

# Newcastle City Council

## **Operational Plan**

Financial Year 2017/18



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.

#### **Enquiries**

For information about the Operational Plan contact:  
Finance Manager  
Phone: 4974 2000

#### **Published by**

Newcastle City Council  
PO Box 489, Newcastle NSW 2300  
Ph: 4974 2000 Fax: 4974 2222  
Email: [mail@ncc.nsw.gov.au](mailto:mail@ncc.nsw.gov.au)  
Web: [www.newcastle.nsw.gov.au](http://www.newcastle.nsw.gov.au)

April 2017

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# OVERVIEW

On 1 October 2009, the NSW Government adopted new Integrated Planning and Reporting (IPandR) Legislation for local Council's. 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 2013-2018. It outlines in more detail the actions that Council will undertake in the 2017/18 financial year and allocates the resources necessary to complete the work.

The documentation of the Operational Plan reflects Council's organisational structure and includes business profiles, budgets, actions, projects and key performance indicator's for each of the business units. These activities and projects are aligned with Council's strategic directions and objectives as detailed in the Community Strategic Plan and Council's balanced scorecard.

The Operational Plan also includes Council's annual budget; capital works program; fees and charges; and financial information on rating and domestic waste management.

# ORGANISATIONAL STRUCTURE

## Executive



Interim Chief Executive Officer

**Jeremy Bath**

Executive

Lord Mayor's office (administrative support)  
Chief Executive office  
Communication and Engagement  
Information Technology  
Human Resources



Director

**Peter Chrystal**

Planning and Regulatory

Development and Building  
Strategic Planning  
Regulatory Services  
Cultural Facilities  
Libraries



Acting Director

**Andrew Glauser**

Corporate Services

Finance  
Property Services  
Customer Services  
Legal and Governance



Acting 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 (Act), Council is required to prepare and adopt an annual budget. The budget must be adopted by 30 June each year.

The 2017/18 annual 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 Council's strategic objectives as detailed in the Delivery Program and Operational Plan..

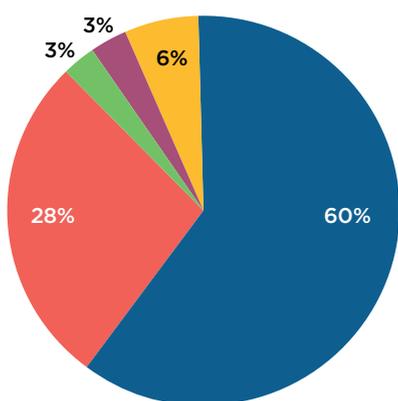
An operating surplus of \$4.8m is budgeted for 2017/18 financial year. The operating surplus assists in creating the financial capacity for Council to increase asset maintenance and asset renewal to sustainable levels, in line with the Long Term Financial Plan.

The annual budget includes total expenditure on Council's works program of \$90.3m including capital expenditure of \$68.7m and operational expenditure of \$21.6m. The program will include \$53.9m of work renewing existing infrastructure assets, \$10.6m on the 2012 SRV priority projects, \$15m upgrading existing and creating new assets, and \$10.7m of work on non-infrastructure projects.

The 2017/18 annual budget continues to focus on increasing the level of asset maintenance and reducing the asset backlog to ensure the long term financial sustainability of the organisation. Council reviews all services and capital infrastructure on an ongoing basis to ensure it is positioned to best meet the needs of the community into the future.

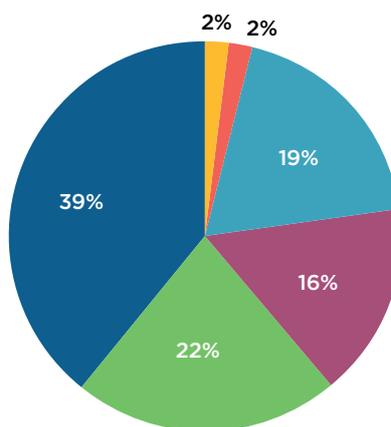
## Community Engagement

Community engagement is the primary way the Council builds community awareness and understanding and gains better insights into community opinion. The information shared with us by residents is used to assist with ensuring services and facilities best meet their needs, within the constraints of the Council's existing financial capacity. Newcastle Council is continually expanding its community engagement activities to facilitate increased input by residents in the decision making process.



