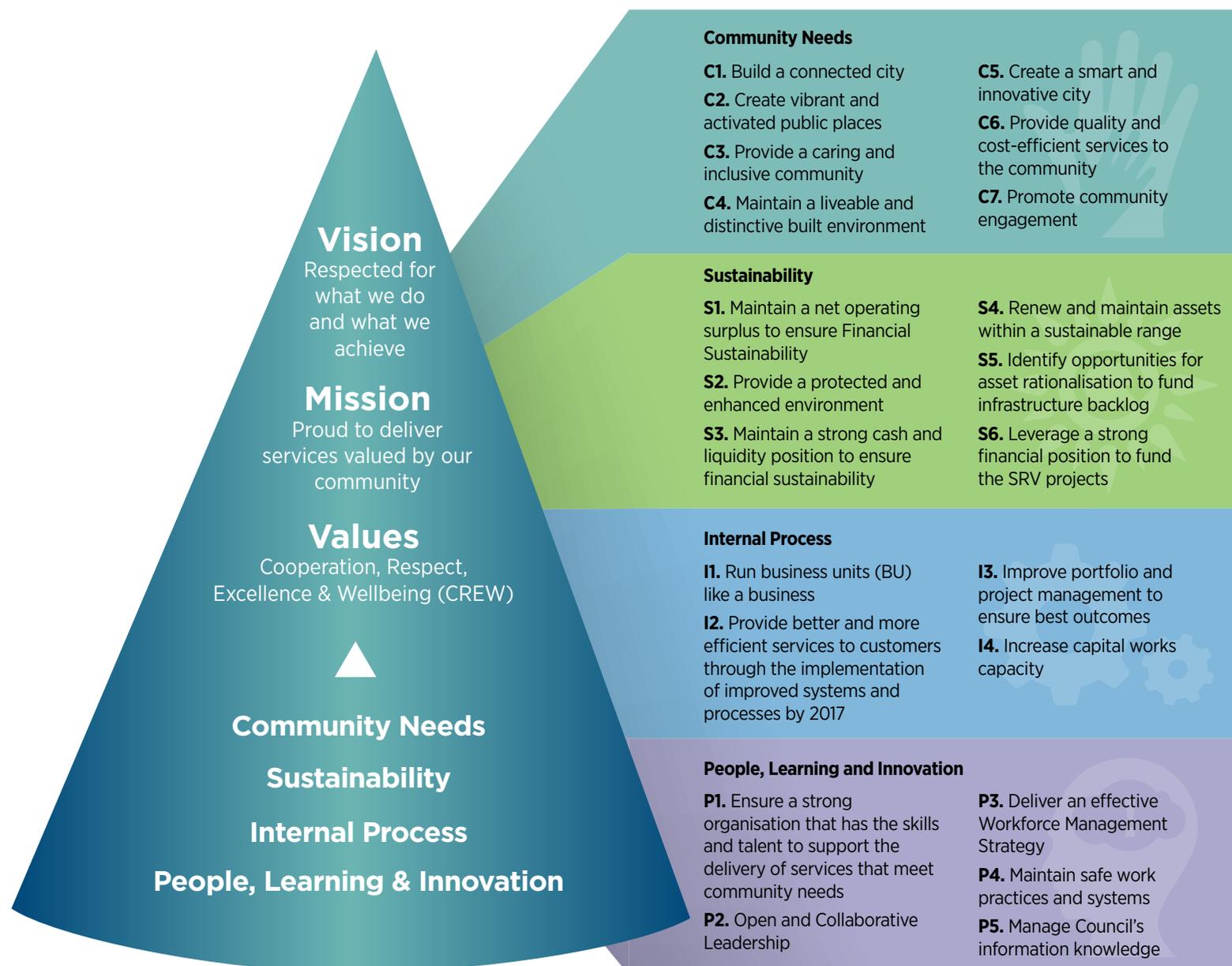
Figure: Overall satisfaction with Council's performance. (Source Q7)

NCC BALANCED SCORECARD

Newcastle City Council's Balanced Scorecard was formulated to capture Council strategies and objectives in one integrated format. This has assisted Council in capturing a range of objectives which are currently reflected in a number of information sources. These strategies and objectives can be found in the following documents:

- **The 2030 Community Strategic Plan (CSP)** is a key document which describes Council's community strategic directions and objectives. The 2030 CSP notes that Council must have capacity to fund the initiatives in a sustainable manner.
- **Council's Resourcing Strategies** contain Council's corporate goals and budget principles providing more specific goals to be met for Council to reach a sustainable position.

A more detailed look at Council's balanced scorecard can be found on page 32.



STRATEGIC DIRECTIONS AND OBJECTIVES

In delivering the Community Strategic Plan, Council commits to its responsibility for key areas of the plan and continues to advocate on behalf of the Newcastle community in areas not directly resourced by Council.

Our four-year Delivery Program and one-year Operational Plan identify the major projects, programs and services we are undertaking to help achieve the shared vision for Newcastle. Key actions and projects for 2016/17 are listed below and are included in the Business unit plans.

Four major civic projects aligned to the Newcastle 2030 Community Strategic Plan will deliver city and economic revitalisation over the next 10 years. These key projects are funded by a special rate variation and help to achieve the seven community strategic directions.

Four major civic projects

Projects	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
Hunter Street revitalisation	✓		✓		✓	✓	✓
Coastal revitalisation	✓	✓	✓	✓	✓	✓	✓
Blackbutt Reserve		✓	✓	✓	✓	✓	✓
Cycleways Program	✓	✓		✓	✓		✓

Alignment of business units to community priorities

Projects	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
Civil Works	✓	✓	✓		✓		✓
Commercial Property			✓		✓	✓	✓
Communication and Engagement				✓		✓	✓
Legal and Governance							✓
Cultural Facilities		✓	✓	✓	✓	✓	✓
Customer Service			✓	✓		✓	✓
Development and Building	✓	✓			✓	✓	✓
Facilities and Recreation	✓	✓	✓	✓	✓		✓
Finance							✓
Human Resources							✓
Information Technology						✓	✓
Infrastructure Planning	✓	✓	✓		✓	✓	✓
Libraries			✓	✓	✓	✓	✓
Projects and Contracts	✓	✓	✓	✓	✓	✓	✓
Regulatory Services	✓	✓		✓			✓
Strategic Planning	✓		✓	✓	✓	✓	✓
Waste Management		✓				✓	✓

1. Connected city

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.

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 1.1 Effective and integrated public transport
- 1.2 Linked networks of cycle and pedestrian paths
- 1.3 A transport network that encourages energy and resource efficiency.

Key actions and projects	Responsibility
Develop and deliver the capital works program including cycleway, pedestrian access mobility program, traffic facilities and grant funded work	Infrastructure Planning
Prepare, lodge and manage grant applications and works including roads to recovery, Roads and Maritime Services, blackspot and 3x3 programs	Infrastructure Planning
Implement the cycleway special rate variation projects and manage the cycling working party	Infrastructure Planning
Develop and implement the road resurfacing program, city wide roads signs and line replacement and city wide roads rejuvenation program	Civil Works
Implement the city wide bus shelter replacement program	Infrastructure Planning
Implementation of the Hunter Street revitalisation project - Civic public domain plan	Strategic Planning
Manage Council's off street multi-use car park to meet the parking demands and a commercially competitive environment	Regulatory Services
Enforce the parking provisions of the NSW road rules to achieve traffic and pedestrian safety and turnover of parking spaces	Regulatory Services
Undertake the approved program of local traffic studies, including development of plan, community consultation, reporting to Newcastle City Traffic Committee (NCTC) and Council.	Infrastructure Planning
Liaise with Roads and Maritime Services on new developments with the state road network	Infrastructure Planning
Improve rideability of road network	Infrastructure Planning

2. Protected and enhanced environment

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 2.1 Greater efficiency in the use of resources
- 2.2 Our unique natural environment is maintained, enhanced and connected
- 2.3 Environment and climate change risks and impacts are understood and managed.

Key actions and projects	Responsibility
Establish a long term strategic position for low lying suburbs affected by potential sea level rise	Infrastructure Planning
Drainage rehabilitation - replacement of deteriorated stormwater infrastructure	Civil Works
Community education at environment rehabilitation worksites - build stronger working relationships between residents and Council through increased community awareness of the role and value of environmental assets through understanding and participating in Council's asset management on ground activities	Infrastructure Planning
Proactively monitor and regulate activities to minimise environmental impact, including implementing Council's business pollution prevention program (BPPP) and erosion & sediment control program	Regulatory Services
Manage contaminated land information and seek appropriate remediation through the development application process.	Regulatory Services
Proactively monitor and regulate onsite sewage management systems to minimise the risk of water pollution and public health impacts.	Regulatory Services
Work with the community to achieve measurable environment improvement in waste reduction through the development, delivery, evaluation and refinement of waste programs, learning modules and internal educations.	Waste Management
Implement the tree inspection program in line with the city wide maintenance policy	Civil works
Develop a waste education strategy with a focus on promoting waste avoidance and behavioural change, to encourage increased participation in residential waste reduction, resource recovery and recycling initiatives, as well as working to reduce household contamination rates.	Waste Management
Promote and manage community based groups in provisions of environmental projects to help restore natural areas in accordance with relevant plans of management	Facilities and Recreation
Deliver projects to achieve energy and water savings under the Environment and Climate Control Strategy (ECCS) investment, identified in the Newcastle 2020 carbon and water management plan	Projects and Contracts
Design, development and construction of landfill cell 9 at Summerhill Waste Management Centre (SWMC)	Waste Management
Expansion and enhancement of the small vehicle receival centre at SWMC	Waste Management
Design, development and construction of a major resource recovery facility at SWMC	Waste Management
Provide a city wide stormwater quantity and quality model	Infrastructure Planning
Implement the community urban forest program	Civil works
Work with partners to improve Council's flood education resources to improve community awareness.	Infrastructure Planning
Maintain flash flood detection equipment	Infrastructure Planning
Inspect creeks and waterways for erosion and sediment control	Infrastructure Planning
Completion of the renewal works at south Newcastle sea wall	Project and Contracts

3. Vibrant and activated public places

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 3.1 Public places that provide for diverse activity and strengthen our social connections
- 3.2 Culture, heritage and place are valued, shared and celebrated
- 3.3 Safe and activated places that are used by people day and night.

Key actions and projects	Responsibility
Design, develop and present public and education programs for the Newcastle Art Gallery annually for general and specialised audiences represented in the Newcastle LGA that link to both the exhibition program and collection that are educational, enjoyable and relevant	Cultural Facilities
Implement the cultural plan 2015-2018	Cultural Facilities
Develop a play space strategy	Facilities and Recreation
Deliver a community safety program	Strategic Planning
Support local community initiatives through place making grants and community assistance grants	Strategic Planning
Provide safe public places by delivering the business lighting project	Strategic Planning
Implement recommendations outlined within the parkland and recreational strategy across the city	Facilities and Recreation
Implement infrastructure programs for capital/maintenance for park assets	Facilities and Recreation
Promote appropriate environmental and recreational community use of Blackbutt Reserve facilities	Facilities and Recreation
Strategic review of aquatics facilities	Facilities and Recreation
Planning of a district sport and recreation complex to serve the long term needs of the growing western corridor	Facilities and Recreation
Strengthening partnerships and opportunities for Newcastle sporting associations to participate in the planning, decision making and prioritisation of sport and recreation projects	Facilities and Recreation
Review and update Council's community safety policy and plans	Strategic Planning
Complete the Newcastle After Dark Strategy	Strategic Planning
Implement the recommendation from the coastal plan of management	Strategic Planning
Facilitate a place making approach to all projects	Strategic Planning
Provide access to technology and the internet and support regular training sessions at various sites using various methods	Libraries
Facilitate and support broad participation in community arts based programs	Libraries
Provide local studies that focus on the local history of Newcastle and the Hunter	Libraries
Implement various programs and outreach services for libraries for learners of all ages, interests and readers. Activities include programs for children, author talks, book chats, craft and technology sessions.	Libraries
Implement the Economic Development Strategy 2016/17	Strategic Planning
Implement revitalisation projects across the city centre	Strategic Planning
Construction of a Richley Reserve recreation adventure playground at Blackbutt	Project and Contracts
Develop a landscape master plan for National Park and Foreshore Park	Facilities and Recreation
Introduce a library app to integrate the catalogue	Libraries
Implement a multicultural plan 2016/17	Strategic Planning

4. Caring and inclusive community

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 4.1 A welcoming community that cares and looks after each other
- 4.2 Active and healthy communities with physical, mental and spiritual wellbeing
- 4.3 A creative, culturally rich and vibrant community.

Key actions and projects	Responsibility
Implement actions from the cultural development program	Strategic Planning
Facilitate Guraki and Youth Advisory Committees	Strategic Planning
Deliver on the community development projects including youth and seniors week	Strategic Planning
Manage early childhood centre assets	Strategic Planning
Promote awareness of the requirements of the Companion Animals Act with respect to the ownership of companion animals	Regulatory Services
Participate in Hunter Region Health Education Committee (HRHEC)	Regulatory Services
Actively encourage use of open space through junior ranger programs at Blackbutt, community planting days and volunteer groups	Facilities and Recreation
Collect and preserve materials relating to the history of Newcastle	Libraries
Acquire new works by artists for exhibitions and the Newcastle Art Gallery collection	Cultural Facilities
Position and promote City Hall as an accessible and multi-use venue with diverse hiring potential for local, regional and national clients	Cultural Facilities
Provide a library service with appropriate materials to assist residents with lifelong learning needs	Libraries
Promote 50 years of teaching water safety education to schools	Facilities and Recreation
Manage the review of the alcohol free zones (AFZs) across the city and LGA, identifying new sites, installing new signage	Strategic Planning
Deliver an integrated crime prevention platform utilising smart city technologies across the city centre (including Honeysuckle, Darby Street, Hamilton and the Junction)	Strategic Planning
Park safe, stay safe - Primary school education program	Regulatory Services
Implement the Newcastle community sector development project (community builders) consistent with grant funding (externally funded): including sector planning, skills training program and sector capacity	Strategic Planning

5. Liveable and distinctive built environment

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 5.1 A built environment that maintains and enhances our sense of identity
- 5.2 Mixed-use urban villages supported by integrated transport networks
- 5.3 Greater diversity of quality housing for current and future community needs
- 5.4 Best practice energy and water efficient buildings and infrastructure.

Key actions and projects	Responsibility
Deliver Hunter Street mall short term improvements	Civil Works
Implement the Newcastle City Council's Heritage Strategy 2013-2017 and Local Planning Strategy 2015	Strategic Planning
Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 carbon and water management action plan	Projects and Contracts
Review controls in both the LEP and DCP as required	Strategic Planning
Review section 94 contribution plans as required	Strategic Planning
Implement the Newcastle After Dark: Night-time Economy Strategy to improve the safety and amenity if the city centre and other neighbourhoods at night	Strategic Planning
Review western corridor traffic schedules and update the section 94 contributions plan	Strategic Planning
Deliver Council's energy saving project 2016/17	Projects and Contracts
City Hall façade restoration	Projects and Contracts

6. Smart and innovative city

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

6.1 A vibrant diverse and resilient green economy built on educational excellence and research

6.2 A culture that supports and encourages innovation and creativity at all levels

6.3 A thriving city that attracts people to live, work, invest and visit.

Key actions and projects	Responsibility
Identify opportunities to partner with other groups to deliver activation and development projects. eg, hit the bricks	Strategic Planning
“Altogether Perfect” project (Newcastle, Port Stephens, Hunter Valley) conference bidding, destination promotion, conference and exhibition centre project	Strategic Planning
Deliver annual community events - ANZAC Day, Christmas in the City, Australia Day, New Years Eve	Strategic Planning
Implement the economic development and events sponsorship programs	Strategic Planning
Deliver the Newcastle smart city initiatives program 2016/17 to continue to develop and establish Newcastle as a smart innovative city	Strategic Planning
Implement the Events Management Strategy	Strategic Planning
Implement the cultural plan 2015-2018	Cultural Facilities

7. Open and collaborative leader

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

To achieve these outcomes over the next 10 years our strategic objectives for Newcastle are:

- 7.1 Integrated, sustainable long-term planning for Newcastle and the Region
- 7.2 Considered decision-making based on collaborative, transparent and accountable leadership
- 7.3 Active citizen engagement in local planning and decision-making processes and a shared responsibility for achieving our goals
- 7.4 Newcastle City Council: a local government organisation of excellence.

Key actions and projects	Responsibility
Ensure maximum operational benefit is gained across the organisation from the OneCouncil enterprise solution	Information Technology
Monitor implementation of the Community Strategic Plan 2030	Strategic Planning
Ensure the management of Council's budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation	Finance
Implement the initiatives from the Workforce Management Plan including, the Aboriginal Employment Strategy and The Equal Employment Opportunity Management Plan	Human Resources
Establish a leadership development framework that incorporates cultural change (people and safety) and performance management to deliver a consistent leadership approach across Council	Human Resources
Identify redundant assets for disposal and for the proceeds to be placed in the land and property reserve to assist with reducing the infrastructure backlog	Commercial Property
Undertake a media engagement strategy to maximise positive exposure opportunities and effectively manage any potential issues	Communications and Engagement
Develop and implement a recruitment and retention strategy for Newcastle Voice	Communications and Engagement
Implement an online Development application tracking system	Development and Building
Improve alignment of grant applications to Council's financial strategic goals and improve success rate of desired grant application	Finance
Introduce measures to increase cost effectiveness , quality and reach of video material	Communications and Engagement

BUDGET ANALYSIS

This section of the report analyses the planned operational income and expenditure budget for the 2016/17 year.

1.1 Budgeted income statement

	Ref	Adopted Budget 2015/16 \$,'000	Adopted Budget 2016/17 \$,'000	Variance \$,'000
Total Income	1.1.1	233,044	246,494	13,450
Total Expenditure	1.1.2	242,585	241,076	(1,509)
Operating Surplus (Deficit) for the year		(9,541)	5,418	14,959

1.1.1 Operating Surplus (\$5.4 million)

The operating position is a measure of financial performance and an indicator of financial sustainability. The underlying result budgeted for the 2016/17 year is a surplus of \$5.4 million, which is a \$14.6 million improvement on the deficit budgeted in 2015/16. This improvement is the result of prudent financial management to contain operating expenditure and drive revenue growth. The 2016/17 budget result will provide the financial capacity to deliver asset maintenance and asset renewal at sustainable levels.

1.2 Income

Income Types	Ref	Adopted Budget 2015/16 \$,'000	Adopted Budget 2016/17 \$,'000	Variance \$,'000
Rates & charges	1.2.1	135,997	144,941	8,944
User charges & fees	1.2.2	62,636	66,809	4,173
Interest	1.2.3	7,618	8,340	722
Other operating revenues	1.2.4	8,730	8,673	(57)
Grants & contributions - Operating	1.2.5	18,063	17,731	(332)
Operating Income		233,044	246,494	13,450

1.2.1 Rates and annual charges (\$8.9 million increase)

The 2016/17 budget is based on the total 2015/16 general income from ordinary and special rates being increased by a total of 8%. This increase can be dissected into two parts - the first being the allowable rate peg increase of 1.8% plus an additional amount of 6.2% relating to Council's 2015 Special Rate Variation (SRV).

1.2.2 User charges and fees (\$4.2 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include waste tipping services, animal fees, use of leisure, entertainment and other community facilities. The increase of \$4.2 million in total fees and charges expected from 2015/16 to 2016/17 is primarily due to \$3 million increase in the value of work Council performs on Transport for NSW road contracts.

A detailed listing of fees and charges is included in Fees and Charges document.

1.2.3 Interest (\$0.7 million increase)

Interest income includes interest on investments. Interest on investments is forecast to remain steady compared to 2015/16.

1.2.4 Other operating revenue (\$0.1 million decrease)

Other revenue relates to a range of items such as property rental, private works, cost recoupment and other miscellaneous income items. It also includes interest revenue on rate arrears. Other operating revenue is forecast to remain steady compared to 2015/16.

1.2.5 Grants and contributions - operating (\$0.3 million decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers.

1.3 Expenditure

Expenditure Types	Ref	Adopted Budget 2015/16 \$,000	Adopted Budget 2016/17 \$,000	Variance \$,000
Employee costs	1.3.1	93,711	95,220	1,509
Borrowing costs	1.3.2	4,717	3,901	(816)
Materials & contracts	1.3.3	51,952	58,119	6,167
Depreciation & amortisation	1.3.4	50,242	40,776	(9,466)
Other operating expenses	1.3.5	39,735	41,214	1,479
Net Loss from disposal of assets	1.3.6	2,228	1,846	(382)
Operating Expenditure		242,585	241,076	(1,509)

1.3.1 Employee costs (\$1.5 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, Workers Compensation Insurance etc.

Employee costs are forecast to increase by \$1.5 million compared to 2015/16. This increase is driven mainly from a 2.8% salary increase under the relevant industrial award.

