

## Special Rates Variation

So we can provide key civic projects such as revitalising Hunter Street and our coast, upgrading libraries, improving our pools and providing new cycleways, Council proposes to seek a permanent additional five per cent increase in rates above the allowable rate cap percentage of three percent.

If Council's application to the State Government is approved, the average residential rate payer will pay an additional \$46.98 in 2012-13 to fund the proposed projects.

## Additional income sources

Council is looking at a range of income sources to supplement its income on top of the rate variation.

We will seek external grant funds and sell under-utilised or redundant Council assets to provide revenue to fund the key civic projects.



Produced by The City of Newcastle September 2011

## Have your say

There are a number of ways you can have your say about the proposal for a rate increase:

- **Write to Council -**  
The City of Newcastle  
Att: General Manager,  
PO Box 489,  
Newcastle NSW 2300 or
- **email -**  
mail@ncc.nsw.gov.au

Council is also conducting a telephone survey of 400 residents to seek their views. You may be randomly selected to participate in this quick survey during September/October.

## Our vision for 2030

The *Newcastle Community Strategic Plan* reflects the qualities the community would like for our city as we move towards 2030.

The plan was developed after 18 months of extensive community consultation and is our guide for action. The key civic projects included in this fact sheet align with the *Newcastle Community Strategic Plan*.



Artists impression, Newcastle Aquatic Centre



Community consultation for the Special Rate Variation

Fact Sheet  
2 of 4

## What services does Council provide?

Aged & Disability Services	Grants & Sponsorship
Animal Registration	Heritage Conservation
Arts & Culture	Landuse Planning
Asset Management	Libraries
Building & Development	Lifeguards
Childcare	Ranger Services
Community Centres	Recreation Planning
Community Consultation	Recycling
Customer Service	Regulatory Services
Economic Development	Road & Footpath Maintenance
Environmental Protection	Parks & Gardens
Family Day Care	Social Planning
Food & Health Inspections	Tourism
Garbage Collection	Youth Services
Graffiti Removal	Waste Management

**Council provides a wide range of services for the community. We are required by law to provide some services such as development assessments, parks maintenance and garbage collection. Many other services are provided to meet community needs.**

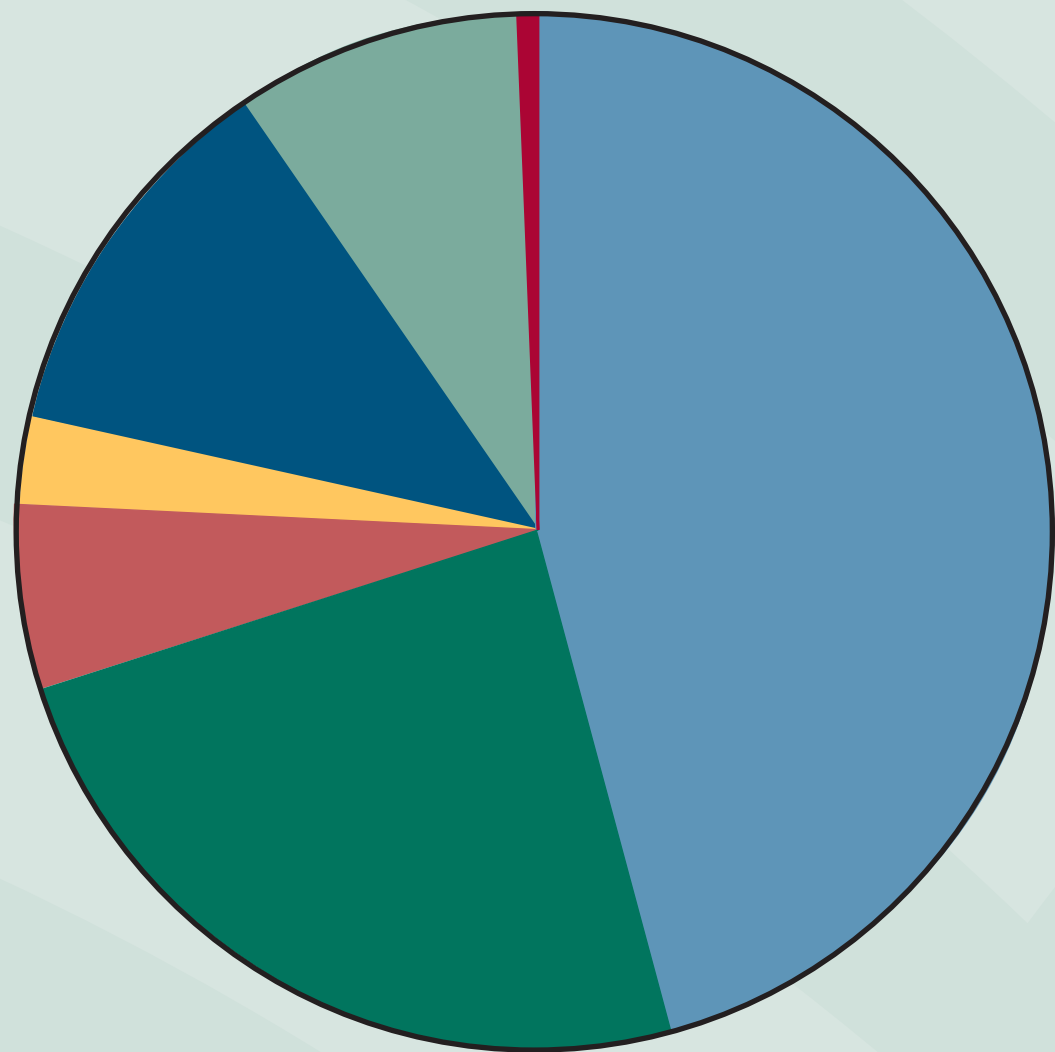
The table (left) highlights just some of the 69 services Council provides to the community.