Source of Funds 2017/18

<span style="color: #0056b3;">■</span>	Rates and Charges
<span style="color: #e34a33;">■</span>	User charges and fees
<span style="color: #4caf50;">■</span>	Interest
<span style="color: #9c27b0;">■</span>	Other Operating Revenues
<span style="color: #ffc107;">■</span>	Grants and contributions - Operating



Use of Funds 2017/18

<span style="color: #0056b3;">■</span>	Employee costs
<span style="color: #e34a33;">■</span>	Borrowing costs
<span style="color: #4caf50;">■</span>	Materials and contracts
<span style="color: #9c27b0;">■</span>	Depreciation and amortisation
<span style="color: #00bcd4;">■</span>	Other operating expenses
<span style="color: #ffc107;">■</span>	Net Loss from disposal of assets

Engagement activities include:

- Online surveys
- Social pinpoint surveys (geomapping tool)
- Focus groups
- Facilitated workshops
- Intercept survey
- Information sessions.

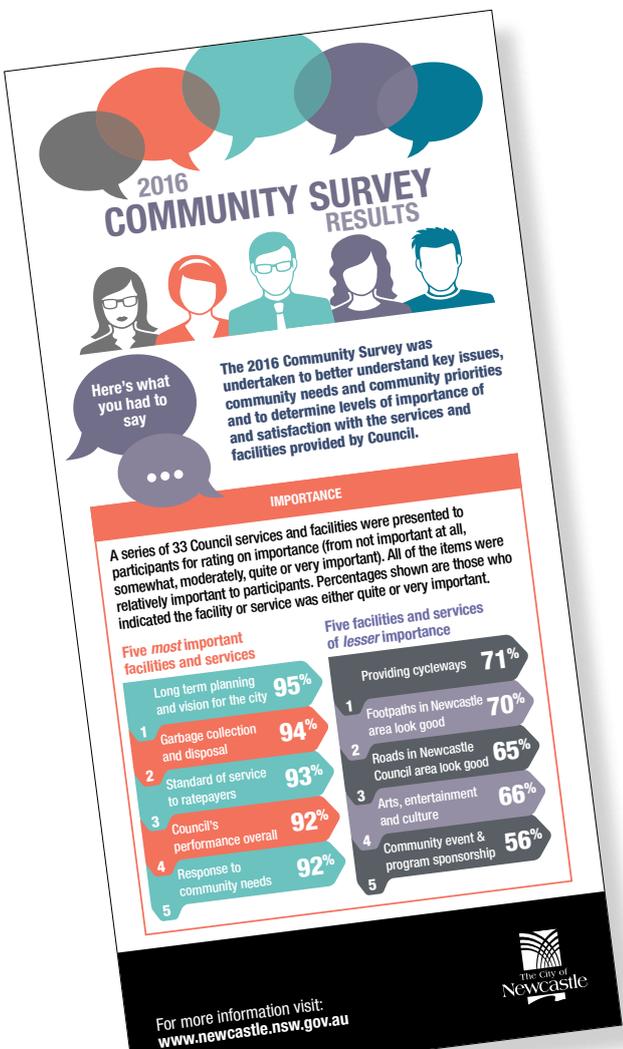
**Newcastle Voice**

Newcastle Voice is our community reference panel of approximately 2,500 members. Residents 16 years of age and older residing in one of the Lower Hunter council areas (Newcastle, Lake Macquarie, Cessnock, Maitland or Port Stephens) can join Newcastle Voice and take part in consultations with Newcastle City Council. Newcastle Voice members take part in online surveys and are invited to participate in focus groups and workshops, when appropriate.

**Community Satisfaction**

The 2016 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 two years with the next one being completed in May 2018.