1.3.2 Borrowing costs (\$0.8 million decrease)

Borrowing costs relate to interest charged by financial institutions on borrowed funds. Newcastle City Council has no further borrowings planned and expects borrowing costs to decrease slightly due to declining balances of outstanding loans as they reduce in accordance with scheduled repayments.

1.3.3 Materials and contracts (\$6.2 million increase)

There is a moderate increase in materials and contracts expenditure forecast for 2016/17. The increase is reflective of \$2 million of work Council performs on Transport for NSW road maintenance contracts in addition to a higher operational costs being generated from the capital works program. Council has been successful at curbing cost growth in general service delivery.

1.3.4 Depreciation and amortisation (\$9.5 million decrease)

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains. The decrease in 2016/17 is due to the revaluation of Council's road network at the end of the 2014/15 financial year, which has reduced the annual depreciation.

1.3.5 Other operating expenses (\$1.5 million increase)

The primary expense in this expense category is the NSW Government Waste levy which increased by \$0.5 million for 2016/17. Other items relate to costs such as Councilor fees, bad and doubtful debts, electricity, telephone, water, Emergency Services Levy, insurance, street lighting and other miscellaneous costs.

1.3.6 Net loss from disposal of assets (\$0.4 million decrease)

The renewing of old assets can involve demolition, which requires a partial write down in the book value of these assets. In the long term it is expected that this cost will grow as Council expands the asset renewal program. However, there is a slight decrease forecast for 2016/17 as Council focuses on increases planning and design for future renewal work.

CAPITAL ANALYSIS

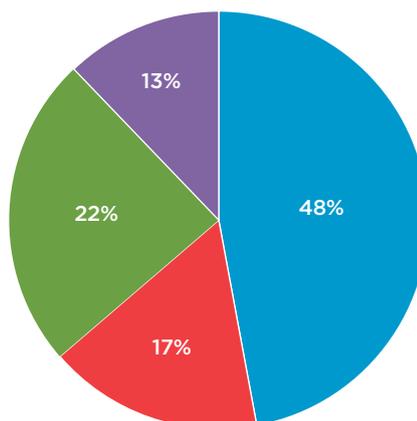
This section of the report analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the budget.

2.1 The works program

Works Program (Opex and Capex)	Ref	Adopted Budget 2016/17 \$,000
Represented by		
Asset Renewal	2.1.1	40,205
Non-Infrastructure Projects	2.1.2	13,994
New & Upgrade Assets	2.1.3	17,916
Special Rate Variation Projects	2.1.4	9,893
Total Works Program		82,008
Asset Renewal		
Building and Structures	2.1.5	13,600
City Roads	2.1.6	13,699
Environment	2.1.7	12,906
Total Asset Renewal		40,205
Non-Infrastructure Projects		
Fleet Replacement	2.1.8	8,798
IT	2.1.9	2,320
Strategic	2.1.10	1,749
Minor Capital	2.1.11	1,127
Total Non-Infrastructure Projects		13,994
New & Upgrade Assets		
Built Infrastructure	2.1.12	3,901
Waste	2.1.13	14,015
Total New Assets		17,916
2012 SRV - Priority Projects		
Hunter St Revitalisation	2.1.14	993
Coastal Revitalisation	2.1.15	4,025
Cycleways	2.1.16	4,375
Blackbutt	2.1.17	500
Total 2012 SRV - Priority Projects		9,893

Budgeted Capital Program 2016/17

	%
Asset Renewal	48%
Non-Infrastructure Projects	17%
New & Upgrade Assets	22%
Special Rate Variation Projects	13%



A distinction is made between expenditure on new assets and expenditure on asset renewal. The expenditure on asset renewal is expenditure on an existing asset, which returns the service potential or the life of the asset back to its original life expectancy. Expenditure on new assets does not have any element of expansion/upgrade and will result in future operation, maintenance and capital renewal.

2.1.1 Buildings and Structures (\$13.6 million)

Buildings and Structures include all community, cultural and operational buildings, as well as office accommodation, pools, shade shelters and sporting facilities. Major items of capital work budgeted for 2016/17 include City Hall, and Cottage creek bridge.

2.1.2 City Roads (\$13.7 million)

City Roads capital expenditure includes all roads, bridges, tunnels, culverts, footpaths, bus shelters, cycle ways, kerb and guttering.

2.1.3 Environment (\$12.9 million)

Environment refers to renewal and rehabilitation works on our stormwater drainage, natural assets and coastal and estuaries.

2.1.4 Fleet Replacement (\$8.8 million)

For the 2016/17 year, \$8.8 million is budgeted to be spent on replacing Council's vehicle fleet. This includes garbage trucks and heavy construction equipment.

2.1.5 IT (\$2.3 million)

IT refers to information technology projects run to maintain service standards and enhance Council's computer systems and information related services.

2.1.6 Strategic (\$1.7 million)

Strategic projects refer to the work undertaken by Council in developing and implementing planning initiatives such as the Newcastle Smart City program, the disability inclusion action plan and various public domain plans.

2.1.7 Minor Capital (\$1.1 million)

Minor capital projects include the purchase of artworks across Council's cultural facilities and additional library resources.

2.1.8 Built Infrastructure (\$3.9 million)

The Built Infrastructure program includes the work Council undertakes creating new assets or upgrading existing assets such as roads and drainage. The 2016/17 budget includes projects funded through government initiatives including the Black Spot program, Roads to Recovery and NSW Boating.

2.1.9 Waste (\$14.0 million)

Waste refers to new capital investment in the Summerhill Waste Management Facility. The major project budgeted for 2016/17 is \$9.1 million for the design and construction of a new landfill cell to facilitate the continued operation of domestic and commercial waste services.

2.1.10 2012 SRV - Priority Projects (\$9.9 million)

A once off special rate variation of 5% was approved in the 2012/13 financial year. The money raised from this special rate variation was set aside to be used in conjunction with Council reserves and grant money on key priority projects.

The 2016/17 budget includes capital expenditure on the four key projects. They are Hunter Street revitalisation, Coastal Revitalisation, Cycleways and Blackbutt Reserve.

2.2 Capital funding

Capital Funding Sources	Ref	Adopted Budget 2015/16 \$,000	Adopted Budget 2016/17 \$,000
Total Operating Revenue Less Operating Expenditure		(9,541)	5,418
Capital Revenue			
Grants & Contributions	2.2.1	20,207	11,821
Proceeds on sale of assets	2.2.2	16,500	2,500
Adjustments for Non Cash Items			
Add back Depreciation	2.2.3	50,242	40,776
Add back loss on Disposal	2.2.4	2,228	1,846
Less land & infrastructure donations	2.2.5	10,081	1,528
Funding available for capital expenditure		69,555	60,833
Capital Expenses		68,321	64,352
Net Loan Principal Repayments		2,972	2,600
Net Funds Generated / (Used)	2.2.6	(1,737)	(6,119)

2.2.1 Grants and contributions - capital (\$11.8 million)

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Significant grants and contributions budgeted to be received for the year 2016/17 includes the local roads component of the Financial Assistance Grant and the Roads to Recovery Grant.

2.2.2 Proceeds on sale of assets (\$2.5 million)

The continued sale of assets which have been identified as surplus to operational needs is budgeted to generate \$2.5 million in the 2016/17 financial year.

2.2.3 Add back depreciation (\$40.8 million)

Depreciation is an operating expense that represents the consumption of an asset over its useful life. As there is no cash outlay associated with this expense, it represents a source of funds available for capital expenditure.

2.2.4 Add back loss on disposal (\$1.8 million)

The loss on disposal refers to the expenditure incurred during the write down of assets as described in 1.3.6. However, there is no cash outflow when this expenditure is incurred, providing additional funds for capital expenditure.

2.2.5 Land and Infrastructure donations (\$1.5 million)

Accounting standards require that the donation of infrastructure assets such as land under roads in new sub-divisions be recorded as a capital contribution (refer to 2.2.1). However, similar to depreciation there is no cash inflow when an asset is donated to Council.

2.2.6 Net funds generated / (used) (\$6.1 million)

During the year Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$61.0 million will be generated from operations to fund the 2016/17 capital works program, which will result in a net draw down on previously restricted cash of \$6.1 million.

REVENUE POLICY

Statement of business activities

Council manages the following Category one businesses as defined by the *Local Government Act 1993* (Act) as having income in excess of \$2 million. For further information on Council's Category 1 businesses, please refer to the Statutory Report appended to Council's 2014/15 Annual Report found at www.newcastle.nsw.gov.au

Waste Management	Waste Management provides disposal facilities for domestic, commercial and industrial waste streams, construction and demolition waste separation and green waste stockpiling and processing. The centre also has a small vehicle receive centre and an on-site resource recovery and recycling operation.
Waste Management Collection Services	Council provides a weekly domestic and commercial waste collection service, provision of weekly 'drop-off' centres for the collection of green waste and a quarterly kerbside green waste collection service together with the servicing of street, park and beach litter bins and a six monthly kerbside bulk waste pickup.
Civic Theatre/ Playhouse	The Civic Theatre and Playhouse are live performance and entertainment venues generating income from ticket sales and commissions, facility hire fees and food and beverage services. Community based not for profit organisations based in the LGA are supported through discounted facility hire fees. The venue promotes a continuous schedule of local, national and international productions.

Statement of fees and charges

Under Section 608 of the Act, Council may charge and recover an approved fee for any service it provides, other than a service proposed or provided on an annual basis which is covered by an annual charge (Sections 496 and 501).

Services for which Council may charge a fee include:

- supply of services and products
- giving information
- providing a service in connection with the exercise of Council's regulatory function (e.g. applications, inspections, certificates)
- allowing admission to buildings.

Fees and Charges made under Section 608 of the Act are classified according to the following pricing basis:

Full Cost Recovery (F)	Council recovers all direct and indirect costs of the service (including depreciation of assets employed)
Partial Cost Recovery (P)	Council recovers less than the Full Cost. The reasons for this may include community service obligations and legislative limits
Statutory Requirements (S)	Price of the service is determined by Legislation
Market Pricing (M)	The price of the service is determined by examining alternative prices of surrounding service providers
Zero Cost (Z)	Some services may be provided free of charge and the whole cost determined as a community service obligation
Rate of Return (R)	This would include Full Cost Recovery as defined above in addition to a profit margin to factor in a return to Council for assets employed.

Council's policy for determining fees to be charged is that all Council fees and charges not subject to statutory control are to be reviewed on an annual basis, prior to finalisation of the annual operating budget.

In applying the above pricing basis to fees made under Section 608 of the Act, Council considers the following factors as outlined in Section 610D of the Act:

- The cost to the Council of providing the service – the Full Cost Recovery method is used as a benchmark in this instance. This includes any debt and servicing costs, depreciation and maintenance associated with the provision of the service
- The price suggested for that service by a relevant industry body or in a schedule of charges published from time to time by the Division of Local Government
- The importance of the service to the community – this is considered in determining any potential community service obligations or community benefit particularly under a Partial Cost Recovery or Zero Cost method
- Any factors specified in the Local Government (General) Regulation 2005 or other applicable legislation
- Other factors not specifically mentioned under Section 610D of the Act that may also be considered include:
 - If services are being supplied on a commercial basis as part of a defined Council business
 - The capacity of the user to pay
 - Market prices.

All fees and charges not included in the Division 81 GST free schedule will attract GST at the current rate of 10%. The 2016/17 Fees and Charges document is bound as a separate report.

Established categories for reduction or waiving of fees

Section 610E of the Act allows Council to waive payment of, or reduce a fee in a particular case if it is satisfied that the case falls within a category of hardship or any other category that Council has determined as set out below:

Council has determined that fees may be waived or reduced in the following categories:

Category one – financial hardship	<p>Council may reduce or waive fees in cases where the applicant provides evidence that the payment of the fee will impose significant financial hardship.</p> <p>In determining eligibility on the basis of significant hardship, Council will:</p> <ol style="list-style-type: none"> 1. Apply the criteria used by the Department of Human Services (Centrelink); and 2. Require the applicant to provide reasonable proof of financial hardship which may include details of assets, income and living expenses, and such other information required to make a valid assessment.
Category two – charity	<p>Council may reduce or waive fees in where the applicant is a registered charity and the fee is for a service that will enable the provision of charitable services to the Newcastle community.</p>
Category three – illness or death (library overdue charges and pool season passes / tickets only)	<p>Council may reduce or waive fees in cases where the applicant provides evidence that the overdue charge was incurred because of:</p> <ol style="list-style-type: none"> 1. Serious illness of a customer or the customer’s immediate family member 2. Serious accident involving the customer or the customer’s immediate family member 3. Death of a customer or the customer’s immediate family member. <p>In determining the eligibility on the basis of illness or death, Council will require the customer to present a:</p> <ol style="list-style-type: none"> 1. Medical certificate or 2. Statutory declaration.

Application and assessment

For the waiving or reduction of fees, applicants must apply to Council in writing (using Council's standard form). Council Officers with delegated authority will assess and make determinations on requests for the waiver or reduction of fees in accordance with the following principles:

- Compliance with relevant legislation
- Fairness, consistency and equity
- Transparency.

Equitable pricing methodology

The equitable pricing methodology has been progressively updated and applied to service delivery throughout the organisation. For subsequent budget cycles the application of Activity Based Cost Management (ABCM) principles has facilitated a better understanding of service delivery costs and assisted in the fees and charges setting process. The equitable pricing methodology and ABCM methodology have been progressively implemented to service unit fees and charges.

Proposed loans borrowing program

Council's loan liability as at 30 June 2016 will amount to \$56.7 million reduced from \$59.0 million in the prior financial year. Council advises that there has been no further loan borrowings budgeted in the 2013-2017 Delivery Program.

Charges for work on private land

It is not Council's practice to conduct work on behalf of private persons or bodies unless competitive tenders have been sought. Council has, on occasions, become involved in special one-off private works such as kerb and guttering for new estate development, where it is Council's practice to recover full costs. It is likely that Council will continue to tender for some private works in order to benchmark its performance.

Asset rationalisation and property asset disposal

Council has produced a framework and set of criteria by which Newcastle City Council property assets can be assessed to test their ultimate requirement. Redundant assets no longer suitable for community or operational purposes will be considered for sale. This process is known as the Asset Review and Implementation Plan (ARIP).

A key outcome of the ARIP is the identification of opportunities to rationalise under-utilised assets. The ARIP will guide a comprehensive investigation of surplus property disposals and/or co-location of community services within shared facilities.

The ARIP's intention was to generate \$66.4 million as identified in the 10-year ISFA. This has been since revised to **\$38.7 million** (Revised June 2015) as a result of market value assessments and the removal of some properties from the program, with a remaining **\$5 million** to be generated during 2016/17 and 2017/18.

In accordance with the adopted budget principles presented to Council on 18 April 2013, the following has been endorsed:

Identify redundant assets for disposal and for the proceeds to be placed in the Land and Property Reserve to be used as a funding source for:

- Renewal of key assets identified and prioritised in the Infrastructure Backlog, and
- Reduce/replace debt as an infrastructure backlog funding source.

Council's policy for use of funds from property asset disposals is to allocate net proceeds to a land and property reserve. The reserve is used to fund identified existing projects, strategic property acquisitions and meet preliminary disposal costs.

Suitable rationalisation and disposal projects shall be reported initially to Council's Asset Management Working Group and then to the Asset Advisory Committee. Recommendations to acquire or dispose of property assets are endorsed by these committees prior to submission to Council for consideration.

RATE INFORMATION

This section of the report includes information on Council's proposed rates and charges structure and general information about rates for the 2016/17 rating year.

Current year rate increase

Council acknowledges the importance of rate income as a funding source however this must be balanced against community sensitivity to rate increases having regard to the impact on the ratepayer and the capacity of the ratepayer to pay any rate increase.

The 2016/17 budget is based on an increase of 8% to the total 2015/16 general income from ordinary and special rates. IPART approved this increase in 2015. This approval allows Council to increase rate income by 8% per annum including the allowable rate peg for a 5 year period i.e. 2015/16 to 2019/20. The rate peg for 2016/17 is 1.8%.

Estimated gross ordinary rate income of \$123.6 million will be raised in 2016/17.

The breakdown of estimated ordinary rate income and the number of properties per category is as follows:

	Number of properties	Estimated gross rate yield 2016/17 \$,000
Ordinary rates		
Residential	62,043	77,203
Farmland	17	37
Business (including sub-categories)	4,788	46,397
Total Properties/Gross Ordinary Rate Income	66,848	\$123,637

Rating structure

Council proposes a rating structure which has regard to two principles of equity:

- The extent to which those who receive the benefits of Council's services also pay for those services, and
- The extent to which those who pay for Council's services have the ability to pay for those services.

For residential ratepayers, a structure based on the continued use of a 50% base amount will ensure both of the above principles are addressed.

The business category structure is proposed to include the use of 22 sub-categories. This will ensure that large-scale users and beneficiaries of Council's infrastructure continue to maintain rating contributions relative to the level of benefit these businesses receive.

No changes are proposed to the structure of the farmland category from that used in 2015/16.

Both the business and farmland categories and business sub-categories continue to be structured on the use of a minimum amount. The proposed minimum amount for 2016/17 will be \$829.90 - this is the 2015/16 minimum amount of \$768.40 increased by 8%.

Council's six special rates will continue to be based on an ad valorem rate only. In line with legislation, Special Rates must be levied on the basis of benefit to the ratepayer. To address this benefit principle, these six special rates are further dissected to form 17 individual rates. The purposes of the special rates proposed to be levied for the 2016/17 rating cycle are:

Hunter Mall	Defraying the cost of continuing additional horticultural and cleansing services and street furnishings
Mayfield business district	Defraying the additional cost of promotion, beautification and development of the Mayfield business district Hamilton business district
Hamilton business district	Defraying the additional costs of promotion, beautification and development of the Hamilton business district
Wallsend business district	Defraying the additional costs of promotion, beautification and development of the Wallsend business district
New Lambton business district	Defraying the additional costs of promotion, beautification and development of the New Lambton business district
City Centre benefit	Defraying the additional costs of promotion, beautification and development of the City Centre benefit area

Specific details of Council's proposed rating structure inclusive of special rates, ad valorem and base amounts are shown below.

Rate	Minimum rate	Ad valorem amount	Base amount	Estimated rate yield p.a.	Estimated gross rate yield 2016/17 \$,000
	\$	cents in \$	\$	% of Total Rates	\$

Ordinary Rates

Residential	Nil	0.208419	623.23	50	77,203,000
Business	\$829.90	1.739100	Nil	Nil	33,933,545
Farmland	\$829.90	0.350100	Nil	Nil	37,436

Business Sub-Categories

Inner City Suburban Shop. Centre	\$829.90	2.203108	Nil	Nil	137,915
Suburban Shopping Centre	\$829.90	2.664679	Nil	Nil	241,686
Suburban Shopping Centre - Mayfield	\$829.90	3.516680	Nil	Nil	149,107
Kotara Major Commercial Shopping Centre	\$829.90	2.810197	Nil	Nil	1,222,436
Maj. Commercial Shopping Centre (Inner City)	\$829.90	2.041922	Nil	Nil	290,157
Kotara Homemaker's Centre	\$829.90	1.375300	Nil	Nil	479,705
Jesmond Major Commercial Shopping Centre	\$829.90	3.776598	Nil	Nil	479,628
Waratah Major Commercial Shopping Centre	\$829.90	4.191554	Nil	Nil	337,420
Wallsend Major Commercial Shopping Centre	\$829.90	4.601706	Nil	Nil	384,242
The Junction Major Commercial Shopping Centre	\$829.90	3.255166	Nil	Nil	180,336

Rate	Minimum rate	Ad valorem	Base amount	Estimated rate yield p.a.	Estimated gross rate yield 2015/16 \$,000
	\$	cents in \$	\$	% of Total Rates	\$
Kooragang Industrial Coal Zone	\$829.90	1.478340	Nil	Nil	518,572
Kooragang Industrial Centre	\$829.90	1.336980	Nil	Nil	1,345,322
Kooragang Industrial Centre - Walsh Point	\$829.90	1.594072	Nil	Nil	1,039,335
Kooragang North Coal Zone	\$829.90	1.992011	Nil	Nil	1,171,303
Mayfield North Heavy Industrial Centre	\$829.90	0.837823	Nil	Nil	483,424
Mayfield North Industrial Centre	\$829.90	1.346165	Nil	Nil	350,797
Mayfield North Future Industrial Development Centre	\$829.90	1.699145	Nil	Nil	292,100
Carrington Industrial Centre	\$829.90	1.876500	Nil	Nil	1,077,672
Carrington Industrial Port Operations Use	\$829.90	2.110279	Nil	Nil	224,576
Carrington Industrial Port and Coal Zone	\$829.90	2.629580	Nil	Nil	1,181,996
Broadmeadow Industrial	\$829.90	3.084100	Nil	Nil	128,299
Hexham Industrial	\$829.90	2.390206	Nil	Nil	746,162

Total Ordinary Rate

\$123,636,171

Special Rates

City centre - City East	Nil	0.343211	Nil	Nil	169,470
City centre - Darby St	Nil	0.075326	Nil	Nil	28,252
City centre - City West (Close Zone)	Nil	0.149025	Nil	Nil	242,063
City centre - City West (Distant Zone)	Nil	0.074513	Nil	Nil	21,208
City centre - Tower	Nil	0.343211	Nil	Nil	171,591
City centre - Mall	Nil	0.343211	Nil	Nil	119,407
City centre - Civic (Close Zone)	Nil	0.192462	Nil	Nil	86,529
City centre - Civic (Distant Zone)	Nil	0.096231	Nil	Nil	6,263
Hunter Mall	Nil	0.282446	Nil	Nil	86,775
Mayfield Business District	Nil	0.105915	Nil	Nil	74,543
Hamilton Business District - Zone A	Nil	0.203584	Nil	Nil	83,906
Hamilton Business District - Zone B	Nil	0.101792	Nil	Nil	34,460
Hamilton Business District - Zone C	Nil	0.050896	Nil	Nil	13,434
Wallsend Business District - Zone A	Nil	0.382076	Nil	Nil	100,006
Wallsend Business District - Zone B	Nil	0.191038	Nil	Nil	13,644
Wallsend Business District - Zone C	Nil	0.286557	Nil	Nil	23,928
New Lambton Business District	Nil	0.122477	Nil	Nil	14,350

Total Special Rate

\$1,289,829

General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the Local Government Area (LGA) was carried out by a State Government Authority known as Land and Property Information NSW (formerly the Valuer General). Such general revaluations are carried out every three years.

