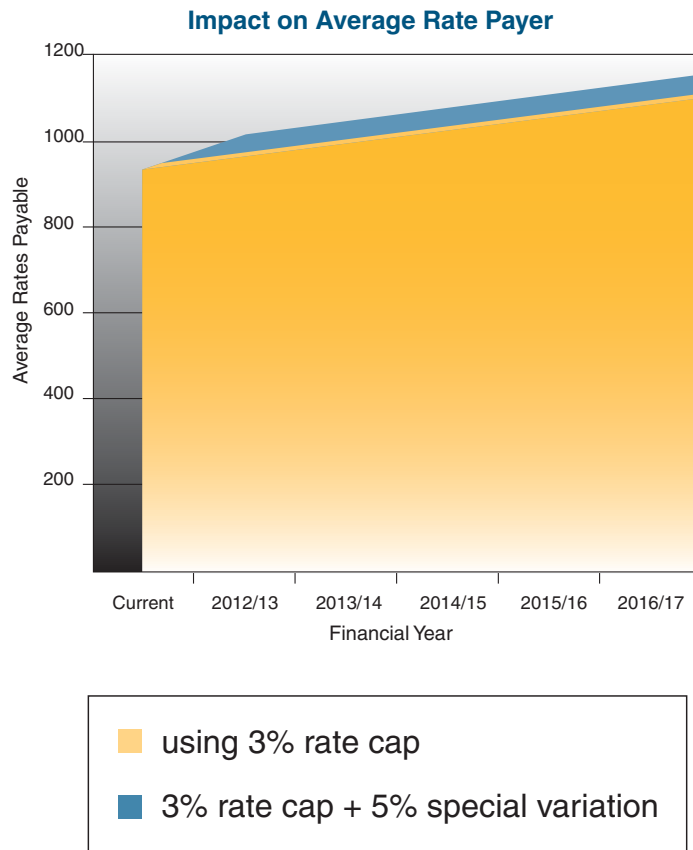


# Impact of rates variation



## 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.



Artists impression, Art Gallery redevelopment



Artists impression, Newcastle Art Gallery redevelopment



Fact Sheet  
3 of 4

## Our 2030 vision

In 2030, Newcastle will be a smart, liveable and sustainable city. We will celebrate our unique city and protect our natural assets. We will build resilience in the face of future challenges and creativity. As an inclusive community, we will embrace new residents and foster a culture of care. We will be a leading lifestyle city with vibrant places, connected transport networks and a distinctive built environment. As we make our way towards 2030, we will achieve all this within a framework of open and collaborative leadership.

Newcastle  
**2030**

Our 2030 vision is included in the *Newcastle Community Strategic Plan* available at [www.newcastle.nsw.gov.au](http://www.newcastle.nsw.gov.au)

## Funding our future

**Balancing a commitment to financial sustainability while providing high quality services and facilities is an ongoing challenge, not just for The City of Newcastle but for councils Australia-wide.**

In 2011 Council completed a *Long-Term Financial Plan* for the next decade which highlighted some important facts:

1. We achieved a balanced budget in 2011-2012 but are headed for a deficit which will reach \$7.7 million in 10 years
2. Our costs are going up faster than our income (see right)
3. If we don't address our infrastructure backlog, it will increase to \$300 million over 10 years

### Rising Utility Costs

Like many households, Council is facing rising costs from basic utilities such as electricity, water and gas. These costs are going up faster than our income from rates.

*Average increase over the next three years:*

- Rates - 2.6%**
- Salaries - 3%**
- Electricity - 13%**
- Water - 7%**
- Sewer - 3.5%**
- Gas - 15%**



## 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.

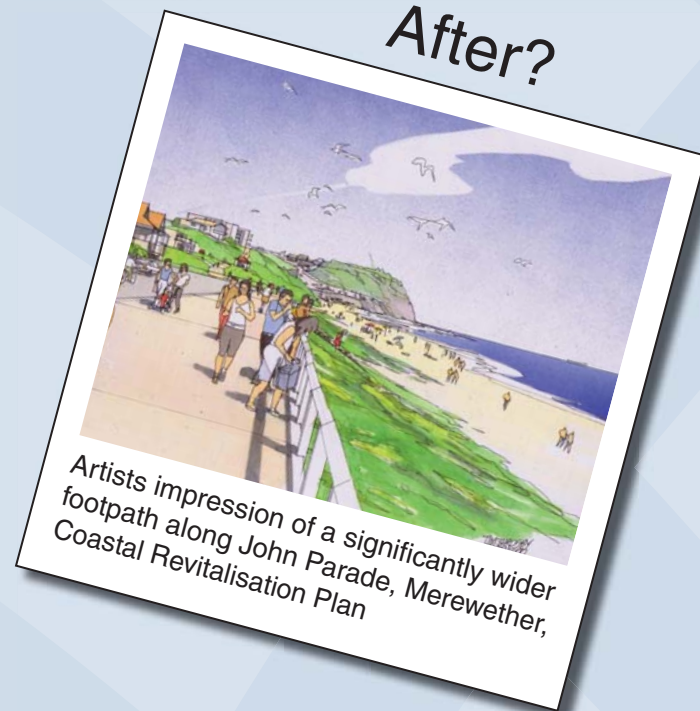
The result was four reports outlining a large number of recommendations for improvement. The first three reports have already been adopted by Council and the majority of recommendations in these have been implemented.

The 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.



## Managing our assets

The City of Newcastle maintains assets worth around \$1.5 billion. This includes over 630kms of footpaths, 350 parks, 118 playgrounds, 740kms of roads, 160 bridges, over 440kms of stormwater drains and more than 582 buildings. This infrastructure needs a significant investment to bring it up to the standard desired by the community. If we don't invest in our infrastructure now it will end up costing future generations much more.

The *Sustainability Review 2009* identified many of Council's assets are beyond their useful life and have low utilisation rates. In addition, some assets are duplicated by other providers or neighbouring councils, some are poorly located and inaccessible, and many do not maximise their potential.

Essentially we need fewer but better facilities. The idea is that good quality and appropriate assets in the right location will result in better service to customers and long-term sustainability.

## Other funding sources

Council is looking at a range of revenue sources to supplement its income and fund key civic projects. Selling under-utilised or redundant Council assets is an important part of Council's future funding strategy. Council will also seek external grant funding and are consulting with the community about a five per cent special rate variation for 2012 – 2013 to fund key civic projects.

## 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 per cent.

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.

See table overleaf for how this could impact on rate payers.