A snapshot is provided below.



**Road to Recovery**

Council has successfully implemented a number of initiatives which have delivered significant financial improvements in the short term. However the organisation remains focused on long term financial goals and maintaining the financial discipline necessary to deliver services in line with the community needs and expectations in a sustainable manner, into the future. Council has made considerable progress on this path (the Road to Recovery), which has been achieved via the three key initiatives:

**1. Enhance revenue and reduce expenditure**

The initiative that has generated the greatest sustained benefit was the organisational restructure largely completed in 2013. The impacts of the implementation of this initiative were an immediate, significant and sustainable improvement in our operating position.

**2. Special rate variation**

Independent Pricing and Regulatory Tribunal (IPART) approved a Special Rate Variation (SRV) of 8% per annum over five years, increasing Council's revenue by 46.9% over the period, which commenced in 2015/16. 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.

**3. Addressing infrastructure maintenance and renewal backlog**

Infrastructure backlog has been reducing over recent years from \$117m (2011/12) to \$99m (2015/16). The sale of assets surplus to Council needs has made a significant contribution to this improvement. However, ongoing asset sales are not sustainable in the longer term. The improved financial performance of the organisation, including the IPART approved SRV increases, has enabled Council to increase expenditure on its asset renewal program to \$54m for the current financial year and will ensure that Council can continue to fund significant reductions in the backlog in future years.

# 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 CSP, 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.

The four year Delivery Program has been extended an additional year to align to the extended election term. The 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 2017/18 are listed below and are included in the individual Business Unit plans.

Four major civic projects aligned to the CSP will deliver city and economic revitalisation over the next 10 years. These key projects are funded by a SRV 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	✓	✓	✓		✓		✓
Communication and Engagement				✓		✓	✓
Council and Governance							✓
Cultural Facilities		✓	✓	✓	✓	✓	✓
Customer Service			✓	✓		✓	✓
Development and Building	✓	✓			✓	✓	✓
Facilities and Recreation	✓	✓	✓	✓	✓		✓
Finance							✓
Human Resources							✓
Information Technology						✓	✓
Infrastructure Planning	✓	✓	✓		✓	✓	✓
Libraries			✓	✓	✓	✓	✓
Projects and Contracts	✓	✓	✓	✓	✓	✓	✓
Property Services			✓		✓	✓	✓
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
Improve safety of roads through the implementation of pedestrian access and mobility planned projects and the local area traffic management plan	Infrastructure Planning
Implement the cycleway special rate variation projects including cycleway education and promotion and investigation and development of future cycleway plans	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 transport stops program including the renewal and upgrades of bus stops, shelters and seating to comply with Federal Government's legislation	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 parking demands in 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
Complete Bathers Way improvements to the Hill traffic and parking	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
Drainage rehabilitation - replacement of deteriorated stormwater infrastructure	Civil Works
Proactively monitor and regulate activities to minimise environmental impact, including implementing Council's business pollution prevention program (BPPP) and erosion and 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
Implement the tree inspection program in line with the city-wide maintenance policy	Civil works
Promote and manage community based groups in provision of environmental projects to help restore natural areas in accordance with relevant plans of management	Facilities and Recreation
Identify and deliver projects to achieve energy and water savings under the energy and resource management (ERM) investment - energy and water programs identified as part of the 10 year financial plan and the Newcastle 2020 carbon and water management plan	Projects and Contracts
Design, development and construction of landfill for cell 9	Waste Management
Expansion and enhancement of the small vehicle receival centre at Summerhill Waste Management Centre (SWMC)	Waste Management
Continuation of the flood education campaign	Infrastructure Planning
Operate and maintain the flash flood alert services for high risk flood areas in Newcastle	Infrastructure Planning
Delivery of the community urban forest program and street tree planting	Civil Works
City-wide stormwater quantity and quality modelling	Infrastructure Planning