These new valuations, known as base date 1 July 2015 land values, will apply for rating purposes from 1 July 2016. The outcome of the general revaluation has been a wide variation in property valuations throughout the LGA. In the residential category the range of average increases per suburb varies from 41% to 6%. The average movements for each rate category/subcategory are as per the table below:

Category / Sub-Category	Average Land Value Movement
Residential	29%
Business	10%
Farmland	12%
Major Commercial	7%
Major Industrial	(10%)

Estimated Rates Payable using new land values

The following tables illustrates the proposed 2016/17 rates payable for Residential and Business rate payers using a range of the newly supplied land values. Details of the number of properties in each land value range is also illustrated.

• Residential Properties

New Land Value	2016/17 Rates Payable	Land Value Range	Number of Properties	% of Properties
\$50,000	\$727.44	<\$50,000	2,689	4.3%
\$100,000	\$831.65	\$50,000 - \$100,000	4,394	7.1%
\$150,000	\$935.86	\$100,000 - \$150,000	2,666	4.3%
\$200,000	\$1,040.07	\$150,000 - \$200,000	5,839	9.4%
\$250,000	\$1,144.28	\$200,000 - \$250,000	11,504	18.6%
\$298,504**	\$1,245.37	\$250,000 - \$300,000	11,206	18.1%
\$300,000	\$1,248.49	\$300,000 - \$350,000	8,217	13.2%
\$350,000	\$1,352.70	\$350,000 - \$400,000	5,045	8.1%
\$400,000	\$1,456.91	\$400,000 - \$500,000	4,268	6.9%
\$500,000	\$1,665.33	\$500,000 - \$600,000	2,151	3.5%
\$600,000	\$1,873.75	\$600,000 - \$700,000	1,509	2.4%
\$700,000	\$2,082.17	\$700,000 - \$800,000	861	1.4%
\$800,000	\$2,290.58	\$800,000 - \$900,000	557	0.9%
\$900,000	\$2,499.00	\$900,000 - \$1,000,000	340	0.5%
\$1,000,000	\$2,707.42	>\$1,000,000	797	1.3%
Total			62,043	100%

** \$298,504 is the average residential land value

• **Business Properties**

New Land Value	2016/17 Rates Payable	Land Value Range	Number of Properties	% of Properties
\$50,000	\$869.55	<\$50,000	641	13.9%
\$100,000	\$1,739.10	\$50,000 - \$100,000	471	10.2%
\$200,000	\$3,478.20	\$100,000 - \$200,000	768	16.7%
\$300,000	\$5,217.30	\$200,000 - \$300,000	734	15.9%
\$400,000	\$6,956.40	\$300,000 - \$400,000	562	12.2%
\$419,229**	\$7,290.81	\$400,000 - \$500,000	344	7.5%
\$500,000	\$8,695.50	\$500,000 - \$600,000	270	5.9%
\$600,000	\$10,434.60	\$600,000 - \$700,000	184	4.0%
\$700,000	\$12,173.70	\$700,000 - \$800,000	103	2.2%
\$800,000	\$13,912.80	\$800,000 - \$900,000	85	1.8%
\$900,000	\$15,651.90	\$900,000 - \$1,000,000	67	1.5%
\$1,000,000	\$17,391.00	\$1,000,000 - \$1,500,000	173	3.8%
\$1,500,000	\$26,086.50	\$1,500,000 - \$2,000,000	80	1.7%
\$2,000,000	\$34,782.00	>\$2,000,000	126	2.7%
Total			4,608	100%

** \$419,229 is the average business land value

The amounts stated in the above tables do not include amounts payable for Stormwater and Waste Management Service Charges and the Hunter and Central Rivers Catchment Management rate. *Additionally, the above amounts may vary as a result of the processing of Supplementary Valuations and rate exemption applications.*

Waste Management Service Charges

Council is required by legislation to levy annual charges for the provision of waste management services. These charges relate to the services provided for both domestic and non-domestic waste management.

Domestic Waste Management Service Charge (DWMS)

Section 496 of the Act requires Council to make and levy an annual charge for the recovery of costs for providing domestic waste management services. The full year DWMS charges for the four years of the Delivery Program are:

2013/14	2014/15	2015/16	2016/2017
\$330.18	\$330.18	\$340.09	\$340.09

The 2016/2017 estimated yield from the charge is **\$21,141,355**

Business Waste Management Service Charge (BWMS)

Section 501(1) of the Act permits Council to make and levy an annual charge for the provision of waste management services (other than DWMS). The full year BWMS charge for the four years of the Delivery Program will be:

2013/14	2014/15	2015/16	2016/2017
\$218.47	\$218.47	\$231.58	\$231.58

The 2016/2017 estimated yield from the charge is **\$1,010,384**

Stormwater Management Service Charge

The proposed Stormwater Management Service Charge (SMSC) for 2016/17 will continue to fund an enhanced stormwater related works and services program. Income from the SMSC for the four years of the Delivery Program will be:

2013/14	2014/15	2015/16	2016/2017
\$1,975,000	\$1,985,000	\$1,930,000	\$1,965,000

The proposed 2016/17 SMSC for residential properties is \$25 per eligible property, excepting residential strata units where an annual charge of \$12.50 is applicable. These charges are unchanged from those levied in 2015/16. Charges do not apply to vacant land or land categorised as Farmland, as well as land exempt from rates in terms of Sections 555 or 556 of the Act. Additionally, land held under a lease for private purposes granted under the *Housing Act 2001* or the *Aboriginal Housing Act 1998* is also exempt from the charge.

In respect of land categorised as Business, the proposed 2016/17 SMSC for non-strata properties will be \$25 per 350m² of site area capped at \$1,000. Business strata units will be structured in the same manner but each lots contribution will be based on the individual lot's unit entitlement. Income from the charge can be spent on both capital projects and recurrent expenditure including:

- planning, construction and maintenance of drainage systems, including pipes, channels, retarding basins and waterways receiving urban stormwater
- planning, construction and maintenance of stormwater treatment measures, including gross pollution traps and constructed wetland
- planning, construction and maintenance of stormwater harvesting projects
- monitoring of flows in drains and creeks to assess effectiveness
- stormwater education programs
- inspection of commercial and industrial premises for stormwater pollution prevention
- cleaning up of stormwater pollution incidents (charge can fund a proportion)

- water quality and aquatic ecosystem health monitoring of waterways, to assess the effectiveness of stormwater pollution controls (charge can fund a proportion).

Rebates to Eligible Pensioners

Section 575 of the Act provides for eligible pensioners to receive reductions in ordinary rates and domestic waste management service charges. This mandatory rebate provides for a reduction of 50% on the aggregate of these rates and domestic waste charges, up to a maximum of \$250. Rebates are granted on an annual or quarterly proportionate basis.

Rates Assistance

The following options are proposed, for the 2016/17 rating year, where ratepayers are experiencing financial difficulties:

- deferral of rates and charges against the estate. This scheme applies to all ratepayers provided that they satisfy the eligibility criteria
- Section 601 - Council has a discretion to waive, reduce or defer the payment of the whole or any part of the increase in rates caused by the use of a new valuation
- write-off of accrued interest
- negotiation of special arrangements to pay rates and charges
- financial planning and counseling through Council appointed welfare agencies
- financial assistance through Council appointed welfare agencies.

SUPPORTING DETAILS

What we will do

The following tables outline what Council will deliver in 2016/17. Within each business unit, summary tables are provided on Council's level of service deliverables, and a detailed table on the operational actions and KPIs.

Council has committed to the delivery of an affordable and achievable level of service across all program areas and delivery against Council corporate goals, strategic direction and budget principles (which are integrated into the below balanced scorecard).

The following tables within each Group provides a summary of the activities Council will undertake in 2016/17.

- A business unit profile
- Key objectives for the business
- A breakdown of the budget by services
- Operational activities
- Business improvement and strategic projects
- Key performance indicators (KPIs).

Newcastle City Council 2016/17 operational activities, business improvement and projects are outlined from page 92, which identify Council's actions towards the adopted strategic priorities from the Delivery Program (2013-2017) and references back to our balanced scorecard. The actions form the basis of the business unit's work plans and will be reported on half yearly and annual in our performance review and annual report.

Balanced Scorecard

Council has commenced the formulation of a balanced scorecard to capture Council strategies and objectives in one integrated format. This will assist Council in capturing a range of objectives which are currently reflected in a number of information sources. Council reports on progress against objectives reflected in the 2030 Community Strategic Plan, corporate goals and budget principles. The Delivery Program and Operational Plans are guided by these important business objectives.

The 2030 Community Strategic Plan (CSP) is a key document which describes Council's Strategic Directions and Objectives. These have been summarised earlier in this Operational Plan. The 2030 CSP notes that Council must have capacity to fund the initiatives in a sustainable manner.

The corporate goals and budget principles provide more specific goals to be met for Council to reach a sustainable position.

The balanced scorecard captures these goals and objectives within one framework with the objectives classified into four subjects. These subjects areas are standard categories for many organisations. A brief description of each is provided below.

Community Needs: The most important category, as the role of Council is to provide services which meet the needs and expectations of its ratepayers. These services need to be provided in a sustainable manner and reflect an appropriate balance between level of service provided and the cost of providing these services. Council's community need strategies come from predominantly our community Strategy Plan.

Sustainability: This is an essential component of the balanced scorecard as it establishes our high level financial and environmental measures. Without these strong objectives Council cannot fund and deliver the Operational Plan or show greater efficiency in our use of resources.

Internal Process: This focuses on all the activities and key processes required for Council to excel at providing the value and service level expected by its ratepayers.

People, Learning and Innovation: This focuses on the areas where Council wants to emphasise improvements in its capabilities. This helps Council continue to improve the services provided and identify and implement efficiencies.

The balanced scorecard will continue to be developed and reviewed in the future to make sure that Council has an integrated approach to its planning. It will help us strengthen the linkages between Council's strategic objectives and the plans and priorities of the individual business units and Council's projects.

OUR FRAMEWORK OF GOALS AND OBJECTIVES



C1. Build a connected city

- Effective and integrated public transport
- Linked networks of cycle and pedestrian paths
- A transport network that encourages energy and resource efficiency.

C2. Create vibrant and activated public places

- Public places that provide for diverse activity and strengthen our social connections
- Culture, heritage and place are valued, shared and celebrated
- Safe and activated places that are used by people day and night.

C3. Provide a caring and inclusive community

- A welcoming community that cares and looks after each other
- Active and healthy communities with physical, mental and spiritual wellbeing
- A creative, culturally rich and vibrant community.

C4. Maintain a liveable and distinctive built environment

- A built environment that maintains and enhances our sense of identity
- Mixed-use urban villages supported by integrated transport networks
- Greater diversity of quality housing for current and future community needs
- Best practice energy and water efficient buildings and infrastructure.

C5. Create a smart and innovative city

- A vibrant diverse and resilient green economy built on educational excellence and research
- A culture that supports and encourages innovation and creativity at all levels
- A thriving city that attracts people to live, work, invest and visit.

C6. Provide quality and cost-efficient services to the community

C7. Promote community engagement

- Provide information and opportunities which encourage community participation and feedback
- Deliver on the key projects determined as the priorities for the community.

S1. Maintain a net operating surplus to ensure Financial Sustainability

- Achieve at least a 2.7% net funding surplus
- Reduction in net operating expenses of 10% (overall)
- Grow non-rate based funding
- Make decisions that are financially sustainable.

S2. Provide a protected and enhanced environment

- Greater efficiency in the use of resources
- Our unique natural environment is maintained, enhanced and connected
- Environment and climate change risks and impacts are understood and managed.

S3. Maintain a strong cash and liquidity position to ensure financial sustainability

- Restrict debt levels so that the net financial liabilities ratio of 40% is not exceeded
- Reduce/replace debt as an infrastructure backlog source
- Secure funding/service partners.

S4. Renew and maintain assets within a sustainable range

- Reduce NCC's infrastructure backlog ratio to less than 2% over the next 10 years.

S5. Identify opportunities for asset rationalisation to fund infrastructure backlog

- Renewal of key assets identified and prioritised in the infrastructure backlog.

S6. Leverage a strong financial position to fund the SRV projects

- Support 2012 SRV priority projects
- Accelerate or broaden 2012 SRV priority projects once asset renewal requirements have been addressed.

I1. Run business units (BU) like a business

- Improve BU budget management and forecasting
- Strengthen alignment of BU KPIs with strategic objectives and improve tracking of performance.

I2. Provide better and more efficient services to customers through the implementation of improved systems and processes by 2017

- Improve productivity
- Increase positive contacts
- Streamline customer interactions.

I3. Improve portfolio and project management to ensure best outcomes

- Engage with the Newcastle community on projects that have a high level of impact on the community.

I4. Increase capital works capacity

- Identify resources and capability gaps and invest in building capacity
- Enhance tools, processes and data to support greater visibility of asset position and enable more effective prioritisation, estimation and program management
- Utilise efficiency gains through improved processes to increase Council capacity to undertake more capital works.

P1. Ensure a strong organisation that has the skills and talent to support the delivery of services that meet community needs

- Develop business management and leadership skills
- Develop stronger commercial skills
- Improve portfolio and project management skills
- Enhance problem solving skills
- Enhance customer services culture
- Improve employee engagement.

P2. Open and Collaborative Leadership

- Integrated, sustainable long term planning for Newcastle and the region
- Considered decision-making based on collaborative, transparent and accountable leadership.

- Active citizen engagement in local planning and decision-making processes and a shared responsibility for achieving our goals
- NCC a local government organisation of excellence.

P3. Deliver an effective Workforce Management Strategy

- Attracting and retaining talent
- Investing in the capabilities of our people
- Planning for our future workforce needs
- Facilitating a culture of cooperation, respect, excellence and wellbeing

P4. Maintain safe work practices and systems

- Foster a positive work health and safety culture that is considered to be an integral element of our operations.

P5. Manage Council's information knowledge

- Manage our IT intellectual property
- Improve information sharing processes.

Fit for the Future Initiatives

The NSW State Government's fit for the future program required all Councils to complete an assessment of their operations and their financial position to determine if they met the Government's 'fit for the future' criteria.

Our proposal included all of the initiatives that Council had already embarked upon as part of its road to recovery strategy outlined in the 2013-17 Delivery Program together with some additional initiatives aimed at further improving the financial performance of the organisation and accelerating its progress towards achieving financial sustainability, while delivering the quality services required by the community into the future.

As a result, Council has supplemented the existing initiatives outlined in the LTFP endorsed by Council in February 2015 with the additional fit for the future improvement initiatives. These initiatives will make a material contribution to accelerating Council's journey to financial sustainability.

The fit for the future proposal has targeted a broad range of initiatives which will incrementally increase operating revenue, reduce expenses and improve efficiencies across the organisation. Prior to the announcement of the fit for the future program, Council had already made significant progress in addressing Council's financial challenges and had a clear plan to achieve long term financial sustainability with the initiatives included in the road to recovery program. Council's fit to the future initiatives are listed below.

BSR*	Fit to the Future initiatives
All	
S1	Building productivity improvement into the budget (0.2% of rates). Reducing ongoing operational expenses
S1	Candidate services might include any support services or services without face-to-face customer interaction (this can include sub components which meet these requirements)
I2	Integrated processes and one source of truth (reduce re-entry of customer data etc)
I2	New ERP system improves asset management and project productivity. Cumulative savings built into the LTFP to 2022 are \$5.8m
I3	Optimise project performance through multi-year planning (scheduling, resource planning, contracts management)
I2	Productivity gains from ECM upgrade (through ease of use & integration)
I1	Strengthen KPI measures across Business Units
Civil Works	
I3	Increase level of maintenance to required levels as per AMS
I2	Review of motor vehicle fleet and lease back arrangements
Commercial Property	
S1	Focus on improving rental returns on existing commercial properties
S1	Optimise utilisation of Council real estate and seek opportunities to reduce real estate requirements for Council use
S5	Sell non-core assets which reduce backlog
S5	Selling other non-core assets to fund asset backlog works (\$50m)
Cultural Facilities	
S1	Improved revenue opportunities through coordinated sales and admin function across civic areas (Art Gallery, Museum, Theatre)
Development & Building	
I2	Re-engineer DA process (online monitoring and submission, charging model etc)
Finance	
I2	Apply greater rigour to (1) Council granting funds to other entities and (2) value in kind services (for community and economic development activities)
I1	Build better metrics across key areas of expenditure (e.g. Budget management, asset renewal)
I2	Build VMO capabilities to cover strategic vendors (vendor reviews / governance) & identify strategic sourcing opportunities (scale, rationalisation etc)
I1	Build better metrics across key areas of expenditure (e.g. Budget management, asset renewal)
I2	Build VMO capabilities to cover strategic vendors (vendor reviews / governance) & identify strategic sourcing opportunities (scale, rationalisation etc)

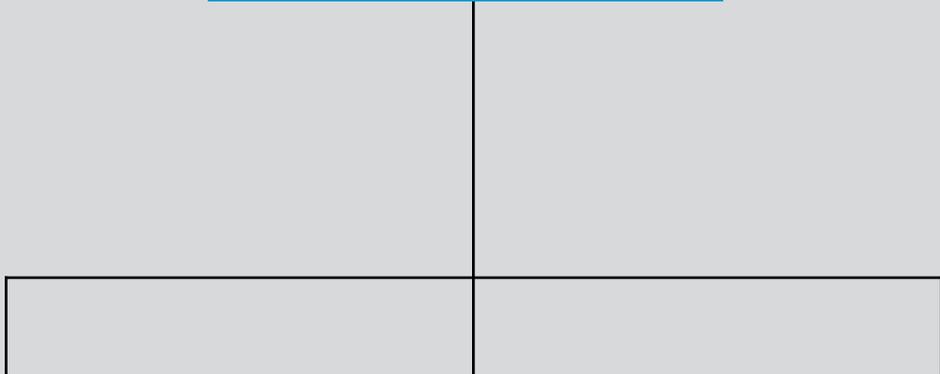
BSR*	Fit to the Future initiatives
S1	Diversifying our investment portfolio to include additional investment grade commercial properties
P2	Enhance capacity to attract sponsorship
P2	More strategic targeting of grant funds - linkage to strategy, business cases based on TCO.
S1	Partial sale of airport
S1	Review and optimise phone/ mobile phone and data usage and plans
I2	Strengthen grant submissions (continuous improvement process)
I2	Strengthening controls in procurement process
I2	Targeted use of contractors where vcost advantage v internal capability
I2	Tightening of approval delegations
Human Resources	
P3	EA negotiations
P3	Establish a framework to support and mentor high potential staff
P3	Improve management and coordinator practices
P3	Improve reward and recognition mechanisms
P3	Leadership development training
S1	Review of staff car parking arrangements to reduce FBT
P1	Targeted staff training and development to build skills and capabilities
I2	Updated workers comp claims management system allowing improved focus on reducing claims.
Infrastructure Planning	
I3	Enhance contract drafting quality for outsourced capital works
I3	Focusing on the top four priority projects.
I3	Implement differential service levels to optimise spend (maintenance & capital works programs)
I3	Improve data collection processes (timeliness, effectiveness & efficiency) via selective use of methods, technology and statistical models
I3	Improve planning via the establishment of more complete & accurate multi-year plans
S4	Improve prioritisation of intervention for optimal remediation (minimisation of maintenance and renewal spend for an equivalent outcome)
S4	Increase asset renewal & remediation to address backlog by 2022/23
S4	Increase asset renewal & remediation to levels to meet required renewal per AMS
I3	Leverage ERP to improve project and contracts and generate project efficiencies
I3	Prioritising capital works to make sure all projects are fully funded before work starts.
I3	Streamline design process for engineering works and build pipeline of works
Information Technology	
I3	Enhance contract drafting quality for outsourced capital works
I2	Enhance ratepayer self-service capabilities
Projects & Contracts	
I3	Enhance governance of outsourced project works
Regulatory Services	
C1	Upgrade to the car park ticketing system
Waste Management	
S1	Expand capabilities/capacity of Summerhill waste facility to generate higher net revenue
S1	Summerhill - Organics processing for Councils without organics processing capacity (e.g. Maitland, Singleton etc)