## Where does Council's revenue come from?

Council has a number of sources of revenue including: rates, fees and charges, grants, commercial activities, investments and borrowings. Rates makes up roughly half of Council's revenue as shown in the graph below:

### Estimated Council Income (2011)



- Rates and annual charges
- User charges and fees
- Interest and investment revenue
- Other revenues
- Grants and contributions provided for operating purposes
- Grants and contributions provided for capital purposes
- Net gain from the disposal of assets

In 2011, Council produced a *Long-Term Financial Plan* to identify revenue sources and costs over 10 years. This plan highlighted some significant financial challenges, with costs overtaking income into the future.

## Council's current financial situation

Council worked hard to manage its finances responsibly so it could deliver a balanced budget for 2011 – 2012.

However, the reality is that costs are outstripping revenues and our operating budget position is worsening. Like every householder in Australia, we are also facing rising utility costs for electricity and water use. Our infrastructure backlog continues to present a significant financial challenge for Council.

If we don't address the backlog now with additional expenditure it will increase to \$300 million over the next 10 years.

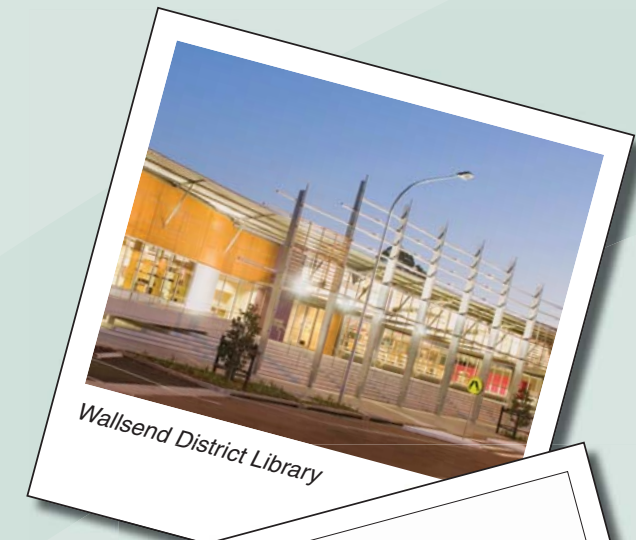
### Finding efficiencies and savings

Since 2009, Council has embarked on a rigorous review of its finances and service delivery through the *Sustainability Review 2009*.

Underpinning the Review was the need for Council to become more financially sustainable in the long term. The Review also sought to regain community confidence and build a cohesive, forward-looking culture within the organisation.

All 69 service areas provided by Council were examined, with a focus on effectiveness, efficiency and the appropriateness of the current service mix.

The result was four reports outlining a large number of recommendations for improvement. The first three reports have already been adopted by Council and the majority of recommendations in these have been implemented.



Wallsend District Library



Artists impression, Newcastle Art Gallery redevelopment

### Savings achieved so far include:

- In 2009 – 2010 Council achieved operational savings of \$1,124,237 of which \$882,617 will be ongoing savings
- In 2010 – 2011 Council achieved operational savings of \$871,890 of which \$447,257 will be ongoing savings
- In 2011 – 2012 Council has set an operational savings target of \$1,000,000.

Council continues to seek ways to reduce costs, improve our service delivery and achieve efficiency gains into the future.

Council has also adopted the Business Excellence Framework (BEF) to drive organisational performance. BEF is a well known and accepted organisational review methodology used by both public and private sector organisations that is transparent and standardised.