# 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 educational 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
Deliver park safe, play safe initiative	Regulatory Services
Relaunch and rebrand Newcastle libraries, including the refurbishment of Newcastle library	Libraries
Support local community initiatives through place making grants and community assistance grants	Strategic Planning
Planning for a district sports and recreation complex to serve the long term needs of the growing western corridor	Facilities and Recreation
Promote appropriate environmental and recreational community use of Blackbutt Reserve facilities	Facilities and Recreation
Develop criteria to guide capital projects in particular sports field improvement projects	Facilities and Recreation
Deliver a range of events for our community including New Year’s Eve, Australia Day and Anzac Day	Strategic Planning
Deliver the dual naming project across Council	Strategic Planning
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 revitalisation projects across the city centre	Strategic Planning
Construction of a playground for Richley Reserve recreation at Blackbutt	Projects and Contracts
Continue Bathers Way upgrades	Projects and Contracts
Plan for improvements to local and neighbourhood centres	Infrastructure Planning
Expose local stories through cultural programming and build Newcastle’s cultural identity	Cultural Facilities
Increase display of Newcastle Art Gallery works of art	Cultural Facilities
Align and integrate 2017 programs, partnerships and events calendar to the CSP and the Cultural and Social strategies	Cultural Facilities
Develop customer driven collections with a review of Collection Development Policy to reflect a best practice industry approach	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	Cultural Facilities
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	Property Services
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)	Strategic Planning
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	Cultural Facilities
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
Maintain Council's urban planning framework incorporating the Local Planning Strategy (LPS), the Local Environment Plan (LEP), Development Control Plans (DCP) and section 94 plans	Strategic Planning
Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 carbon and water management action plan	Infrastructure Planning
Deliver the LPS short term actions	Strategic Planning
Amend the LEP and DCP with the LPS and the Hunter Regional Strategy	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
Delivery Council's energy saving project	Projects and Contracts
Continue restoration of City Hall façade	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.	Strategic Planning
Implement the economic development and events sponsorship programs	Strategic Planning
Deliver the Newcastle smart city initiatives program to continue to develop and establish Newcastle as a smart innovative city.	Strategic Planning
Implement the Events Management Plan	Strategic Planning
Promote Newcastle as a visitor and event destination to drive economic growth and investment	Strategic planning
Continue to support and promote the Library in your pocket. The Library app offers library members the opportunity to access E-resources such as Ebooks, E-audio books, Magazines, Newspapers, music and movies and much more	Libraries
Continue to support and promote Australia's first digital library bar and café. Civic Digest offers the community the opportunity to engage with cultural institutions in a non-traditional format. Digital touchscreens offer state of the art technology and a platform to access library content, Council information, event information and have fun with apps and games.	Libraries
Provide free Wifi access in all Newcastle Libraries	Libraries
Support, in partnership with The Telstra Foundation and The Alannah and Madeline Foundation a national E-Smart program to connect library users with the information and skills they need for smart, safe and responsible use of technology.	Libraries
Deliver 'Smart City' strategy and the Hunter II project	Strategic planning

# 7. Open and collaborative leadership

**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 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
Improve investment performance of Council's reserved funds within agreed risk	Finance
Develop and implement an extensive community engagement strategy to inform the development of the Community Strategic Plan.	Communications and Engagement
Expand the community engagement program as outlined in Option 3 of the 2015 special rate variation	Communications and Engagement
Increase online engagement with community and stakeholders including staff through increased social media presence	Communications and Engagement
Introduce innovative and emerging engagement tools to increase participation in engagement activities	Communications and Engagement
Broaden representation in engagement activities of hard to reach groups	Communications and Engagement
Implement the initiatives from the Workforce Management Plan including, the Aboriginal Employment Strategy and The Equal Employment Opportunity Management Plan	Human Resources
Identify redundant assets for disposal and for the proceeds to be placed in the land and property reserves to assist with reducing the infrastructure backlog	Property Services
Deliver a comprehensive plan to transition Council's corporate systems and data storage to a cloud based environment	Information Technology
Maintain the key modules for Council's Enterprise Resource Planning (ERP) software to ensure it continues to provide the optimum IT solution for the organisation	Information Technology
Introduce measures to improve quality and productivity outcomes of the Contact Centre	Customer Service
Improve Council's processes in response to feedback from the community	Customer Service

# BUDGET ANALYSIS

This section of the report analyses the planned operational income and expenditure budget for the 2017/18 year.