2016/17 Budget

	Executive Management	Planning & Regulatory	Corporate Services	Infrastructure	Airport	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating Revenue								
Rates & charges		1,203	123,845	19,893		144,941	135,997	7%
User charges & fees		13,459	4,059	37,666	11,625	66,809	62,636	7%
Interest			8,000		340	8,340	7,618	9%
Other operating revenues		5,083	2,997	593		8,673	8,730	-1%
Grants & contributions - Operating		1,603	12,417	3,711		17,731	18,063	-2%
Total Operating Revenue		21,348	151,318	61,863	11,965	246,494	233,044	6%
Operating Expenses								
Employee costs	948	22,074	23,140	46,556	2,502	95,220	93,711	-2%
Borrowing costs			3,644		257	3,901	4,717	17%
Materials & contracts	276	9,650	7,874	35,466	4,853	58,119	51,952	-13%
Depreciation & amortisation	3	4,992	1,325	32,459	1,997	40,776	50,242	19%
Other operating expenses	127	3,629	8,028	29,430		41,214	39,735	-4%
Net Loss from disposal of assets			1,846			1,846	2,228	
Internal Charges	(1,333)	13,564	(37,495)	25,264				
Total Operating Expenses	21	53,909	8,362	169,175	9,609	241,076	242,585	0%
Total Operating Revenue Less Operating Expenditure	(21)	(32,561)	142,956	(107,312)	2,356	5,418	(9,541)	153%

BUSINESS UNIT PROFILES

Executive



Planning and
Regulatory

Corporate
Services

Infrastructure

**Development
and Building Services**

Finance

Infrastructure Planning

**Strategic
Planning Services**

Information Technology

Civil Works

Regulatory Services

Human Resources

Project and Contracts

Cultural Facilities

Commercial Property

Facilities and Recreation

Libraries

Customer Service

Waste Management

**Communications and
Engagement**

Legal and Governance

Executive

	Chief Executive's Office	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating Revenue				
Rates & charges				
User charges & fees				
Interest				
Other operating revenues				
Grants & contributions - Operating				
Total Operating Revenue				
Operating Expenses				
Employee costs	948	948	955	1%
Borrowing costs				0%
Materials & contracts	276	276	272	-1%
Depreciation & amortisation	3	3	3	0%
Other operating expenses	127	127	124	-2%
Net Loss from disposal of assets				
Internal Charges	(1,333)	(1,333)	(1,351)	1%
Total Operating Expenses	21	21	3	-600%
Total Operating Revenue Less Operating Expenditure	(21)	(21)	(3)	-600%

Executive Services

Business unit profile

- Provide the elected Council and Executive Management Team with the information and tools for considered decision-making
- Develop and promote policies, plans and frameworks to ensure the organisation can provide open and collaborative leadership and improve service delivery
- Evaluate and improve the effectiveness of risk management, control and governance processes through the delivery of a risk-based internal audit plan.
- Encourage active citizen engagement in local planning and decision making through the provision of Public Voice and access to information
- Promote and coordinate the improvement of systems and processes to facilitate better and more efficient services to customers
- Evaluate and improve the effectiveness of risk management, control and governance processes through the delivery of a risk-based internal audit plan

Key objectives

- Provide the processes and systems to empower the elected Council to be collaborative, transparent and accountable

	CEO's Office	Lord Mayor's Office	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating Revenue					
Rates & charges					
User charges & fees					
Interest					
Other operating revenues					
Grants & contributions - Operating					
Total Operating Revenue					
Operating Expenses					
Employee costs	716	232	948	955	1%
Borrowing costs					0%
Materials & contracts	220	56	276	272	-1%
Depreciation & amortisation	1	2	3	3	0%
Other operating expenses	115	12	127	124	-2%
Net Loss from disposal of assets					
Internal Charges	(1,031)	(302)	(1,333)	(1,351)	1%
Total Operating Expenses	21		21	3	-600%
Total Operating Revenue Less Operating Expenditure	(21)		(21)	(3)	-600%

Operational activities

BSR*	Activities/Projects	Milestone
P2	Coordinate Executive Management Team meeting processes including forward agenda, coordination of business paper, production and publication of minutes and distribution of action items.	Ongoing
P2	Manage information on Director iPads	Ongoing
P2	Coordinate delivery of an independent and objective risk-based forward internal audit plan	Ongoing
P2	Coordinate Council's Audit Committee	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plans and key strategic projects

BSR*	Activities/Projects	Milestone
P2	Align internal audit plan to organisational risks	Adoption of audit plan by the Audit Committee

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Internal Audit	P2	Overall satisfaction rating of Internal Audit performance by Audit Committee members and audit subjects	80%

Planning and Regulatory

Planning and Regulatory Budget

	Director	Development & Building	Strategic Planning	Regulatory Services	Cultural Facilities	Libraries	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue									
Rates & charges			1,203				1,203	1,193	1%
User charges & fees		2,848	180	7,563	2,656	212	13,459	12,887	4%
Interest									0%
Other operating revenues			196	3,182	1,245	460	5,083	4,888	4%
Grants & contributions - Operating			1,062		151	390	1,603	1,720	-7%
Total Operating Revenue		2,848	2,641	10,745	4,052	1,062	21,348	20,688	3%
Operating Expenses									
Employee costs	373	4,458	3,862	3,941	5,304	4,136	22,074	21,708	-2%
Borrowing costs									0%
Materials & contracts	28	404	3,452	1,712	2,560	1,494	9,650	7,055	-37%
Depreciation & amortisation		1	329	447	2,714	1,501	4,992	4,929	-1%
Other operating expenses	4	10	1,467	914	924	310	3,629	3,843	6%
Net Loss from disposal of assets									
Internal Charges	(404)	3,956	1,000	2,404	3,819	2,789	13,564	13,903	2%
Total Operating Expenses	1	8,829	10,110	9,418	15,321	10,230	53,909	51,438	-5%
Total Operating Revenue Less Operating Expenditure	(1)	(5,981)	(7,469)	1,327	(11,269)	(9,168)	(32,561)	(30,750)	-6%

Development and Building

Business unit profile

Management and delivery of Council's integrated development assessment and building/subdivision certification functions, including advisory services and inspections of construction projects.

Key objectives

- To ensure that the unit responds appropriately to foreshadowed significant changes to planning/certification legislation
- To capitalise on opportunities for further system improvements, particularly opportunities arising from the corporate ERP project
- To deliver quality application assessment and certification services in a timely and efficient manner in line with community expectations, organizational aspirations and relevant legislation.

	Administration	Building	Development	Business Support	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							
User charges & fees	40	1,427	1,380	1	2,848	2,838	0%
Interest							
Other operating revenues							
Grants & contributions - Operating							
Total Operating Revenue	40	1,427	1,380	1	2,848	2,838	0%
Operating Expenses							
Employee costs	535	1,303	1,875	745	4,458	4,152	-7%
Borrowing costs							
Materials & contracts	66	96	223	19	404	438	8%
Depreciation & amortisation		1			1	2	50%
Other operating expenses	1	4	5		10	52	81%
Net Loss from disposal of assets							
Internal Charges	152	2,134	2,435	(765)	3,956	2,986	-32%
Total Operating Expenses	754	3,538	4,538	(1)	8,829	7,630	-16%
Total Operating Revenue Less Operating Expenditure	(714)	(2,111)	(3,158)	2	(5,981)	(4,792)	-25%

Operational activities

BSR*	Activities/Projects	Milestone
Development assessment		
C4	Activity generated by demand for service	Ongoing
Building subdivision certification		
C4	Activity generated by demand for service	Ongoing
Swimming pool compliance certification		
C4	Activity generated by demand for service	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plans and key strategic projects

BSR*	Activities/Projects	Milestone
Development assessment		
I2	P&R project is main opportunity for improvement to processes	Ongoing
I2,I1	Review customer charter	July 2016
C4	Review Per-DA engagement process	July 2016
I2	Implement an online application tracking system	July 2016
I2	Review core processes of the application referral system and identify opportunities for improvement	Ongoing
I2	Review of internal and external customer service delivery and resourcing model	Ongoing
Building and subdivision certification		
I2	ERP project is main opportunity for improvement to processes	Ongoing
Swimming pool compliance certification		
I2	ERP project is main opportunity for improvement to processes	Ongoing

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Development assessment	I2	90% of all DA's have a median net turnaround time <40 days	90% <40 days
Building subdivision certification	P2	Meet all organisational reporting requirements in line with scheduled reporting cycle	>90%
Building subdivision certification	P2	Meet all legislative reporting requirements in line with scheduled reporting cycle	100%

Cultural Facilities

Business unit profile

Newcastle Museum

Newcastle Museum is an accessible and engaging cultural institution in a stunning heritage building in Honeysuckle. It provides history, education, community engagement, a dynamic program of events and exhibitions, a repository for cultural heritage and a showcase for ideas about the past, present and future of the Newcastle and Hunter.

Newcastle Art Gallery

Newcastle Art Gallery is one of the major regional art galleries in Australia. It provides a high quality and enriching visual arts experience through an exciting and accessible range of exhibitions and programs for a diverse audience. The Gallery also conserves, researches and develops its significant permanent art collection for current and future generations.

Civic Theatre Newcastle

The Civic Theatre is one of Australia's great historic theatres and hosts a wide range of concerts, musicals, plays, dance and other events. It operates as both a venue-for-hire for visiting theatre companies, bands, ballet companies and other live performing arts, as well as presenting the Civic subscription Season, a diverse program of shows hand-picked to inspire, challenge and entertain local audiences.

Fort Scratchley Historic Site

Fort Scratchley is a significant heritage site located in Newcastle East. It includes a Function Centre available for hire as well as historic buildings that include museum rooms, tunnels available for tours and a shop selling souvenirs.

Fort Scratchley is operated in partnership with the Fort Scratchley Historical Society to conserve and protect the significance of the site and offer a high quality visitor experience.

Newcastle Venues

Newcastle Venues is a suite of cultural venues available for hire for weddings, social events and corporate functions. It includes the iconic Newcastle City Hall, Fort Scratchley and Newcastle Museum and provides a valuable revenue stream for Newcastle City Council. The Newcastle Venues team work closely with clients, caterers and decorators to provide high quality service and customer satisfaction.

Key objectives

Newcastle Museum

We will reinforce the Gallery's role as a place of education and learning where visitors can extend their understanding, appreciation and enjoyment of the visual arts.

We will continue to facilitate opportunities for the Gallery's collection to be presented and promoted in a way that reflects its status as the most important and comprehensive collection of its type in regional Australia, acknowledging the history, the locality and the context from which it has grown.

We will maintain and enhance the Gallery's role as an important contributor to cultural tourism in Newcastle and the Hunter region, acting as a magnet for visitation to Newcastle's cultural centre.

We propose to ensure the Gallery is a sustainable institution which generates revenue towards its operating costs through a range of commercial operations, public programs and strategic partnerships.

Civic Theatre

We will continue to improve our revenue generating capacity through marketing and hiring our venue for live performances to local and touring companies.

We will deliver a diverse, exciting and community enriching performing arts program.

	Administration	Art Gallery	Major Venues	Museum	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							
User charges & fees		259	1,990	407	2,656	2,524	5%
Interest							
Other operating revenues		50	1,038	157	1,245	1,173	6%
Grants & contributions - Operating		89	50	12	151	193	-22%
Total Operating Revenue		398	3,078	576	4,052	3,890	4%
Operating Expenses							
Employee costs	1,048	1,164	1,969	1,123	5,304	4,738	-12%
Borrowing costs							
Materials & contracts	354	587	1,062	557	2,560	2,319	-10%
Depreciation & amortisation		369	1,850	495	2,714	2,695	-1%
Other operating expenses	88	285	412	139	924	963	4%
Net Loss from disposal of assets							
Internal Charges	(1,489)	1,311	2,722	1,275	3,819	4,548	16%
Total Operating Expenses	1	3,716	8,015	3,589	15,321	15,263	0%
Total Operating Revenue Less Operating Expenditure	(1)	(3,318)	(4,937)	(3,013)	(11,269)	(11,373)	1%

Operational activities

BSR*	Activities/Projects	Milestone
Newcastle Museum		
I1, L2	Review and reconfirm the business plan based on the first three years of operational experience	See KPI
I2	Enhance and develop retail business	Ongoing
I2	Continue to build 'Museum Express' a primary school education outreach program leveraging and promoting the exhibition program with three year sponsorship from Orica	Ongoing
C4	Develop the volunteer program	Ongoing
Newcastle Art Gallery		
C4	Professionally deliver a diverse program of exhibitions annually that showcase local, national and international arts practice	See KPIs
C6	Establish a digital strategy to support the promotion of gallery events as well as programming and access to the collection	Ongoing
C7, I2	Review collection strategy	Ongoing
C4	Continue to present a vibrant program leveraging the collections the gallery to local and national markets	Ongoing
Civic Theatre		
I1	Professionally develop and manage Newcastle Council's major venue	See KPIs
I2	Establish programming processes and systems to increase rigour and transparency	See KPI
I2	Increase engagement and support for local industry	See KPI
I2	Further develop commercial presenter relationships	Ongoing

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Newcastle Art Gallery		
C3	ERP project is main opportunity for improvement to processes	See KPI
Civic Theatre		
I1, C6	Grow the subscription season as a unique performing arts program and diversify	June 2017
Newcastle Venues		
L1	Work with MAPPS and PM to deliver City Hall kitchen and bars upgrade	June 2017

Key performance indicators

BSR*	KPI/Performance Measure	2016/17 Target
C3, C2	Number of people attending Art Gallery, Museum and Civic Theatre	Art Gallery >15% Museum maintain Civic Theatre/Playhouse >5%
I1	Income from venue hire	City Hall = Maintain <80% Museum >10% Fort Scratchley >10% Civic Theatre maintain
C3, C2	Number of collections pieces on display	Museum = Maintain Art Gallery >15%
C3, C2	Number of educational/public programs held at the Art Gallery, Museum, Civic Theatre	Children 0-12 years = maintain Teens/young adult >15% Adult 31-65 years >10% Seniors 65+ = Maintain
C3, C2	Number of exhibitions local artists/practitioners and local stories	Museum >10% Art Gallery >20%
C3, C2	Number of tunnel tours conducted at Fort Scratchley	Under 4-14 years = Maintain Concessions = Maintain Adult = Maintain Family = Maintain Group >10%

Libraries

Business unit profile

Newcastle Region Library Service provides a range of Library services to the residents and visitors of Newcastle and partner Councils.

The Library is a welcoming space for people to meet, connect and learn across nine different locations in Newcastle and supports IT and collection services to the Shires of Port Stephens, Dungog and Gloucester under the Regional Library Cooperative agreement.

The Library provides an extensive lending collection in a range of formats - book, ebook, magazines, emagazines, DVD's, online video, CD's and music streaming.

Newcastle Region Library has a significant Local History and family research collection showcasing Newcastle and the Hunter. The services offered targeted and inclusive programs and events to lead the community in lifelong learning activities.

Key objectives

We will continue to our work to create an informed, engaged and connected community through our library services. We will:

- Maintain and develop facilities to provide welcoming activated spaces which are accessible, comfortable and appealing for all sections of the community
- Promote and develop our cultural heritage through a well-resourced Local History section
- Deliver targeted and inclusive programs to support of the physical, mental and spiritual wellbeing of our community and provide innovative learning activities for children, youth, adults and seniors to actively support Smart City initiatives.

	Administration	Collection Management	City Libraries	New Lambton Libraries	Wallsend Libraries	Programs & Partnerships	Digital Services	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating Revenue										
Rates & charges										
User charges & fees	10		52	32	67	47	4	212	288	-26%
Interest										
Other operating revenues	451					9		460	186	147%
Grants & contributions - Operating	386					4		390	390	0%
Total Operating Revenue	847		52	32	67	60	4	1,062	864	23%
Operating Expenses										
Employee costs	137	360	630	312	663	1,372	662	4,136	4,680	12%
Borrowing costs										
Materials & contracts	638	227	34	19	97	205	274	1,494	897	-67%
Depreciation & amortisation	79		1,056	56	307	1	2	1,501	1,490	-1%
Other operating expenses	3	53	86	32	82	52	2	310	386	20%
Net Loss from disposal of assets										
Internal Charges	(846)	571	891	270	700	417	786	2,789	3,139	11%
Total Operating Expenses	11	1,211	2,697	689	1,849	2,047	1,726	10,230	10,592	3%
Total Operating Revenue Less Operating Expenditure	836	(1,211)	(2,645)	(657)	(1,782)	(1,987)	(1,722)	(9,168)	(9,728)	6%

Operational activities

BSR*	Activities/Projects	Milestone
C3, C4	The library provides an extensive range of reading and listening material for loan in a range of formats including eBooks and emagazines, music streaming and online movies, hardcopy books, DVDs, magazines and newspapers	Ongoing
C3, C4	The Library Services team provides a professional information service, specialist training with our Digital Services team and free access to a large range of digital resources and databases on a large selection of subjects	Ongoing
C3, C4	Community Programs, Outreach services and lifelong learning activities are provided regularly for learners of all interest, ages and readers. Activities focus on early literacy development via children's programs, reader development via author talks and book chats, improved digital literacy through technology activities,.	Ongoing
C3, C4	The library has an extensive collection dedicated to Local History with a focus on the history of Newcastle and the Hunter. Staff specialist skills in research are invaluable with local or family history enquiries. The library maintains a large collection of records and archives for many government and non-government organisations from the area	Ongoing
C3, C4	The Library actively supports community access to technology and the internet through 96 PCs complemented by a free Wi-Fi network. Improved digital literacy is supported by regular training sessions at various sites using various methods	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
C3, C4	Vision and develop a Library service model that best reflects the needs and aspirations of the Newcastle community through consultation, with a focus on renewing and reshaping facilities. To be adopted by the Council.	June 2017
C3, C4	Improve access to all of the physical collections by floating 90% of collections	June 2017
C3, C4	Develop a long term Community Program strategy to ensure that all programs, outreach and learning activities align and integrate with key Council and community objectives	June 2017
C3, C4	Introduce a library app to integrate the catalogue and website functions which will improve ease of use, and provide a seamless gateway to library activities	June 2017
C3, C4	Increase the number of PCs at the smaller branches to provide support to the goals of improved digital literacy	June 2017
C3, C4	Increase the access to the library collections and technology by opening one branch on a Sunday	February 2017 proposed - budget bid not yet approved

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Library	I2, C3, C2	Achieve a 5% increase in eBook loans and eResource usage	>5%
Library	I2, C3, C2	Attendance at children's, adults and lifelong learning events increase by 3%	>3%
Library	I2, C3, C2	Number of attendees per public program and exhibition and activity spend	Benchmarked in 15/16
Library	C2, C3	Engage and deliver two youth driven activities	2 x youth led program

Regulatory Services

Business unit profile

Use the most appropriate enforcement or compliance tools to address the most significant problems to achieve the best outcomes quickly and effectively as possible. Provide services in environmental health, food surveillance, development compliance, fire safety, parking compliance and parking management, companion animals and general compliance.

Key objectives

- Protect the natural environment and public health
- Achieve a high standard of food safety
- Ensure that development takes place in accordance with environmental planning legislation and issued approvals
- Achieve a high standard of fire safety in buildings
- Promote responsible pet ownership of companion animals
- Regulate parking of motor vehicles to manage turnover of parking spaces, and manage traffic and pedestrian safety
- Conduct regular audits of performance and regulatory capacity within Regulatory Services
- Manage Council's off street multi-level car park and implement strategies to achieve a sustainable market advantage
- Promote consistency and fair enforcement.