## 1.1 Operating Position

	Ref	Adopted Budget 2016/17 \$,000	Adopted Budget 2017/18 \$,000	Variance \$,000
Total Income	1.1.1	246,494	260,210	13,716
Less Total Expenditure	1.1.2	241,076	255,405	14,329
<b>Operating Surplus (Deficit) for the year</b>		<b>5,418</b>	<b>4,805</b>	<b>(613)</b>

### 1.1.1 Operating Surplus (\$4.8m)

The operating position is a measure of annual financial performance. The underlying operating result budgeted for the 2017/18 year is a surplus of \$4.8m, which is broadly consistent with the operating surplus budgeted in 2016/17. The operating surplus ensures Council maintain financial capacity to fund future financial commitments.

## 1.2 Operating Income

Income Types	Ref	Adopted Budget 2016/17 \$,000	Adopted Budget 2017/18 \$,000	Variance \$,000
Rates and charges	1.2.1	144,941	155,366	10,425
User charges and fees	1.2.2	67,809	71,297	3,488
Interest	1.2.3	8,340	8,973	633
Other operating revenues	1.2.4	8,673	8,638	(35)
Grants and contributions - Operating	1.2.5	16,731	15,936	(795)
<b>Operating Income</b>		<b>246,494</b>	<b>260,210</b>	<b>13,716</b>

### 1.2.1 Rates and annual charges (\$10.4m increase)

The 2017/18 budget is based on the total 2016/17 general income from ordinary and special rates being increased by a total of 8%, in line with the IPART approved SRV. This increase consists of the annual IPART determined rate peg increase of 1.5% plus an additional SRV increase of 6.5%. However, Council's Rates and Charges in total are only increasing by 7.2% from 2016/17 as both the Domestic Waste Management Charge and Business Waste Management Charge will remain unchanged. This will mean the waste charge has not changed for the last two budget cycles.

### 1.2.2 User charges and fees (\$3.5m 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 \$3.5m in total fees and charges expected from 2016/17 to 2017/18 is primarily due to a budgeted increase in income generated through Council's share of the Newcastle Airport (\$2.3m) with the remainder of Council's revenue sources budgeted to increase in line with the Consumer Price Index (CPI).

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

### 1.2.3 Interest (\$0.6m increase)

Interest income is earned on Council's funds, which are invested in accordance with the Investment Policy. A modest increase in interest on investments is budgeted for the 2017/18 financial year.

### 1.2.4 Other operating income (No change)

Other income relates to a range of items such as property rental/leases, contract revenue, cost recoupment and other miscellaneous income items. It also includes interest income on rate arrears. Other operating income is forecast to remain steady compared to 2016/17

### 1.2.5 Grants and contributions - operating (\$0.8m decrease)

Operating grants and contributions include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. The primary reason for the decrease is that Newcastle is receiving less funds from the Federal Government's Financial Assistance Grant. The Federal Government has frozen the total grant provided to Council's. In addition, the Federal Government has changed the basis of distribution to favour rural Council's. As a consequence, NCC will be receiving a significantly smaller allocation for 2017/18.

## 1.3 Operating Expenditure

Expenditure Types	Ref	Adopted Budget 2016/17 \$,000	Adopted Budget 2017/18 \$,000	Variance \$,000
Employee costs	1.3.1	95,220	99,802	4,582
Borrowing costs	1.3.2	3,901	3,764	(137)
Materials and contracts	1.3.3	53,266	57,769	4,503
Depreciation and amortisation	1.3.4	40,776	41,435	659
Other operating expenses	1.3.5	46,067	48,334	2,267
Net Loss from disposal of assets	1.3.6	1,846	4,301	2,455
<b>Operating Expenditure</b>		<b>241,076</b>	<b>255,405</b>	<b>14,033</b>

### 1.3.1 Employee costs (\$4.6m 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 costs etc. Employee costs are budgeted to increase by \$4.6m compared to the 2016/17 financial year. This increase is above the expected award and reflects the costs of delivering improved services associated with the 2015 SRV.

### 1.3.2 Borrowing costs (\$0.1m decrease)

Borrowing costs relate to interest charged by financial institutions on borrowed funds. Newcastle City Council has no plans to change its current arrangements and expects borrowing costs to decrease as the existing loans are paid down in line with agreed terms.

### 1.3.3 Materials and contracts (\$4.5m increase)

The increase is reflective of the higher operational costs generated by the increased capital work program. Council has been successful at curbing cost growth in general service delivery.

### 1.3.4 Depreciation and amortisation (\$0.7m increase)

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains. No asset classes are scheduled for revaluation in the 2017/18 financial year and associated depreciation is forecast to remain stable.

### 1.3.5 Other operating expenses (\$2.3m increase)

The primary expense in this expense category is the NSW Government Waste Levy. Other items relate to costs such as the Lord Mayoral allowance, Councilor fees, bad and doubtful debts, electricity, telephone, water, Emergency Services Levy, insurance, street lighting and other miscellaneous costs. The main driver of higher other operational costs is a budgeted increase in Council's share of the operating expenses of Newcastle Airport (\$1.5m).

### 1.3.6 Net loss from disposal of assets (\$2.5 million increase)

The net loss from disposal of assets primarily relates to the write-off of the residual book value of infrastructure assets that are subject to renewal. The amount budgeted for the 2017/18 financial year is inconsistent with the actual amount reported for the 2015/16 financial year. The increased budget for the 2017/18 financial year is driven by both lower proceeds from the sale of assets and increased residual value write-offs associated with the increased asset renewal program.

# CAPITAL ANALYSIS

The table below provides a detailed breakdown of the work program. There is a heavy focus on buildings, roads, stormwater and environmental programs. As noted earlier the primary focus is on asset renewal and priority projects associated with SRV.

## 2.1 Annual Project Program

Works Program (Opex and Capex)	Ref	Grand Total	New / Upgrade	Renewal	SRV Priority Work	Non-Infrastructure
<b>Buildings, Structures and Places</b>	2.1.1	27,279	97	18,826	8,206	150
Blackbutt		1,950	-	45	1,905	-
Buildings - Council Support Services		1,688	-	1,688	-	-
City Centre Revitalisation		1,486	-	-	1,486	-
Coastal Structures		7,465	-	3,050	4,415	-
Community Buildings		524	-	524	-	-
Cultural Facilities		2,880	20	2,860	-	-
Libraries		360	-	360	-	-
Public Toilets		1,413	-	1,413	-	-
Recreation Parks and Sporting Facilities		6,708	77	6,081	400	150
Retaining Walls		2,805	-	2,805	-	-
<b>Roads</b>	2.1.2	19,982	375	19,607	-	-
Bridges		2,225	-	2,225	-	-
Footpaths		1,946	-	1,946	-	-
Road Furniture		1,135	-	1,135	-	-
Road Resurfacing		3,050	-	3,050	-	-
Roads		11,626	375	11,251	-	-
<b>Transport</b>	2.1.3	7,101	3,694	1,000	2,407	-
Cycleways		2,657	250	-	2,407	-
Local Area Traffic Management (LATM)		787	787	-	-	-
Parking Infrastructure		1,000	-	1,000	-	-
Pedestrian Access and Mobility Plan (PAMP)		2,657	2,657	-	-	-
<b>Stormwater</b>	2.1.4	10,735	-	10,735	-	-
Flood Planning		30	-	30	-	-
Stormwater Network		10,505	-	10,505	-	-
Stormwater Quality		200	-	200	-	-
<b>Environment</b>	2.1.5	14,615	10,850	3,765	-	-
Bushland , Open Spaces and Reserves		220	-	220	-	-
Coast, Estuary Watercourses and Wetlands		2,390	-	2,390	-	-
River/Cliff Stability		630	-	630	-	-
Street Trees		1,230	1,200	30	-	-
Waste Management		10,145	9,650	495	-	-
<b>Information Technology</b>	2.1.6	4,385	-	-	-	4,385
Implementation and Upgrade of Applications		2,530	-	-	-	2,530
Infrastructure Improvements		1,430	-	-	-	1,430
Strategic and Systems Analysis		425	-	-	-	425
<b>Strategic</b>	2.1.7	1,000	-	-	-	1,000
Smart City		650	-	-	-	650
Economic Development		350	-	-	-	350
<b>Fleet Replacement</b>	2.1.8	3,645	-	-	-	3,645
Fleet Replacement		3,645	-	-	-	3,645
<b>Minor Capital</b>	2.1.9	1,552	-	-	-	1,552
Art Gallery Works of Art		77	-	-	-	77
Library Resources		800	-	-	-	800
Parking Meter Replacement		100	-	-	-	100
Small purchases		574	-	-	-	574
<b>Total Works Program</b>		90,294	15,016	53,932	10,613	10,732