	Administration	Environmental	Parking	Compliance	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							
User charges & fees		597	6,672	294	7,563	7,064	7%
Interest							
Other operating revenues		53		3,129	3,182	3,290	-3%
Grants & contributions - Operating							0%
Total Operating Revenue		650	6,672	3,423	10,745	10,354	4%
Operating Expenses							
Employee costs	314	1,184	604	1,839	3,941	3,838	-3%
Borrowing costs							
Materials & contracts	49	88	845	730	1,712	1,502	-14%
Depreciation & amortisation	2		426	19	447	406	-10%
Other operating expenses	11	7	135	761	914	944	3%
Net Loss from disposal of assets							
Internal Charges	(349)	620	684	1,449	2,404	2,740	12%
Total Operating Expenses	27	1,899	2,694	4,798	9,418	9,430	0%
Total Operating Revenue Less Operating Expenditure	(27)	(1,249)	3,978	(1,375)	1,327	924	-44%

Operational activities

BSR*	Activities/Projects	Milestone
Environmental health		
S2	Respond to complaints regarding environmental pollution, health issues and food safety	Ongoing
S2	Proactively monitor and regulate activities to minimise environmental impact, including implementing Councils Business Pollution Prevention Program	Ongoing
S2	Manage Contaminated land information and seek appropriate remediation through the development application process	Ongoing
S2	Complete annual inspection <ul style="list-style-type: none"> • for cooling towers • skin penetration premises • on-site sewage management systems • swimming pools. 	March 2017
Food surveillance		
C3	Complete yearly annual inspection program of high and medium risk food businesses	Ongoing
C3	Complete biannual inspections of poor performing food premises	February 2017
C3	Participate in regional food group	Ongoing
Development compliance		
C4	Respond to compliance regarding alleged unauthorised building work, development without consent and development not in accordance with consent	Ongoing
C3	Inspect premises for compliance with the <i>Boarding Houses Act</i>	Ongoing
C3	Effectively manage the annual fire safety statement program	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Ranger		
C3	Promote awareness of the requirements of the Companion Animals Act with respect to the ownership companion animals	Ongoing
C3	Hold and participate in companion animal education and awareness programs including events, education sessions and micro chipping days	Ongoing
C3	Develop an effective framework and supporting documentation which will better document investigative action and decisions in respect of dog attack investigations	December 2016
On-street parking		
C1	Provide city wide management of on-street parking operations which focuses on safety, accessibility and amenity in line with the adopted parking management framework	Ongoing
C2	Park safe, stay safe - Primary School Education program	March 2017
Environmental health		
I2	Carry out all environmental health inspection programs using mobile devices and record inspection details in electronic form to allow greater information gathering and to produce auditable results.	Ongoing
All Regulatory Services		
P1	An ongoing commitment to education and training for staff in respect to procedures relating to evidence gathering, interviewing and brief preparation.	Ongoing

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Environmental Health	S2	Percentage of asbestos requests initially assessed and allocated within 1 working day	100%
On street parking	I2	The average taken time to respond to parking meter enquiries is less than 2 hours	<2 hours
Rangers	I2	Percentage of dog attack requests initially assessed and allocated within 1 working day	100%
Food Surveillance	C2	percentage of high and medium risk food premises inspected annually	100%
Compliance educations programs	C2, S2, C4, C3	Conduct education and awareness focused compliance programs on key regulatory services	3 programs annually

Strategic Planning

Business unit profile

- Provide Council and the community with advice and plans to set and achieve land use, community and economic objectives consistent with the 2030 Community Strategic Plan, other Council plans/policies and legislative requirements
- Facilitate, advocate, plan and partner to deliver community services, facilities and economic benefits for Newcastle
- Attract, develop, promote and deliver community, leisure and business events that stimulate community, investment and economic development in Newcastle
- Deliver city centre revitalisation.

Key objectives

- Deliver land use, community and economic development advice, policies, plans and projects for Newcastle
- Provide forward looking, well researched and practical documents and plans within legislative and Council requirements and in line with our work program
- Deliver responsive and best practice community services, strategies and events within legislative and Council requirements
- Partner with local community and businesses to deliver community benefit and economic opportunities
- Demonstrate the corporate objectives, meet financial and other corporate reporting requirements. Assist Newcastle's economy to grow.

	Administration	Business Improvement	Child Care	Community	Economic	Urban Planning	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue									
Rates & charges		1,203					1,203	1,193	1%
User charges & fees					30	150	180	173	4%
Interest									
Other operating revenues			68	4	124		196	239	-18%
Grants & contributions - Operating			1,009	53			1,062	1,137	-7%
Total Operating Revenue		1,203	1,077	57	154	150	2,641	2,742	-4%
Operating Expenses									
Employee costs	361		893	697	1,091	820	3,862	3,929	2%
Borrowing costs									
Materials & contracts	1,319		73	222	1,530	308	3,452	1,846	-87%
Depreciation & amortisation	12		200	117			329	336	2%
Other operating expenses		1,203	21	123	120		1,467	1,491	2%
Internal Costs	(446)	(1,193)	891	642	664	442	1,000	921	-9%
Total Operating Expenses	1,246	10	2,078	1,801	3,405	1,570	10,110	8,523	-19%
Total Operating Revenue Less Operating Expenditure	(1,246)	1,193	(1,001)	(1,744)	(3,251)	(1,420)	(7,469)	(5,781)	-29%

Operational activities

BSR*	Activities/Projects	Milestone
Land use planning		
All	Implement the local planning Strategy	Short term actions completed or commenced 2017
S2	Monitor and mend Local Environmental Plan 2012 (LEP) and Development Control Plan 2012 (DCP) as required	Ongoing
C4, C3	Input to Regional Growth Plan and Urban Development program	Ongoing
C4	Implement Newcastle City Council's Heritage Strategy 2013-2017 and Local Planning Strategy	Ongoing
C4	Monitor and maintain developer contributions plans and contributions register	Ongoing
Community planning		
All	Implement Social Planning Strategy, Access and Inclusions plan and Multicultural Plan	Complete year 1 and commence year 2 actions by June 2017
C5	Deliver the community safety program, including the Newcastle after Dark Strategy	Ongoing
P2	Monitor and report on the Newcastle 2030 Community Strategic Plan in line with IP and R legislation	Complete end of term report July 2016
C4	Facilitate the Guraki and Youth committees	Ongoing
C6	Continue to develop the Newcastle Smart city program in partnership with business and community stakeholders	Ongoing
City Centre Revitalisation		
C3	Implement city centre revitalisation in line with the Hunter Street Revitalisation Strategy	Ongoing
C5	Work with state government and private sector to foster appropriate development consistent with planning framework	Ongoing
I5	Continue to provide incentives programs such as the proposed business lighting program	Ongoing
C5, C3	Implement city centre public domain upgrades and activation programs in locations such as wheeler place	Ongoing
Child Care Centre		
C4	Provide excellent child care and meet all industry relevant standards in Beresfield	Ongoing
C7, L1	Review centre operating costs and fees at Beresfield	Annual
C5	Complete and implement landscape plan and building improvement plans at Beresfield	August 2016
C4	Oversee leases for other community based child care Centres	Ongoing
Economic Development		
C6	Implement the Economic Development Strategy 2016-19	Complete year 1 and commence year 2 actions by June 2017
C6	Implement the Economic Development sponsorship program	Annual program
C6	Work with Business Improvement Associations to drive economic growth across Newcastle	Ongoing
Events		
C4	Complete and implement the Events Strategy	Strategy - June 2016; implementation ongoing
C4	Implement the events sponsorship program	Annual Program
C4	Deliver an annual program of major events including Council's key events, New year's Eve and Australia Day and other iconic Newcastle events such as Surfest	Annual Program
C2	Implement the All Together Perfect campaign with project partners, to attract business oriented and conference events to Newcastle and Region (subject to grant from Destination NSW)	June 2017
Destination Management		
C6	Review and implement the destination Management Plan	June 2017
C4	Continue to work with local operators to identify and promote local product	June 2017

* BSR - Balanced Scorecard Reference

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
All	P2	Meet timeframes for Council report	All reports on time
All	I1, I2	Project plans prepared and approved for all projects	Complete all project charters and plans for new 16-17 projects by end July 2016
All	I1, I2	All projects delivered on time and within budget	All projects
Destination Management	C2, C3	Increase visitation to Newcastle	Maintain numbers of hits to VisitNewcastle website - currently around 25,000 per month
Destination Management	C2, C3	(from AusTrade data for 2013 by Tourism Research Australia)	Maintain visitor number: 2.5M day visitors per annum; 971,800 domestic visitors; 74,900 international visitors
Events	C3	Deliver sponsorship and grant programs consistent with Council policies: Events Sponsorship; Economic Development; Community Assistance; Place Making; and Youth Week.	Return on investment in the Events Sponsorship Program to exceed 3:1 All acquittal and achievements reports received and reported to Council (annual report)
Child Care Centre	C3	Excellent service maintained at Beresfield Child Care	Annual parent survey completed and reported to parents Full occupancy at centre
Community Planning	C3	Community safety	Improved perception of community safety (measure through survey)
Economic Development	C3, C2	CBD visitation	Increase visitation and frequency
Land Use Planning	C7	% residents who agree the sort of housing they need is in their area (NCC Community Survey)	>80%
Land Use Planning	C7	% residents satisfied with heritage conservation in Newcastle (NCC Community Survey)	>70%
Land Use Planning	I2	Works schedule for developer contribution plans updated annually	100%

Corporate Services

	Director	Finance	Information Tech.	Human Resources	Commercial Property	Customer Service	Communi-cations	Legal & Governance	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue											
Rates & charges		123,845							123,845	114,913	8%
User charges & fees		491	463	12	2,700	381		12	4,059	3,409	19%
Interest		8,000							8,000	7,276	0%
Other operating revenues		444			2,482			71	2,997	3,219	-7%
Grants & contributions - Operating		12,237		180					12,417	12,475	0%
Total Operating Revenue		145,017	463	192	5,182	381		83	151,318	141,292	7%
Operating Expenses											
Employee costs	410	4,837	2,789	8,119	933	3,189	1,153	1,710	23,140	22,941	-1%
Borrowing costs		3,576			68				3,644	3,817	5%
Materials & contracts	70	860	2,392	636	1,978	838	403	697	7,874	6,413	-23%
Depreciation & amortisation		2	897	33	378			15	1,325	5,081	74%
Other operating expenses		3,742	934	13	470	2	1	2,866	8,028	7,166	-12%
Net Loss from disposal of assets		1,846							1,846	2,228	17%
Internal Charges	(481)	(12,828)	(5,451)	(9,368)	1,036	(3,648)	(1,557)	(5,198)	(37,495)	(37,047)	-1%
Total Operating Expenses	(1)	2,035	1,561	(567)	4,863	381		90	8,362	10,599	21%
Total Operating Revenue Less Operating Expenditure	1	142,982	(1,098)	759	319			(7)	142,956	130,693	-9%

Finance

Business unit profile

The primary roles of the Finance function are:

- to assist Council apply funds in a manner which provides greatest value to the community and
- to ensure Council complies with financial and reporting obligations,
- to accurately reflect Council's financial position and
- prudently manage Council's finances in both the short and long term for the benefit of ratepayers and in accordance with the financial budgets developed under the Integrated Planning and Reporting (IP&R) process.

Finance assists in the efficient allocation of Council resources by coordinating the annual budgeting process. Projects (listed at the end of this document) are identified and prioritised in line with Council objectives. The Finance function reports progress against the operational plan, identifies and assesses changes to the operating plan, assists in the collection of Council revenue (such as rates) and invests funds held in a prudent manner that also generates additional revenue for Council.

Key objectives

Finance has a predominantly communication, enabling and governance role with the key functions outlined below

Ensure all stakeholders (community, Councillors, management and staff) are aware of our financial position, how services are funded and a path towards long term financial sustainability is maintained. This includes:

- Development and exhibition of the Delivery Program and Operational Plan
- Monitoring performance against the budget through Councillor workshops and adoption of any budgetary changes through Ordinary Council meetings
- Promote linkage between IP&R documents (including Community Strategy, LTFP, Delivery Program and Operational Plan) and ensure Council's program of capital works aligns to the objectives.

Promote and facilitate a strong value (service v cost) mindset across Council with a focus on supporting community needs in the most effective and efficient manner (optimal use of ratepayer funds). This includes:

- Ensure Council remains focused on delivery of projects in line with Delivery Program objectives and based on business case criteria
- Track the efficiency with which Council meets current service levels and track projects which will enhance services levels including 2015 SRV and FFTF initiatives. It is a condition of the 2012 and 2015 SRV's that Council applies the funds provided to address the infrastructure backlog and delivers service improvements noted in the SRV applications
- Use the Adopted Budget as the primary financial management document for measurement of Council (and BU) performance. Strengthen alignment of BU KPIs with strategic objectives and improve tracking of performance
- Collaborate with Infrastructure Planning and Projects and Contracts on improvement in project portfolio management processes to improve delivery of replaced or new infrastructure
- Track service improvement initiatives and productivity/service metrics.

Promote the development of and compliance with a Delivery Program and associated Operational Plan which will ensure Council achieves and maintains long term financial sustainability whilst supporting community service priorities and expectations (governance). This includes:

- Ensure Business Units adhere to adopted budgets to enable Council to achieve a funding surplus and long term financial sustainability whilst also delivering agreed services. Invest Council funds to generate strong returns within agreed risk and liquidity parameters
- Collaborate with Infrastructure Planning and Projects and Contracts on capital works program to reduce the infrastructure backlog to less than 2% by 2020/21
- Collaborate with Infrastructure Planning and Strategic Planning on service level plans to assist Council identify and address service gaps and opportunities to rationalise non-core assets which need to invest in services of identify opportunities for asset rationalisation to fund infrastructure backlog
- Ensure restricted and unrestricted funding sources are available to support 2012 SRV priority projects.

	Administration	Corporate Finance	Rates & Debt	Business Finance	Corporate Unallocable	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue								
Rates & charges					123,845	123,845	114,913	8%
User charges & fees		1	285		205	491	470	4%
Interest					8,000	8,000	7,276	0%
Other operating revenues					444	444	427	4%
Grants & contributions - Operating					12,237	12,237	12,275	0%
Total Operating Revenue		1	285		144,731	145,017	135,361	7%
Operating Expenses								
Employee costs	194	1,346	774	2,173	350	4,837	7,111	32%
Borrowing costs					3,576	3,576	3,739	4%
Materials & contracts	35	48	50	78	649	860	1,428	40%
Depreciation & amortisation				2		2	3,784	100%
Other operating expenses	2	21	9	32	3,678	3,742	3,737	0%
Net Loss from disposal of assets					1,846	1,846	2,228	
Internal Charges	(200)	(1,368)	730	(492)	(11,499)	(12,828)	(17,475)	27%
Total Operating Expenses	31	47	1,563	1,793	(1,400)	2,035	4,552	47%
Total Operating Revenue Less Operating Expenditure	(31)	(46)	(1,278)	(1,793)	146,131	142,982	130,809	-9%

Operational activities

BSR*	Activities/Projects	Milestone
P2, C7	Business Partnering & Corporate Strategy - Coordinate development of Delivery Program and Operational Plan that supports Councils strategic objectives (placed on public exhibition and adopted by Council)	June 2016
P2	Business Partnering - Monitor and analyze Council performance against operational plan and strategic and financial sustainability objectives and complete monthly reporting and quarterly reviews to Council including approved revisions to the capital works program (Council meeting)	Monthly / Quarterly
C7, P2	Corporate Strategy - Produce half year and annual reports (for public viewing)	Half yearly
S1	Treasury - Invest Council funds within investment guidelines and maximize investment income within acceptable risk parameters and liquidity constraints.	Ongoing
P2	Management Accounting - Produce audited financial statements (tabled in Council meeting) with have not been qualified by the auditors and complete revaluation of in-scope assets	Annual October 2016
I2	Grants Management - Ensure grant applications are aligned to Council objectives and are business case driven. Provide support to Business Units to enhance success rate of approved grant applications	Ongoing/monthly
S1	LTFP - Maintain LTFP and undertake modeling to assess the long term financial sustainability of Council	Half yearly
I2	Rates - Calculate rates applicable for each ratepayer issue rates notices and facilitate collection rate revenue in line with payment terms. Respond to ratepayer queries	Ongoing
I2	Purchasing & Supply - Source best value procurement options and ensure compliance with robust and efficient procurement processes and effective inventory management	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects
I1	Performance Measurement - Continue to work with BU managers on evolving BU objectives and KPIs from an operational focus to reflect a more strategic focus. Continue to enhance Finance partnering model with Business Units
I4	Asset Management - Improve asset management processes in conjunction with Infrastructure Planning and Projects & Contracts with focus on more accurate identification and costing asset maintenance and renewal priorities
S1	Treasury - Update to investment policy and investment guidelines to enable increase in investment returns within agreed risk parameters (Project)
I2	Grants Management - Improve alignment of grant applications to Councils strategic goals and improve success rate of "desirable" grant applications
I1	Activity Based Costing - Develop roadmap of future refinement to internal charging across Council business units and implement changes to improve calculation of cost of Council services
I4	Project Portfolio Management - Enhance project portfolio management in conjunction with Infrastructure Planning and Projects & Contracts (multi-year planning, project prioritisation, measurement framework (metrics) and strengthen governance of project approval process (strategic alignment, business case)

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Ratepayer Satisfaction	C6	Improve ratepayer satisfaction with NCC financial management of Council (currently customer satisfaction survey focuses on LTFP only)	Greater than 2.5 stars
Budgetary Control	S1	BU not exceed budget on aggregate controllable costs	Within budget
Investment Returns	S1	Investment return in excess of +.05% than UBS Australia bank bill index	>+.05%
Grants	I2	All grant applications are budgeted, receive approval in line with DLA's and are aligned to Councils strategic objectives	100%
Projects	I3	All projects align to Councils strategic objectives	100%

Commercial Property

Business unit profile

Provide Commercial Property Services to the Council including management of commercial property investments and surplus operational land, value add projects, leasing and sale of surplus property assets including roads and advice to other Business Units regarding land and property matters including facilitation of the Asset Advisory Committee.

Key objectives

- Efficient and effective management of Council's operational and Commercial Property asset portfolio
 - Ensure all Council's commercial assets provide an appropriate Return on Investment (ROI)
 - Manage financial returns and alternative utilisation of surplus Council roads/reserve
 - Operational management of residential properties and retirement centres
 - Operational management of commercial properties and vacant land, management of Council and Crown land leases
 - Maximising the revenue from the Stockton Holiday Park whilst maintain high levels of customer satisfaction.
- Identify redundant property assets for disposal and for the proceeds to be placed in the Land and Property Reserve to assist with reducing the Infrastructure Backlog
- Create catalyst projects using Council property and in accordance with the Council and Crown Plans for Hunter St, the Coast and the Foreshore
 - Complete the tender for the third party development Newcastle and Merewether Ocean Baths Pavilions for community and publicly accessible commercial premises
 - Finalise a lease for 292 Wharf Rd, Newcastle which is sympathetic to adjacent recreational use
 - Finalise the lease of 33 Samdon St, Hamilton for childcare
 - Finalise a lease of 75 Elder St, New Lambton for a use in line with the recreational zoning.

	Administration	Leasing	Enterprises & Roads	Strategic Projects	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							
User charges & fees			2,700		2,700	2,300	17%
Interest							0%
Other operating revenues		2,321	161		2,482	2,689	-8%
Grants & contributions - Operating							
Total Operating Revenue		2,321	2,861		5,182	4,989	4%
Operating Expenses							
Employee costs	269	164	228	272	933	936	0%
Borrowing costs			68		68	78	13%
Materials & contracts	314	96	1,317	251	1,978	1,304	-52%
Depreciation & amortisation	3	159	216		378	491	23%
Other operating expenses	11	318	140	1	470	414	-14%
Net Loss from disposal of assets							
Internal Charges	(343)	566	453	360	1,036	1,633	37%
Total Operating Expenses	254	1,303	2,422	884	4,863	4,856	0%
Total Operating Revenue Less Operating Expenditure	(254)	1,018	439	(884)	319	133	-140%

Operational activities

BSR*	Activities/Projects	Milestone
Administration and Management		
P2	Update and maintain data for statutory Land Register. Maintained in accordance with requirements of the Local Government Act section 53	Maintained in accordance with requirements of the Local Government Act section 53
Commercial Management		
I1	Annual review of return on Investment for Council owned commercially leased assets	Ensure Council achieves commercially and/ or economically acceptable returns
I1	Property management of Council-owned properties shops and offices	Ensure Council achieves commercially and/ or economically acceptable returns
I1	Property management of Stockton Holiday Park where Council is reserve trust manager	Ensure Council achieves commercially and/ or economically acceptable returns
Business Projects and Roads		
P2	Manage Road Use (S138) agreements and road closure applications - List is Various S138 Roads Consents and Road Closures	Managed in accordance with Road Act
P2	Provide an annual contribution to the Rawson Reserve Trust	\$150,000

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Strategic property projects		
P2	Create a strategy for getting the highest and best use for 75 Elizabeth St	February 2017
I3	Project manage reclassification process for 3 community land parcels approved by Council	Reclassifications complete by November 2016
S5	Finalise the sale or lease of 6 University Drive, Callaghan	March 2017
I3	Project manage and review Phase 1 transfer of Assets from HDC	December 2016
P2	Working with Strategic Planning finalise the strategy for 195 Denison St	September 2016
P2	Develop a Corporate Real Estate Strategy for Council occupied space	June 2017
S5	Complete the EOI for the sale of the Retirement Centres	August 2016
P2	Investigate future management options for 2/260 Anderson Dr	November 2016
P2	Finalise due diligence on 147 Fullerton Rd into Crown Reserve	December 2016
I3	Review future management options for the Clarendon Hotel	March 2017
I3	Work with Cultural Services on the Civic Theatre Retail Planning	April 2017
Commercial Leasing		
I1	Complete the leasing and redevelopment of the former Hamilton Bowling Club site for childcare purposes	June 2017
P2	Complete the Community Leases Audit and report as appropriate	September 2016
P2, C2	Create and implement a strategy for the releasing of 5 beach refreshment kiosks	December 2016
I3	Project manage lease & refurb of 292 Wharf Road, Newcastle	August 2016
I3	Complete the leasing of 75 Elder St	September 2016
Business Projects and Roads		
P2	Review the Council approved SBHP Masterplan and reassess capital works and funding.	Increased return from asset
I3	Prepare business case analyzing any further potential improvements at Stockton Holiday Park, together with appropriate funding options	May 2017
P2	Complete the masterplan for the Mayfield land holdings	February 2017
I3	Complete the tender for leasing and redeveloping the Ocean Baths Pavilions.	April 2017
I1	Identify Road Closure / Sale opportunities to recycle capital	Ongoing

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Strategic Property Projects	S5	Net Asset Sales to Land and Property Reserve over next 2 years \$5 million	\$2.5m
Business Projects & Roads	I1	All Cabins and sites accumulated Occupancy	65%
Business Projects & Roads	I1	Maintain visitation rate to Stockton Beach Tourist Park and attract more out of towers to the area.	