The below table on the previous page reflects the accounting treatment required for the works program. Most costs are capitalised increasing the value of Council's assets on the balance sheet. The capitalisation is greater than deductions (via depreciation, disposals or write-offs) which means that Council is increasing the value of community assets.

Many projects require some costs to be expensed. These costs are captured as part of Council's budgeted operating expenditure. Council is budgeting for a modest operating surplus despite a significant increase in works program related operating costs. The increase in works program operating costs is predominantly due to the significant increase in the program from prior years.

The total works program consists of expenditure on new assets, asset renewal, assets funded by the 2012 SRV and project work unrelated to infrastructure assets (eg fleet, IT etc). The expenditure on asset renewal is expenditure on an existing assets which returns the service potential or the life of the asset back to its original life expectancy. Asset renewal is one of Council's key focuses to reduce our asset backlog and sustainably maintain our assets in the condition expected by the community.

Portfolios	Capex \$,000	Opex \$,000	Total \$,000
<b>Infrastructure</b>	<b>59,632</b>	<b>20,079</b>	<b>79,711</b>
Buildings, Structures and Places	22,085	5,194	27,279
Roads	14,222	5,759	19,982
Transport	5,624	1,477	7,101
Stormwater	8,235	2,500	10,735
Environment	9,466	5,149	14,615
<b>Non - Infrastructure</b>	<b>9,039</b>	<b>1,543</b>	<b>10,582</b>
Information Technology	3,192	1,193	4,385
Strategic	650	350	1,000
Fleet Replacement	3,645	-	3,645
Minor Capital	1,552	-	1,552
<b>Total</b>	<b>68,671</b>	<b>21,622</b>	<b>90,293</b>

### 2.1.1 Buildings, Structures and Places (\$27.3m)

Buildings, structures and places include all community, cultural, operational buildings and accommodation, pools, shade shelters and sporting facilities.

### 2.1.2 Roads (\$20.0m)

Connection of people and places throughout the City via public roads, bridges, footpaths for use by multiple types of transport vehicles. This includes transport shelters, roadside fencing and shelters.

### 2.1.3 Transport (\$7.1m)

Connection of people and places throughout the City via cycleways and shared paths. This includes parking infrastructure and facilities to improve pedestrian access and mobility.

### 2.1.4 Stormwater (\$10.7m)

The collection, treatment, conveyance, reuse and disposal of stormwater. Flood planning for low lying suburbs affected by potential sea level rise. Provision for the capture and removal of contaminants from stormwater flows and the control of erosive stormwater flows being discharged into the natural environment.