Communications and Engagement

Business unit profile

Communications and Engagement provides opportunities for Council to achieve a customer focused approach and pursue its goals of engagement, visibility and openness. The Unit also works to promote and protect Council's brand. This is achieved by:

- working with business units to identify, plan and implement ways for the community to be engaged and involved in Council-decision making
- inform the community of Council's decisions and activities using a diverse range of traditional and digital channels including media, social media, advertising, signage and publications
- providing high level, strategic advice and solutions to the CEO and Executive on all mainstream and social media issues impacting Council
- providing tactical crisis communications solutions in major emergencies/disasters/events
- delivering Council engagement projects and managing all aspects of Newcastle Voice, Council's community reference panel
- providing a range of opportunities for the community to engage with Council including: organising and facilitating focus groups, information sessions and Newcastle Voice stalls at targeted community events
- providing a specialist and cost effective web development service
- managing and monitoring digital communications channels throughout the organisation including websites, intranet, email newsletters and social media
- ensuring digital communications are user-friendly, consistent with Council branding and meet Website Accessibility Guidelines
- providing specialist support to Council's infrastructure group to deliver consistent and open messaging and increase understanding of projects being undertaken in the LGA
- providing specialist support to Council's cultural facilities group. This includes assisting in brand development for facilities and promoting cultural programming and events to grow audiences, raise awareness and create a strong, consistent image of Council as a regional provider of cultural services
- supporting the organisation with a cost effective and high quality graphic design service.

Key objectives

Communicate and engage with the Newcastle community

- ensure the organisation has a cohesive approach to external and internal communications
- generate content that is easy to read, is provided through a range of channels and has broad reach
- work with business units to develop proactive communication plans and issue management strategies
- increase membership and participation in the Newcastle Voice community reference panel
- provide a range of opportunities and channels for the community to engage with Council.

Promote Council's brand with effective marketing and design

- provide graphic design service from concept artwork to final product for Council publications, advertising and promotional materials
- provide graphic design across all applications including print media, digital media, promotional products, displays, signage and vehicle graphics
- promote and manage Council's brand
- develop and maintain Council's visual brand as caretaker of the style guide.

	Administration	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue				
Rates & charges				
User charges & fees				
Interest				
Other operating revenues				
Grants & contributions - Operating				
Total Operating Revenue				
Operating Expenses				
Employee costs	1,153	1,153	887	-30%
Borrowing costs				0%
Materials & contracts	403	403	245	-64%
Depreciation & amortisation				0%
Other operating expenses	1	1	9	89%
Net Loss from disposal of assets				
Internal Charges	(1,557)	(1,557)	(1,141)	-36%
Total Operating Expenses				
Total Operating Revenue Less Operating Expenditure				

Operational activities

BSR*	Activities/Projects	Milestone
P2	Meet all organisational reporting requirements in line with scheduled reporting cycle	100%
I2, C7	Issue a Council newsletter in accordance with scheduled requirements	100% within timeframe
P2, P5	Provide strategic advice and solutions to CEO, the Executive and leadership team on mainstream and social media issues	Ongoing
P2	Introduce measures for consistent branding and messaging across communications materials	Ongoing
I2	Generate consistent and accurate content for diverse range of channels including media, social media, advertising, signage and publications	Ongoing
I2	Provide opportunities for the community to engage with Council on decision-making	Ongoing
P2	Support service provision through the supply of graphic design	Ongoing
P2, C7	Maintain a user friendly and informative website that is compatible on a range of devices including mobiles and tablets	Maintain number of hits to website at average 80,000 per month

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
P2	Introduce measures to increase cost effectiveness, quality and reach of video material	June 2017

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Communications & Engagement	C7	Improved satisfaction in the community survey question 'community involvement in decision-making'	> than previous survey
Communications & Engagement	C7	Improved satisfaction in the community survey question 'informing residents about Council activities'	> than previous survey
Communications & Engagement	C7	Increase social media following (Facebook, Twitter)	>10%
Communications & Engagement	C7	Increase circulation of reach of Council Newsletter	>20%

Customer Service

Business unit profile

Customer Service provides opportunities for the community to communicate and do business with the organisation. This is achieved by:

- providing a first point of contact for customers either in person, via the phone, mail, or online
- working with business units to identify, plan and implement ways for customer's needs to be met, including a customer's need for information
- recording and archiving interactions with our customers and stakeholders and
- Supporting the organization by providing a digital print service.

Key objectives

Customer service excellence

Establish the new Customer Contact Centre (CCC) as the key first contact point for customer requests. Continually improve the customer service focus of the organization through process improvement and coaching and training effort. This will ensure that the community receives an easy to access and high quality service by:

- establishing clear and measurable accountabilities and reporting for all key aspects of the CCC
- conducting regular customer satisfaction surveys (6 monthly) and facilitating a culture of customer centricity
- promoting an organisation-wide customer centric culture that is committed to minimizing customer effort.

Ensure awareness and compliance with records management

- Work with the OneCouncil implementation team to ensure the solution addresses records management requirements via the enterprise content management (ECM) function as well as the customer contact requirements within the request management system
- Engage with staff across the organisation to increase the accuracy and efficiency of the management of Council records.

Develop the Digital Print Business

- Work to harness the skills and technology of the digital print operation to ensure that the business becomes a financially sustainable enterprise serving both Council and the community
- Engage with staff across the organisation to increase the accuracy and efficiency of the management of Council records.

	Administration	Digital Print	Records	Customer Service	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							
User charges & fees		380		1	381	141	170%
Interest							0%
Other operating revenues						13	-100%
Grants & contributions - Operating							
Total Operating Revenue		380		1	381	154	147%
Operating Expenses							
Employee costs	202	221	569	2,197	3,189	1,799	-77%
Borrowing costs							
Materials & contracts	1	328	414	95	838	573	-46%
Depreciation & amortisation						51	100%
Other operating expenses		1		1	2	34	94%
Net Loss from disposal of assets							
Internal Charges	(203)	(102)	(1,050)	(2,293)	(3,648)	(1,981)	-84%
Total Operating Expenses		448	(67)		381	476	20%
Total Operating Revenue Less Operating Expenditure		(68)	67	1		(322)	100%

* BSR - Balanced Scorecard Reference

Operational activities

BSR*	Activities/Projects	Milestone
Customer Contact Centre		
I2	Develop and refine key performance indicators for first for the CCC	Establish: Quarter 1 - 2015/2016 Ongoing: report monthly as part of executive performance report
I2	Process mail applications - reduce turnaround time for registration, checking and receipting to 3 days	Q2 2016/2017
Records		
I2	Process inward correspondence to Council	Within 1 business day
I2	Respond to requests for assistance for records management	See KPI
I2	Manage archival information including storage, retrieval, sentencing and disposal activities	See KPI
I2	Maintain Council's corporate records system ECM	See KPI
L2	Provide a regular report to the executive management team about media and community issues	See KPI

Business improvement plans and key strategic projects

BSR*	Activities/Projects	Milestone
Customer Contact Centre		
I2	Improve the Quality and Productivity outcomes of the CCC	See KPI
L2	Conduct 2 Customer satisfaction Surveys annually, publicise and track results	July 2016 and then ongoing
I2	Implement a scheme to increase the skills and knowledge of frontline staff	July 2016
Records		
I2	Benchmark records management function against comparable Council's using OneCouncil	October 2016
Digital Print		
I2	Bring Additional admin/process improvement resource to Digital print - to deliver improved financial performance.	July 2016

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Contact Centre	I2	80% of walk-in customers visiting the CCC are served within five minutes	>80%
Contact Centre	I2	CCC Quality Score (based on sampling 10 calls per phone agent per month)	>55%
Contact Centre	I2	Customer Satisfaction with CCC services (as measured by half yearly survey)	>75%
Contact Centre	I2	Average wait time for phone customers	<60 seconds
Records	I2	Processing time for urgent correspondence	Same day
Records	I2	Processing time for all correspondence	Within 48 hours of receipt
Digital print	S1	Achieve a monthly Operating surplus	May 2017

Human Resources

Business unit profile

Provide timely and effective advice, support, systems and processes to the organisation to guide line management to inform their decision making processes.

Key objectives

- Implement the WHS Management Plan to ensure the safety of our workforce
- Establish an Enterprise Agreement that delivers mutually beneficial outcomes for Council and its employees
- Continued implementation of the indigenous Career Development Program as part of the 2013-17 Aboriginal Employment Strategy
- Implementation of the recommendations arising from the Management of Volunteers Compliance Review
- Rationalisation of all HR policies and Procedures
- Implement a culture, leadership and capability framework that promotes a focus on our people, safety and performance
- Review the Workforce Management Plan.

	Administration	Operations	Learning	Work, Health, Safety	Org. Development	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue								
Rates & charges								
User charges & fees			12			12	12	0%
Interest								
Other operating revenues								
Grants & contributions - Operating					180	180	200	-10%
Total Operating Revenue			12		180	192	212	-9%
Operating Expenses								
Employee costs	194	1,175	2,560	3,166	1,024	8,119	7,442	-9%
Borrowing costs								
Materials & contracts	8	277	27	220	104	636	365	-74%
Depreciation & amortisation		8	4	21		33	23	-43%
Other operating expenses		2	8	3		13	45	71%
Net Loss from disposal of assets								
Internal Charges	(200)	(1,462)	(3,168)	(3,410)	(1,128)	(9,368)	(7,867)	-19%
Total Operating Expenses	2		(569)			(567)	8	7188%
Total Operating Revenue Less Operating Expenditure	(2)		581		180	759	204	-272%

Operational activities

BSR*	Activities/Projects	Milestone
Human Resources		
P2	Meet all organisational reporting requirements in line with scheduled reporting cycle	>90%
I1, P1	Attend assigned Group Management Meetings to provide support, advice and update on HR activities	>90%
P2	Provision of timely and accurate advice to Managers	>80% customer satisfaction
Payroll		
I2	Maintain data input error rate at less than 3%	<3%
HR operations		
P2	Manage grievances and disputes in accordance with timelines contained in industrial instruments	>95%
Recruitment		
P3	HR elements of the recruitment process to meet agreed timeframes	>95%

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
HR Operations		
P3	Establish new Enterprise Agreement for Council	June 2017
Human Resources		
P3	Implement outcomes from Management of Volunteers Compliance Review	December 2016
I2	Increase the functionality and utilisation of Employee Self Service	December 2016
Learning and Development		
P3	Transition skills profiles for all positions to the new LMS	December 2016
WHS		
P4	Implement initiatives to maintain a culture of continuous improvement in workplace safety (Safety Culture Project)	June 2017
Payroll		
P5, I2	Implement electronic time sheeting	December 2016

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Human Resources	P2	Meet all organisational reporting requirements in line with scheduled reporting cycle	100%
Human Resources	P2	Attend assigned Director meetings to provide support, advice and update on HR activities	100%
Human Resources	P2, I2	Provision of timely and accurate advice to managers	> 80% customer satisfaction
Payroll	I2	Maintain data input error rate at less than 3%	< 3%
HR Operations	P3	Manage grievances and disputes in accordance with timelines contained in Industrial Instruments	100%
Recruitment	P5, P3	HR elements of the recruitment process to meet agreed timeframes	> 95%
WHS	P4	Rollout of MoveSAFE program stage 1 and 2	> 75%

Information Technology

Business unit profile

Information Technology supports Council's IT Environment through the provision of support services for IT Infrastructure, Corporate Applications, GIS Services, VOIP, Mobile phones, IT Project and Contracts and IT Support Desk.

Key objectives

Implement ERP in accordance to the Project and Contracts Plan in as seamless and effective manner.

	Administration	Desktop Support	Enterprise Architecture	Geospatial	It Projects	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue								
Rates & charges								
User charges & fees				463		463	474	-2%
Interest								
Other operating revenues								
Grants & contributions - Operating								
Total Operating Revenue				463		463	474	-2%
Operating Expenses								
Employee costs	164	1,364	144	556	561	2,789	2,603	-7%
Borrowing costs								
Materials & contracts	26	1,444	1	224	697	2,392	1,984	-21%
Depreciation & amortisation		849			48	897	716	-25%
Other operating expenses	2	931		1		934	127	-635%
Net Loss from disposal of assets								
Internal Charges	(182)	(4,603)	(144)	(781)	259	(5,451)	(4,723)	-15%
Total Operating Expenses	10	(15)	1		1,565	1,561	707	-121%
Total Operating Revenue Less Operating Expenditure	(10)	15	(1)	463	(1,565)	(1,098)	(233)	-371%

Operational activities

BSR*	Activities/Projects	Milestone
GIS		
P2, I2	Maintain and manage GIS data layers as required by services in Council	January 2017
P2, I2	Provision of support services to Council for GIS data layers.	90% completed to agrees timeline as per project charter
P2, I2	Provision of section 149 Certificates in accordance with Council policy	within 5 days of request
P2, I2	Replace current GIS System with Next Gen ESRI to provide greater automation capabilities	January 2017
P2, I2	Automate the provision of section 149 certificates for approximately 80% of certificate requests	January 2017
IT Support		
P1, P2	provision of IT support services to Council business areas	98%
S4, P2	Replacement of corporate IT hardware, progress in accordance with scheduled asset replacement program	100%
P2	Manage IT support contracts in accordance to Council policies	Annual reviews
I2, I1	Manage mobile technology in accordance with Council policy, provision of monthly reports to managers	Undertake audit of mobile devices to determine business benefit - Jan 2017
I1	Roll out of mobile technology to outdoor crews to optimize use of ERP	January 2017
P2	Manage network and system logons	98% accuracy
P2, P5	Provision of network infrastructure to support Council operations	98%
P2, I2, P5	Provision of network and application backup system	98%
P2,I2	Support Council's internet and intranet	98%
P2, I2, P5	Support Council's corporate applications	95%
IT Project Office		
P2	Implement Capital Cost model for IT policy	70% of EFT costs assigned to projects as per IMS budget
P2	Manage IT projects in accordance with Council policy	95% compliance
P2	Deliver IT projects on time and within budget	In accordance with Project Charter
P2	Management ICT steering committee	Bi - Monthly
Enterprise Architecture		
P2	Develop and Maintain ICT Strategy	1st draft to ICT steering Group November 2015
P2	Software license management	98%
P2	Develop ICT security framework	June 2017

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
P2	Maximise the benefits provided by the OneCouncil ERP platform	As per Project Plan
P2	Deliver ancillary strategies to support non ERP projects	As per Project charters

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
GIS	I2	Deliver service and solutions that meet project charter parameters	98%
GIS	I2	Provision of support services to Council for GIS data layers	98% compliance to Project Charters
IT Support	P2	Provision of Section 149 Certificates	Within 5 days of request
IT Support	P2	Provision of IT support services to Council business areas	98% of customer requests
IT Support	S4	Cost effective replacement and maintenance of Corporate IT hardware in accordance with the Corporate IT Strategy	June 2017
IT Support	I2	Network infrastructure 98% availability within agreed service hours	Ongoing
IT Support	P5	Network and application backup systems 98% availability within agreed service hours	Ongoing
IT Support	I2	Support Council's internet and intranet 95% of requests completed within agreed timeframes as Project Charter	Ongoing
IT Support	I2	Councils corporate applications support - 95% of requests completed within agreed timeframes as per project charter	Ongoing

Legal and Governance

Business unit profile

- Provide the elected Council and Executive Management Team with information and advice in relation to legal issues and matters of governance to enable considered and informed decision-making
- Develop and promote policies, plans and frameworks to ensure the organisation can provide open and collaborative leadership and improve service delivery, while also ensuring compliance with the relevant legislative requirements.

Key objectives

- Promote and coordinate the improvement of systems and processes to facilitate better and more efficient services to customers
- Provide the processes and systems to empower the elected Council to be collaborative, transparent and accountable
- Facilitate active citizen engagement in local planning and decision making through the provision of Public Voice and access to information
- Manage governance policies, systems and controls for the organisation to ensure consistency in application and compliance with legislative requirements
- Provide comprehensive and cost effective legal services to the elected Council, management and the organisation generally.

	Administration	Risk & Insurance	Council & Legal	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue						
Rates & charges						
User charges & fees			12	12	12	0%
Interest						
Other operating revenues		70	1	71	90	-21%
Grants & contributions - Operating						
Total Operating Revenue		70	13	83	102	-19%
Operating Expenses						
Employee costs	269	193	1,248	1,710	1,706	0%
Borrowing costs						0%
Materials & contracts	5	27	665	697	444	-57%
Depreciation & amortisation			15	15	16	6%
Other operating expenses	3	2,309	554	2,866	2,795	-3%
Net Loss from disposal of assets						
Internal Charges	(276)	(2,530)	(2,392)	(5,198)	(4,961)	-5%
Total Operating Expenses	1	(1)	90	90	0	
Total Operating Revenue Less Operating Expenditure	(1)	71	(77)	(7)	102	-1,068%

Operational activities

BSR*	Activities/Projects	Milestone
Business Improvement		
I2, P1	Partner with business units to promote a culture of innovation and continuous improvement	Ongoing
Council Services		
P2	Coordinate the adopted Council meetings schedule (including Public Voice, Briefings and DA Committees) and provide liaison services for Councillors	Ongoing
P2	Coordinate Executive Management Team meeting processes	Ongoing
Legal Services		
P2	Deliver policy and control frameworks to ensure legal compliance with PIPPA legislation	Ongoing
C7, P2	Process requests for information under GIPAA, subpoena and PIPPA	Ongoing
P2	Maintain governance registers and investigate code of conduct, fraud and corruption and public interest disclosure complaints	Ongoing
P1	Provide timely and high quality legal advice and representation for internal customers	Ongoing
P2	Coordinate investigations into privacy complaints	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Management		
I2	Improve business unit processes and communication with internal stakeholders to facilitate better customer outcomes	December 2016
Business Improvement		
P1	Implement process management software and train key staff in each business unit	September 2016
I2	Support and advise senior management and business units during the Council merger proposal process	June 2017
Legal Services		
C7	Revise Public Voice Policy and procedures to improve active citizen engagement in Council's decision making processes	September 2016
P2	Provide legal advice during the Council merger proposal process	June 2017

Key performance indicators

BSR*	KPI	Measure
P2	Formal GIPAA applications are processed in compliance with agreed timeframes	>80%
P2	Business papers are distributed to Councillors 10 days prior to Council meeting	>80%

Infrastructure

	Director	Infrastructure Planning	Civil Works	Projects & Contracts	Facilities & Recreation	Waste Management	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue									
Rates & charges			87			19,806	19,893	19,891	0%
User charges & fees		63	5,676	1	1,123	30,803	37,666	34,340	10%
Interest									
Other operating revenues			50		215	328	593	623	-5%
Grants & contributions - Operating		2,154	1,173		33	351	3,711	3,868	-4%
Total Operating Revenue		2,217	6,986	1	1,371	51,288	61,863	58,722	5%
Operating Expenses									
Employee costs	311	8,984	15,575	1,780	13,885	6,021	46,556	45,724	-2%
Borrowing costs								600	100%
Materials & contracts	53	7,682	4,484	950	10,065	12,232	35,466	33,211	-8%
Depreciation & amortisation	8	19,632	4,613	6	4,937	3,263	32,459	38,668	16%
Other operating expenses	1	3,705	1,030	15	1,536	23,143	29,430	28,602	-3%
Net Loss from disposal of assets									
Internal Charges	(374)	5,266	11,222	955	6,307	1,888	25,264	24,494	-3%
Total Operating Expenses	(1)	45,259	36,924	3,706	36,730	46,547	169,175	171,299	1%
Total Operating Revenue Less Operating Expenditure	1	(43,042)	(29,938)	(3,705)	(35,359)	4,741	(107,312)	(112,577)	4%

Infrastructure Planning

Business unit profile

- Manage the Asset Planning process;
- Co-ordinate and assist in the planning, design and delivery of major capital works, including SRV, public domain, environmental, water cycle, and transport related asset projects;
- Co-ordinate and assist in the planning, design and delivery of rehabilitation and renewal activities for road, built and environmental assets;
- Provide expert advice on transport, parking and traffic matters;
- Provide a multidisciplinary civil design, surveying and CAD service.

Key objectives

General

- To provide high quality customer service and community engagement for all infrastructure works.

Asset Planning

- To manage the asset planning process with review of Asset Policy, Asset Strategy and Asset Management Plans.
- To plan key Special Rate Variation (SRV) projects including Coastal Revitalisation (Bathers Way); Blackbutt Reserve and Cycleways.
- To plan key public domain, environmental, water cycle, and transport related asset projects.

Asset Management

- To program the renewal and maintenance of assets through the Major Asset Preservation Program's (MAPPs) built, environmental and roads works.
- To develop the civil capital works program including traffic facilities and grant funded works.

Traffic and Transport

- To guide the provision of an integrated transport network which includes implementing Local Area Traffic Management Plans (LATMs) and facilitate the Newcastle Local Traffic Committee (NCTC).

Civil Services and Survey

- To provide civil design and survey services within Council for the delivery of capital and renewal projects.

	Administration	Survey	Traffic	Asset Management	Planning	Adopted 2016/17	Adopted 2015/16	Var(%)
Operating revenue								
Rates & charges								
User charges & fees			63			63	133	-53%
Interest								
Other operating revenues								
Grants & contributions - Operating	454			1,700		2,154	2,159	
Total Operating Revenue	454		63	1,700		2,217	2,292	-3%
Operating Expenses								
Employee costs	868	199	506	6,181	1,230	8,984	8,799	-2%
Borrowing costs								
Materials & contracts	132	57	75	7,187	231	7,682	10,030	20%
Depreciation & amortisation	15	30	18	19,568	1	19,632	25,932	24%
Other operating expenses	3,693	2	1	6	3	3,705	4,176	11%
Net Loss from disposal of assets								
Internal Charges	(3,882)	252	275	8,012	609	5,266	3,271	-61%
Total Operating Expenses	826	540	875	40,954	2,074	45,269	52,208	13%
Total Operating Revenue Less Operating Expenditure	(372)	(540)	(812)	(39,259)	(2,074)	(43,052)	(49,916)	13%

Operational activities

BSR*	Activities/Projects	Milestone
Asset Management		
C5	Prepare the Major Asset Preservation Programs (MAPPs) for Buildings and Structures, Natural Assets and Stormwater, and Roads.	Ongoing
C5	Prepare Schedule 7 report on Public Infrastructure	Ongoing
C5	Prepare ABS Construction, Financial Assistance Grant returns and ALGA roads returns	Ongoing
C5	Provide comment on Development Applications and complete Section 138 Works as required	Ongoing
C5	Review and comment on selected public utility and development works in public domain areas of Newcastle LGA.	Ongoing
C5	Develop the civil capital works program including PAMP, traffic facilities and grant funded works.	Ongoing
C5	Prepare, lodge and manage grant applications and works including R2R, RMS Blackspot and 3 by 3 programs, and OEH grants.	Ongoing
C5	Maintain Asset Registers and provide advice for statutory reporting	Ongoing
C5	Inspect assets and prioritise works	Ongoing
C5	Prepare, manage and make available specifications and drawings relating to the construction of infrastructure and public assets.	Ongoing
Asset Planning		
C5	Manage the planning, design, and communication of major infrastructure projects with multiple funding sources and stakeholder groups	Ongoing
C3	Manage Special Rate Variation (SRV) programs, including Coastal Revitalisation, Blackbutt and Cycleways, and other capital projects	Ongoing
C5	Develop Asset Management Strategies/Plans that meet community expectations.	See Kpi
C5	Co-ordinate and provide strategic advice for public domain, landscape, environmental, transport, and water cycle management related projects	Ongoing
C5	Co-ordinate funding applications for capital works	
C5	Provide legislative, strategic and technical advice to internal and external customers.	Ongoing
I5	Promote active consultation and communication through inclusion in work groups, facilitation of advisory committees, and representation on external committees/group such as Floodplain Committee, Environmental Advisory Committee, Coastal Revitalisation Consultative Committee, Cycling Working Party, Lower Hunter Councils Transport Group.	Ongoing
Traffic and Transport		
C1	Facilitate the Newcastle City Traffic Committee (NCTC)	Ongoing
C1	Undertake strategic road and transport planning activities and provide expert advice on transport, parking and traffic matters, investigate and assess needs for traffic and parking facilities and signage.	Ongoing
C1	Provide comment on major planning, RMS and Transport for NSW proposals that impact on Newcastle	Ongoing
C1	Manage all approvals of Road Occupancy and Heavy Vehicle Permits	Ongoing
C1	Undertake Local Area Traffic Management Plans (LATMs), the approved program of local traffic studies, including development of plan, community consultation, reporting to NCTC and Council.	Ongoing
C1	Liaise with RMS on new developments with the State Road Network	Ongoing
C1	Manage all street, suburb and community signage in Newcastle LGA in accordance with Australian standards.	Ongoing
C1	Develop Black Spot Programs and seek funding from relevant government agencies.	Ongoing
C1	Provide comment on Development Applications with traffic and parking related matters and Section 138 of LGAct.	Ongoing
Civil Services		
C5	Prepare design documentation for delivery of civil capital, landscape and renewal works to be undertaken by Projects and Contracts, Civil Works and others	Ongoing
C5	Undertake private, RMS and allowable grant funded work on a full cost recovery basis	Ongoing

BSR*	Activities/Projects	Milestone
Survey		
I4	Provide survey services to support the Asset Management, Asset Planning, Traffic and Transport and Civil Services Teams within Infrastructure Planning	Ongoing
I4	Provide survey services to support Planning and Regulatory, especially the Strategic Planning Team	Ongoing
I4	Provide survey services to support Civil Works, Projects and Contracts, and consultants where required.	Ongoing
I4	Provide survey services for quantities and other necessary activities for other areas of Council, e.g. Summer Hill Waste Management Centre	Ongoing
I4	Provide statutory advice for survey co-ordinated mark infrastructure systems (DPI).	Ongoing
I4	Undertake identification and preservation of boundary definitions for DPs.	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Infrastructure Planning		
I1	Introduce Service based Asset Management Planning to all business units	Ongoing
F3, F4	Develop with Financial Management a more rigorous link between Asset deterioration and renewal funding.	Ongoing
F5	Support SRV Priority Projects. Accelerate or broaden 2012 SRV priority projects once asset renewal requirements have been addressed.	Jun-17
I2	Complete standard drawings and specifications for 90% of public infrastructure	Ongoing
I1	Benchmark services against other providers	Ongoing

Key performance indicators

BSR*	KPI	Measure
I1	Asset Management Plans reviewed for core assets	Dec-16
F3	To reduce NCC's infrastructure backlog ratio to less than 2% over the next 10 years	<2%
F4	Renewal of key assets identified and prioritised in the infrastructure backlog	Dec-16
F5, I5	Deliver on the key projects determined as the priorities for the community.	Progress reports on: Coast, Blackbutt Reserve and Cycleways
I2	Process for review in place for standards to ensure they remain updated	Jun-17
C1	Community Satisfaction with roads and cycleways	(NCC Satisfaction Survey)
C1	Improve Newcastle Walkability Score (currently 49/100)	> 49/100
C1	Improve Rideability of road network	3.2/5
I1	Ensure service provision is based on agreed service levels within budget parameters and achieve value for money	Jun-17

Facilities and Recreation

Business unit profile

- Manage and maintain all parkland areas and recreation facilities through the LGA
- Manage bushland reserves and deliver environmental projects to improve bushland health and water quality
- Promoting Blackbutt to the wider community and tourists and provide a good visitor experience by ensuring good customer service and a fit for purpose facility
- Provide construction, maintenance and preservation service that ensures the Council's building assets meet all regulatory and service level requirements, and satisfy community expectations for use
- Manage Cemetery assets in a sustainable and well maintained manner ensuring service delivery meets the community needs in a compassionate, courteous and professional way
- Provide maintenance services to all Parks and reserves in an efficient timely manner
- Plan, manage and coordinate aquatic and lifeguard services
- Maintain the amenity of Council owned assets by prompt removal of graffiti and specialised cleaning services
- Ensure there is a high standard of cleaning for all administrative areas and amenities,
- Manage all of Council's security needs including the Provision of Security contract and provide security advice to all areas of Council and provide a high standard of catering for meetings/conferences as required.

Key objectives

Open space services

- Provide an accurate and efficient booking system and sound and reliable advice to all customers and community groups
- Provide strategic advice to guide the sustainable provision, use and development of parkland and recreation facilities
- Provide policy direction to ensure current services and future projects comply with relevant legislation
- Coordinate and manage capital improvements aimed at improving community use of parkland and recreation areas.

Bushland projects

- Deliver all environmental projects in accordance with Plans of Management and various management plans utilising staff, contractors and Newcastle City Council Landcare volunteers to improve Council's natural resource assets.

- Develop and implement the planned upgrade projects for Blackbutt Reserve to enhance the visitor experience and promote this unique facility to local and tourist markets.

Building trades services

- Provide construction, maintenance and preservation service that ensures the Council's building assets meet all regulatory and service level requirements, and satisfy community expectations for use.

Cemeteries

- Provide a dignified and responsive cemetery and memorialisation service to the community
- Provide well maintained cemetery grounds for quiet and safe remembrance of the deceased
- Offer equitable access to burial sites to all members of the community whilst taking into consideration burial trends, religious, ethnic and cultural backgrounds.
- Provide conditions in cemeteries which minimise risk to health and safety of persons working in or entering cemeteries.

Park services

- Maintain Council's Parks and Reserves to a level that allows an opportunities for active and passive recreational use
- Ensure the parks operation team operates in an efficient manner to meet community needs

Aquatic services

- Provide clean, safe, customer focused and cost effective recreational facilities at six beaches, two ocean baths, and five inland swimming centres
- Coordinate and deliver water and beach education programs to primary school students throughout the LGA.

Graffiti

- Maintain graffiti removal from Council assets in accordance with specified timelines

Administrative buildings management

- Continual review of cleaning services in line with industry standards and team acceptance.

	Administration	Building Services	Trades	Beaches	Pool	Bushland	Open Space
Operating revenue							
Rates & charges							
User charges & fees				11	68	399	432
Interest							
Other operating revenues	16					2	189
Grants & contributions - Operating						15	18
Total Operating Revenue	16			11	68	416	639
Operating Expenses							
Employee costs	195	1,571	3,248	1,596	210	1,099	977
Borrowing costs							
Materials & contracts	23	96	5,511	174	904	683	134
Depreciation & amortisation	1	167	51	768	352	97	11
Other operating expenses		317	42	99	46	66	52
Net Loss from disposal of assets							
Internal Charges	(186)	54	(1,594)	994	668	660	435
Total Operating Expenses	33	2,205	7,258	3,631	2,180	2,605	1,609
Total Operating Revenue Less Operating Expenditure	(17)	(2,205)	(7,258)	(3,620)	(2,112)	(2,189)	(970)

	Parks	Community Halls	Cemeteries	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue						
Rates & charges						
User charges & fees		97	116	1,123	1,053	7%
Interest						
Other operating revenues		8		215	192	12%
Grants & contributions - Operating				33	32	3%
Total Operating Revenue		105	116	1,371	1,277	7%
Operating Expenses						
Employee costs	4,846	67	76	13,885	13,579	-2%
Borrowing costs						
Materials & contracts	2,349	129	62	10,065	8,319	-21%
Depreciation & amortisation	3,163	323	4	4,937	4,799	-3%
Other operating expenses	868	45	1	1,536	1,589	3%
Net Loss from disposal of assets						
Internal Charges	4,765	449	62	6,307	4,030	-57%
Total Operating Expenses	15,991	1,013	205	36,730	32,316	-14%
Total Operating Revenue Less Operating Expenditure	(15,991)	(908)	(89)	(35,359)	(31,039)	-14%

Operational activities

BSR*	Activities/Projects	Milestone
Open space		
P2	Review, update and implement Plans of Managements for the Facilities and Recreation Services unit	Ongoing
L2, P2	Develop community Use of Open Spaces Policy	Ongoing
C2	Enter into financial partnerships with local, regional and state sporting organisations, the business community and government for recreation facility development	Ongoing
C2	Develop a landscape master plan for National Park and Foreshore Park	June 2017
C2	Implement recreation infrastructure improvement program	June 2017
C2	Liaise with sporting groups, committees, community	Ongoing
C2	Plan for the provision and development of sport and recreation infrastructure through the implementation of the Parkland and Recreation Strategy	Ongoing
Bushland		
C2,S5	Deliver the Blackbutt SRV project	June 2017
C2,S5	Income generation, sponsorship for Blackbutt	June 2017
C2, S5	Deliver effective customer service for Blackbutt	Monthly
C2, S5	Captive wildlife management	Monthly
C2, S5	Implement the bushfire risk management plan	October 2017
C2, S5	Service provide environmental works within LGA	June 2017
Building trades services		
I2	Maintain, repair and enhance Council's building asset portfolio and provide 24 hour emergency repair service to instances of vandalism, break-in and storm damage on Council-owned buildings	June 2017
I3	Deliver allocated project work from the MAPP	June 2017
Administrative buildings management		
I2	Provide high cleaning and customer service to both internal and external customers	See KPI
I2	Provide security access to 15 Council Sites; manage security contract and security operations across Council; provide security advice and installation of innovative electronic solutions	See KPI
I2	Provide high standard of catering and customer service for meetings/conferences to both internal and external customers	See KPI
Cemeteries		
C3	Review, approval and processing of Niche Wall and Memorial Garden Suite approvals including coordination, collection of ash remains, client meetings, plaque/plinth approvals and delivery of ashes to installer	See KPI
C3	Response to family history enquires	See KPI
Parks		
C2	Develop and implement renovation programs for sporting grounds including topdressing, fertilizing, spraying weeds, aeration	August 2016
C2	Develop and implement mulching program for mature trees, garden beds, rose gardens	September 2016
C2	Maintain Council playgrounds in accordance with the Australian standards and within budget	June 2017
C2	Continue to work with community groups, sporting groups, volunteers to maintain Councils Parks and Reserves	June 2017
C2	Plan and implement two seasonal annual floral displays at 6 prime locations across the City i.e. King Edward Park, Civic Park, Christie Place, Rowland Park, Lambton Park and Gregson Park	June 2017
Aquatics		
I1	Timely recruitment of casual and fixed term aquatic staff	October 2016
I1	Regular meetings with Hunter Surf Life Saving	Ongoing
I2	Liaise with Lessee (Land 4 Aquatics) of swimming centres	Ongoing

BSR*	Activities/Projects	Milestone
C3	Deliver water safety education program	Ongoing
Graffiti		
C2	Maintain intervention levels for graffiti removal as per Graffiti Removal Strategy	Ongoing
I2	Improve data capture and improve reporting methods on activities	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

BSR*	Activities/Projects	Milestone
Open space		
C2	Develop a Play Space Strategy	June 2017
C2	Develop a Tennis Facility Strategy	June 2017
C2	Continue planning of a district sport and recreation complex to serve the long term needs of the growing Western Corridor	Ongoing
C2	Implement recommendations outlined within the Parkland and Recreational Strategy	June 2017
Blackbutt Reserve		
I2	Improve events/activities booking system	December 2016
C2	Deliver the Blackbutt SRV projects in accordance with the adopted Plan of Management	June 2017
C2	Design new playground for Richley Reserve and start construction works	June 2017
Administrative buildings Management		
I1	Continual improvement of processes and work methods to increase productivity and reduce cost of service	Constant review of Cleaning practises and Service Level Agreement
P5	Upgrade Titan Access Control Software to Commander Software and expand to include the Newcastle Museum and Summerhill sites. This will bring Council's security up to date with current technology; implement system improvements and procedures with live time access to all sites.	June 2017
Cemeteries		
P5	Migrate all Council's hardcopy burial records to an electronic database	June 2017
C3	Continue development of lawn sections within Cemeteries for both Wallsend and Stockton	Ongoing
C3	Create a Strategic Plan and Cemetery Policy as per new legislative requirement	November 2016
C3	Create and implement Business Plan which improves operating statement	January 2017
C3	Monitor and regulate cemetery operations through the Hunter Councils Cemetery Taskforce including future burial needs in NSW to ensure people continue to have equitable access to cemetery services	Ongoing
Parks		
I2	Identify and implement process improvements in the Parks operation team	June 2017
I2	Develop parkland and recreation facility service levels which are aligned with facility role and provide operational efficiencies	June 2017
Aquatic Services		
C3	Promote 50 years of teaching Water Safety Education to Schools	September 2016
C6	Promote customer focused aquatic services	Customer feedback
P2	Review the strategic provision of aquatic facilities within the LGA	January 2017
C2, P2	Review aquatic condition report & initiate implementation of findings of the swimming centres	January 2017
P2	Investigate the benefits of consolidating property lots of inland aquatic facilities to improve future management / operational options for Council	January 2017
Graffiti removal		
P2, C3	Conduct thorough review of inspection methodology to ensure maximum utilisation of resources	All assets and areas receive routine inspection

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Open Space	I3	Complete 70% MAPPs/ recreation projects	June 2017
Open Space	C2	Complete 50% High priority actions from the Parkland and Recreation Facilities Strategy	June 2017
Bushland Services	C3	Bushland services - Increase volunteers hours within bushland services	19,000 hrs
Bushland services	C2	Bushfire risk mitigation works delivered	October 2016
Bushland services	S1	Increase income by 5%	Increase by \$14,250
Building trades services	I3	Deliver 90% of MAPPs program allocation	See KPI
Building trades services	I3	Deliver 90% of routine maintenance and repair works within 30 days of request	See KPI
Building trades services	I3	Deliver 100% of statutory testing and inspection schedules, specifically fire performance measures, vertical transport, pressure vessels, electrical appliances and tools Items, height access systems fitted to buildings, legionella testing to cooling tower	See KPI
Building Trades	I3	Building trades Services - sign off 100% of all annual fire safety statements for Council buildings as required	See KPI
Cleaning buildings, amenities and conveniences	I1	Number of complaints from customers	Nil
Security services	I1	Ensure Council receives value for money service provision from contracted security provider	Monthly meeting with client manager.
Cemeteries	C3	Develop and implement a suite of policies and procedures in line with contemporary management practices in the industry	< 10 formal complaints per year
Cemeteries	C3	Process and respond to Cemetery requests and enquiries within five working days	5 day response time
Park Services	C2	Monitor community feedback in relation to Park maintenance service level changes as part of Council's continuing process improvement and budget constraints	No increase
All	S1	Delivery of overall services is within allocated budget	Meets Budget

Civil Works

Business unit profile

- Provide efficient and effective maintenance and construction works for the Council's civil and natural assets
- Deliver of maintenance and construction works for external agencies
- Manage and maintain Council's fleet.

Key objectives

- Provide a safe work place to staff and the community
- Deliver a cost effective service to Council and the community
- Maintain assets to agreed service levels.

	Admin- stration	Road Main- tenance	City Wide	Fleet & Work- shop	City Greening	Con- struction	Classified Roads	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue										
Rates & charges			87					87	85	2%
User charges & fees		461					5,215	5,676	3,109	83%
Interest										0%
Other operating revenues					50			50	38	32%
Grants & contributions - Operating			475	598		100		1,173	1,162	1%
Total Operating Revenue		461	562	598	50	100	5,215	6,986	4,394	59%
Operating Expenses										
Employee costs	601	4,930	3,213	2,918	1,261	1,111	1,541	15,575	14,888	-5%
Borrowing costs										0%
Materials & contracts	172	4,105	2,079	(8,463)	1,125	131	5,335	4,484	1,447	-210%
Depreciation & amortisation	55	1	5	4,514	19	2	17	4,613	4,933	6%
Other operating expenses	2	32	34	934	11	15	2	1,030	118	-773%
Net Loss from disposal of assets										
Internal Charges	(991)	4,193	2,649	786	848	1,972	1,765	11,222	11,108	-1%
Total Operating Expenses	(161)	13,261	7,980	689	3,264	3,231	8,660	36,924	32,494	-14%
Total Operating Revenue Less Operating Expenditure	161	(12,800)	(7,418)	(91)	(3,214)	(3,131)	(3,445)	(29,938)	(28,100)	-7%

Operational activities

BSR*	Activities/Projects	Milestone
Construction		
I4, C4	Deliver new, upgraded and the renewal of assets from Asset Preservation, MAPPs, capital projects and grant programs	Ongoing
Road Maintenance		
I4, S2	Maintain Council's road and road reserve infrastructure, including stormwater drainage maintenance, pavement maintenance, kerb & gutter maintenance, footway maintenance ancillary works and private work	Ongoing
City Wide Services		
C2	Maintain beach & bath cleaning, street cleansing, convenience cleaning and Pest & weed	Ongoing
C1	Provide traffic facilities program	Ongoing
City Greening		
S2	Deliver tree maintenance and tree planting across Newcastle City Council LGA	Ongoing
Fleet Management		
I1	Selection, management and administration of Council's fleet vehicles, plant and equipment	Ongoing
WorkShop Management		
I1	Maintain Council's fleet including; light vehicles, plant, trucks, beach equipment and small equipment	Ongoing

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

*BSR	Activities/Projects	Milestone
I1	Review and implement a quality assurance system for in-house works	Review standards and implement ITPs
I1, I2	Implement service levels agreements	June 2017
City Greening		
I1, I2	Review of current services structure and processes to optimise and improve service delivery	June 2017
Fleet Management		
I1, I2	Development and implementation of replacement programs for Council's fleet vehicles, plant and equipment in consultation with Business Units	June 2017
WorkShop Management		
I1, I2	Benchmark each service provided by the Mechanical workshop	Complete benchmarking on a priority basis

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
City Greening	S2	Complete tree inspection program in accordance with Council's City Wide Maintenance Policy	Complete 3,000 tree inspections per year
All	C1	Maintain a customer satisfaction rating of at least 3.2 for <ul style="list-style-type: none"> Roads in Newcastle look good (3.31) Roads are in good condition (3.23) Footpaths in Newcastle look good (3.2) Footpaths are in good condition (3.12) Streets and commercial area cleaning (3.23) 	Greater than 3 rating
All	S1	Financial Management - Manage budget within 10%	Within 10% of Budget

Projects and Contracts

Business unit profile

- Deliver a range of construction, environmental, energy and resource efficient plus other significant projects, while ensuring whole of life outcomes are achieved
- Provide multi-disciplinary Project and Contracts services and subject matter expertise in order to deliver Council's strategic, community and operational infrastructure works program, typically through contract
- Provide specialist advice/guidance to staff in developing service specifications, managing tenders, negotiating contracts and contract management.

Key objectives

- Manage the delivery of civil and building project scope to achieve time, budget and quality requirements.
- Stewardship of the Project and Contracts process framework
- Manage the designated project timeframes and Council's risk exposure
- Manage the tendering process and subsequent finalisation of contracts
- Ensure Council complies with its tendering obligations under the Local Government (General) Regulations 2005, the DLG Tendering Guidelines, Council's Procurement Policy and ICAC guidelines
- Provide a strategic approach to corporate procurement in terms of analysing procurement options, including third party agency agreements.

	Administra- tion	Contracts	Projects	Environment	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue							
Rates & charges							0%
User charges & fees		1			1	8	-88%
Interest							0%
Other operating revenues							0%
Grants & contributions - Operating						164	-100%
Total Operating Revenue		1			1	172	-99%
Operating Expenses							
Employee costs	502	423	643	212	1,780	1,864	5%
Borrowing costs							0%
Materials & contracts	18	837	81	14	950	328	-190%
Depreciation & amortisation			3	3	6	3	-100%
Other operating expenses	2	1	9	3	15	36	58%
Net Loss from disposal of assets							
Internal Charges	(522)	468	831	178	955	835	-14%
Total Operating Expenses		1,729	1,567	410	3,706	3,066	-21%
Total Operating Revenue Less Operating Expenditure		(1,728)	(1,567)	(410)	(3,705)	(2,894)	-28%

Operational activities

*BSR	Activities/Projects	Milestone
Contracts management		
I3	Process 100% of tenders/contracts within 30 days of request	See KPI
I3	Manage rolling program of two-year recurring contracts	June 2017
P2	Ensure Council complies with its tendering obligations under the Local Government (General) Regulations 2005, the DLG Tendering Guidelines, Council's Procurement Policy and ICAC guidelines	No adverse findings by ICAC or DLG
P1	Provide in-house staff training in contracts management as required by the L&D Unit	Deliver at least 3 training sessions per year
P2	Maintain statutory reporting of tenders, contracts and contracts financial commitments	August 2016
P2	Maintain Council's Contracts Register in accordance with the Local Government Act	Register kept up to date within one month
Project and Contracts		
I3	Project Manage the completion of projects in compliance with WHS policies and procedures.	No harm to people and our environment.
C7	Communicate and engage effectively with our stakeholders and our community.	Satisfied clients.
I3	Accept Project Charters and complete Front-End Loading planning in readiness for implementation approval. Develop key project documentation in accordance with the Project and Contracts Policy and Project and Contracts Procedure.	Completed Project Charters and Front-End Loading planning.
I3	Project Manager Completion of design activities according to the Project Charter requirements and in full compliance with relevant standards, codes and stakeholder specifications.	Design Reviews completed.
I3	Complete procurement activities including tendering, awarding and managing contracts for the delivery of goods and services.	Contracts tendered, issued and completed (closed).
I3	Project Manage on-site construction works in full compliance with scope, time, cost and quality objectives.	Practical Completion/Occupation of Works
I3	Finalise project closeout and handover activities	Closeout Report and Lessons Learned
Energy and Resource Management		
I3	Delivery and maintenance of a utilities management system	See KPI
P2	Review and update Contract Administration Guidelines	See KPI
S2	Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 Carbon and Water Management Action Plan	See KPI
S2	Development, application for and delivery of grant funded projects	See KPI

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

*BSR	Activities/Projects	Milestone
Contracts management		
P2	Review and update Council's Procurement Policy	October 2016
P2	Review and update Contract Administration Guidelines	January 2017
P2	Implement the business mapping / workflows for the ERP Contracts Management module and migrate associated data	Dependent upon ERP Project timelines
Project management		
I3	Build process maps for all key activities and functions performed by Project and Contracts.	ongoing - towards consistent and predictable results
I3	Re-organise team structure and resource plan to reflect Project and Contracts core functions and operational actions.	June 2017 - Effective and productive team
I3	Develop project performance measurement and reporting.	ongoing - towards efficient, accurate and integrated systems
Energy and resource management		
S2	Implement utilities measurement management system	Complete cyclic programs and review effectiveness after each cycle.

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
Contracts Management	P2	Process 100% of tenders within 30 days of request	Tenders completed within 30 days
Contracts Management	P2	Provide specialist advice / assistance to staff in drafting and managing contracts	>80% satisfaction rating from customers
Project and Contracts	P2, I3	WHS compliance	10% reduction in injuries.
Project and Contracts	P2, I3	Environmental compliance	100% incidents closed out during the project
Project and Contracts	I3	Client satisfaction (measured through formal feedback)	> 80%
Project and Contracts	I3	Accurate Project Forward Plan developed from on Front-End Loading	Baselined and maintained ongoing
Project and Contracts	I3	Project Cost Performance indices (CPI) and Schedule Performance Indices (SPI) within acceptance range	+/- 10%
Project and Contracts	P2	QA compliance	All Non Conformance Reports (NCR's) resolved
Energy and Resource Management	I3	Development and delivery of projects to achieve increased energy and resource efficiency	≥ 5 projects completed
Energy and Resource Management	I3	Development and application for grant funding for the delivery of projects to achieve increased energy and resource efficiency	≥ 1 grant applied for

Waste Management

Business unit profile

Provide an efficient and effective waste management service to both residents and commercial customers of the Hunter and wider region.

Key objectives

- Maintain short to midterm surplus above \$4.5 million
- Implement new waste and vehicle management software to identify and improve efficiencies in both disposal and collection activities
- Increase recycling and education activities to improve participation in increasing waste recycling performance against State targets
- Identify opportunities to invest in significant infrastructure to reduce the reliance on Landfill as a solution to waste disposal in the medium to long term
- Fully integrate waste management services to align key objectives and improve efficiencies in administration and delivery
- Develop a Waste Management Strategy and delivery timeframe aligned to the Regional and State waste management objectives in full consultation with residents
- Implement the construction of the new landfill containment cell at Summerhill Waste Management Facility
- Identify key areas within Council and public areas that generate significant waste and implement changes to improve recycling, recovery and service efficiencies.

	Administra- tion	Contracts	Disposal	Recycling	Education	Adopted 2016/17	Adopted 2015/16	Var (%)
Operating revenue								
Rates & charges	5,716	10,921	1,784	1,095	290	19,806	19,806	0%
User charges & fees		3,455	25,574	1,774		30,803	30,037	3%
Interest								
Other operating revenues	28	50		250		328	393	-17%
Grants & contributions - Operating					351	351	351	0%
Total Operating Revenue	5,744	14,426	27,358	3,119	641	51,288	50,587	1%
Operating Expenses								
Employee costs	1,071	2,959	1,060	442	489	6,021	6,176	3%
Borrowing costs							600	100%
Materials & contracts	302	6,234	1,910	3,180	606	12,232	13,021	6%
Depreciation & amortisation		219	3,043		1	3,263	2,994	-9%
Other operating expenses	23,048	68	18	4	5	23,143	22,677	-2%
Net Loss from disposal of assets								
Internal Charges	(1,549)	6,844	(4,212)	782	23	1,888	5,747	67%
Total Operating Expenses	22,872	16,324	1,819	4,408	1,124	46,547	51,215	9%
Total Operating Revenue Less Operating Expenditure	(17,128)	(1,898)	25,539	(1,289)	(483)	4,741	(628)	855%

Operational activities

*BSR	Activities/Projects	Milestone
Waste Disposal, Recycling and Treatment		
I1, S1	Maintain current waste inputs as a minimum and explore additional waste via contracts	Ongoing
I1,S1	Finalise Whole of Life Plan for landfill, incorporating construction staging, broad infrastructure design and financial	October 2017
S2, I1, I2	Initial storm water and leachate system design review to be completed as part of Whole of Life Plan. Contractor engaged to conduct detailed designs	November 2017
S2	Construct landfill cell 9 by contractor	December 2017
S2	Upgrade access roads during construction of cell 9	December 2017
I2	Invest in new waste management technology to further increase recycling rates and extend landfill lifespan.	January 2018
S2, I2	Develop a waste education strategy with a focus on promoting waste avoidance and behavioral change, to encourage increased participation in residential waste reduction, resource recovery and recycling initiatives, as well as working to reduce household contamination rates. Undertake public consultation, including surveys and focus groups, prior to submitting for Council approval and adoption	December 2016
S2, I1, I2	Develop improved performance monitoring and reporting systems to ensure waste capture rates and data is accurate.	November 2016
I1, I2	Ensure education team attend training and development sessions which assist in capacity building, developing best practice and improving the understanding of the psychology behind waste and recycling behaviours.	Ongoing
Waste Collection		
I2	Seek improvements in waste collection methods and vehicles to reduce overall cost of service	Ongoing
I2	Improve data capture and improve reporting methods on activities	Ongoing
I2	Conduct thorough review of collection rounds to ensure maximum utilisation of collection fleet.	July 2016
S2, I1, I2	Develop training program which looks to reduce the fuel consumption in collection vehicles	December 2016
I1, I2	Review bulkwaste voucher system to improve overall satisfaction with system	July 2016
I1, I2	Implement comingled recycling in all MUD sites	Ongoing
I1, I2	Continue roll out of in house collections to all MUD sites	Ongoing
I2	Ensure all Waste Collections personnel have attended Red, Blue, Green Bus Training	June 2017
I2	Increase commercial collections revenue to > \$4M per annum	June 2017
I2	Full implementation of in-vehicle electronic waste collection vehicle and route management system	January 2017

* BSR - Balanced Scorecard Reference

Business improvement plan and key strategic projects

*BSR	Activities/Projects	Milestone
Waste Disposal, Recycling and Treatment (WDRT)		
I2	Implement weighbridge reporting and transaction management software	December 2016
S2	Develop and construct new recycling facility to increase diversion of waste from landfill	July 2018
S2	Construct next landfill cell (9) to ensure long term availability of landfill capacity	July 2017
P2	Develop and finalise landfill Whole of Life Plan to identify long term financial and operation outcomes.	December 2016
S2, P2	Full implementation of in-vehicle electronic waste collection vehicle and route management system	January 2017
S2, P2	Assess current waste management practices within Council and identify areas of improvement in recycling and efficiency	June 2017
Waste Education		
S5	Develop waste management strategy and policy which aligns with TCoN Waste Avoidance and Resource Recovery Policy, State Government and regional targets and aspirations.	February 2017
Waste Collection		
S2,P2	Develop a waste collection strategy and policy which incorporates both Council service standards and service user's rules.	February 2017
S2	Full implementation of in-vehicle electronic waste collection vehicle and route management system	January 2017

Key performance indicators

Service	BSR*	KPI/Performance Measure	2016/17 Target
WDRT	S2	Improve surplus of SWMC	\$4.5m
WDRT	S2	Improve compaction ratio	.95:1 (without soils)
WDRT	S2	Implementation of recycling program to sort and process C&D waste into recovered products.	7Kt of products recovered
WDRT	S2	Improve dry recycling rate	>2015/16
WDRT	S2	Improve diversion of food waste from landfill	>2015/16
Waste Collection	C6	Seek improvements in waste collection methods and vehicles to reduce overall cost of service and increase customer satisfaction	no more than 1 missed service, per vehicle, per day
Waste Collection	I2	Reduce instances of over & underweight vehicles	all load weights maximised
Waste Collection	S2	Reduce fuel usage	reduction in fuel usage - TBC%
Waste Collection	S2	Reduce instances of dumped waste and improve customer satisfaction	improved customer satisfaction - TBC%
Waste Collection	S2	Comingled recycling collection service implemented in all MUD sites - increased recycling and reduced waste to landfill	100% implementation

2016/2017 Works Program

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
Asset Renewal			
Building and Structures		36,004,000	13,599,500
Bridges	Ongoing	11,824,500	1,230,000
Buildings	Ongoing	10,446,500	8,526,500
Other Structures	Ongoing	9,115,000	2,070,000
Recreational Structures	Ongoing	4,618,000	1,773,000
Roads		18,905,447	13,699,447
Footpath Rehabilitation	Ongoing	2,370,000	1,835,000
Furniture Rehabilitation	Ongoing	145,000	145,000
Road Rehabilitation	Ongoing	11,701,447	7,230,447
Road Resurfacing	Ongoing	4,689,000	4,489,000
Environment		22,667,000	12,906,000
Coastal & Estuary	Ongoing	6,956,000	3,295,000
Natural Assets	Ongoing	4,721,000	2,335,000
Stormwater	Ongoing	10,990,000	7,276,000
Total Asset Renewal		77,576,447	40,204,947

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
Non-Infrastructure			
Fleet Replacement Program		8,797,700	8,797,700
Fleet Replacement Program	2016/17	8,797,700	8,797,700
IT Projects		2,320,000	2,320,000
Strategic and systems analysis	Ongoing	495,000	495,000
Infrastructure improvements	Ongoing	820,000	820,000
Implementation & upgrade of applications	Ongoing	1,005,000	1,005,000
Minor Capital		1,127,296	1,127,296
Art Gallery Works of Art	2016/17	77,296	77,296
Library Resources	2016/17	800,000	800,000
Parking Meter Replacement	2016/17	250,000	250,000
Strategic		1,748,524	1,748,524
Newcastle Smart City Initiative Program 2016-17	June, 2017	365,000	365,000
Smart City Initiative	June, 2017	272,000	272,000

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
Disability Inclusion Action Plan 16/17	2016/17	213,000	213,000
Western Corridor District Sport & Recreation Facility	2016/17	260,000	260,000
Wallsend Local Centre Public Domain Plan	2016/17	100,000	100,000
Coal River Precinct Heritage Master Plan	2016/17	50,000	50,000
Streetsafe Night-time Outreach Program	2016/17	31,524	31,524
Newcastle on-line demographic profile	2016/17	25,000	25,000
DR Strategy - Stage 2	2016/17	20,000	20,000
Alcohol Free Zones Management	2016/17	20,000	20,000
Major Events - Development and Delivery	2016/17	350,000	350,000
Reconciliation Action Plan (RAP)	2016/17	10,000	10,000
Access and Inclusion Plan	2016/17	12,000	12,000
Multicultural Plan 2016-19 - Implementation	2016/17	20,000	20,000
Total Non-Infrastructure		13,993,520	13,993,520

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
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New Assets			
Built Infrastructure		5,120,500	3,900,500
Minmi Rd Wallsend- road widening	2016/17	880,000	880,000
Pedestrian and Local Traffic Improvements	2016/17	500,000	500,000
Nth Stockton Boat Ramp carpark-construction	2016/17	370,000	370,000
Increase bush regeneration works	2016/17	250,000	250,000
Expanded community engagement programs	2016/17	205,000	205,000
Minmi Rd Britannia & McCarthy Minmi-Lighting and delineation	2016/17	155,000	155,000
Energy Savings Projects 2016/17	2016/17	150,000	150,000
Glebe Rd with Park Ave & Wood St Adamstown-Traffic signals	2016/17	650,000	150,000
Revitalise Newcastle	2016/17	103,000	103,000
Cycleways Related to Inner City Bypass Stage 5-Design	2016/17	100,000	100,000
Civic Theatre- sound desk in auditorium replacement	2016/17	100,000	100,000
Matching Grant Funding Program	2016/17	100,000	100,000
Upgrade Access Roads - Wallsend Cemetery	2016/17	85,000	85,000
Gibbs Bros Oval - Merewether - sporting field	2016/17	80,000	80,000
Tooke St Cooks Hill between Union and Wrightson-Kerb ramps	2016/17	50,000	50,000
Union and Laman Sts Cooks Hill-Pedestrian crossings	2017/18	780,000	60,000
North Stockton Boat Ramp toilet- replacement	2016/17	50,000	50,000
Low Lying Study - Stage 3	2016/17	50,000	50,000

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
Bluegum Rd Jesmond at Hirst St	2016/17	80,000	80,000
Industrial Dr at Vine St Mayfield-Footway access	2016/17	65,000	65,000
Safe City: Smart Crime Prevention Project	2016/17	35,000	35,000
CP-Mackie Ave & Jellicoe Pde- Bridge & Shared Path-Design	2016/17	30,000	30,000
Lexington Ave Adamstown Heights-Kerb extensions	2016/17	50,000	50,000
William St at Bryant Tighes Hill-Footway access ramps	2016/17	50,000	50,000
Platt St at Alfred St Waratah-Kerb extensions	2016/17	50,000	50,000
Cardiff Rd nth of Smith St Elermore Vale-Pedestrian refuge	2016/17	40,000	40,000
Marton St at Sandgate Rd Shortland-Pedestrian refuge	2016/17	40,000	40,000
Wallsend Lawn Cemetery Lawn Beam	2016/17	15,000	15,000
Stockton Cemetery Lawn Beam	2016/17	7,500	7,500
Waste		37,921,112	14,015,436
Construction of Landfill Cell 09 at SWMC	2017/18	17,000,000	9,100,000
Major Resource Rec Fac (C&I Dirty MRF)	2017/18	8,813,946	890,000
SWMC Landfill Whole of Life Plan	2017/18	900,000	798,940
SWMC Organics Infrastructure	2017/18	4,254,450	790,000
Small Vehicle Receival Centre at SWMC.	2017/18	2,531,220	750,000
SWMC Stormwater and Leachate Management	2017/18	3,000,000	500,000
Better Waste and Recycling Programs	2016/17	476,496	476,496
Astra St Remediation	2016/17	250,000	250,000
SWMC Mobile Wheelwash Unit and associated infrastructure	2016/17	465,000	250,000
Household Problem Waste Drop-off Centre	2017/18	130,000	110,000
Bin Replacement	2016/17	100,000	100,000
Total New Assets		43,041,612	17,915,936

Project Name	Expected Completion Year	Total Project Budget	2016/17 Budget
SRV 2012 - Priority Projects			
Hunter St	Ongoing	2,993,000	993,000
Coastal	Ongoing	6,775,000	4,025,000
Cycleways	Ongoing	4,525,000	4,375,000
Blackbutt	Ongoing	500,000	500,000
Total SRV 2012 - Priority Projects		14,793,000	9,893,000
Total Capital Works Program		149,404,579	82,007,403