### 2.1.5 Environment (\$14.6m)

A desirable urban environment that enhances amenity, liveability and civic pride through a landscaped or vegetated "green belt". Park and bushland reserve protection to maintain health and water quality of creeks. Provision of domestic and commercial solid waste collection, disposal and recycling services.

### 2.1.6 IT (\$4.4m)

Supporting Council operations through provision of information technology infrastructure and systems.

### 2.1.7 Strategic (\$1.0m)

Strategic projects are works 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.

### 2.1.8 Fleet Replacement (\$3.6m)

Supporting Council operations by replacing fleet vehicles and plant.

### 2.1.9 Minor Capital (\$1.6m)

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

## 2.2 Capital funding

Capital Funding Sources	Ref	Adopted Budget 2016/17 \$,000	Adopted Budget 2017/18 \$,000
<b>Total Operating Revenue Less Operating Expenditure</b>		<b>5,418</b>	<b>4,805</b>
<b>Capital Revenue</b>			
Grants and Contributions	2.2.1	11,821	11,855
Proceeds on sale of assets	2.2.2	2,500	2,548
<b>Adjustments for Non Cash Items</b>			
Add back Depreciation	2.2.3	40,776	41,435
Add back loss on Disposal	2.2.4	1,846	4,301
Less land and infrastructure donations	2.2.5	1,528	4,600
<b>Funding available for capital expenditure</b>		<b>60,833</b>	<b>60,344</b>
<b>Capital Expenses</b>		<b>64,352</b>	<b>68,671</b>
<b>Net Loan Principal Repayments</b>		<b>2,600</b>	<b>2,882</b>
<b>Net Funds Generated / (Used)</b>	<b>2.2.6</b>	<b>(6,119)</b>	<b>(11,209)</b>

### 2.2.1 Grants and contributions - capital (\$11.9m)

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 2017/18 financial year includes Transport for NSW Roads to Recovery Grants, Section 94 revenue and infrastructure donations. A significant reason for the reduction is land and infrastructure donations are likely to be lower for 2017/18. These donations largely relate to the roads infrastructure which is built by the developer of newly developed sub-divisions. These roads and other infrastructure are transferred to Council for ongoing maintenance. Council does not receive any funds as part of this transfer.

### 2.2.2 Proceeds on sale of assets (\$2.6m)

The continued sale of assets, which have been identified as surplus to operational needs, is budgeted to generate \$2.6m. The primary reason for lower planned asset sales is that Council has elected not to proceed with a number of asset sales, which had previously been included in the asset sales program.

### 2.2.3 Add back depreciation (\$41.4m)

Depreciation is an operating expense that represents the consumption of an asset over its useful life. There is no cash outlay associated with this expense. The cash outlay is incurred at the time of the actual capital expenditure on the related assets.

### 2.2.4 Add back loss on disposal (\$4.3m)

Net loss on disposal is an expense incurred upon the sale or disposal of an asset and reflects the proceeds less the remaining value of the asset. There is no cash outlay associated with this expense. This item is largely flat compared to 2016/17. The reason is that despite Council undertaking a more expansive asset renewal program, the asset mix and nature of the asset renewal projects is different. This will result in a lower write-off of the residual book value infrastructure being replaced.

### 2.2.5 Land and Infrastructure donations (\$4.6m)

Accounting standards require that the donation of infrastructure assets be recorded as a capital contribution. However, similar to depreciation, there is no cash inflow when an asset is donated to Council (refer also 2.2.1 above). Due to this being a donation of assets rather than receipt of funds, the amount is required to be deducted to reflect Council's funding position.

### 2.2.6 Net funds generated/(used) (\$11.2m)

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 \$61.5m will be generated from operations to fund the budgeted 2017/18 capital works program which will result in a net draw down on \$11.2m, from funds previously restricted for this purpose.

# REVENUE POLICY

## Statement of business activities

Council manages the following Category One businesses as defined by the Act as having income in excess of \$2m.

<b>Waste Management</b>	Waste Management provides disposal facilities for domestic, commercial and industrial waste streams, construction and demolition waste separation, green waste stockpiling and processing. The centre also has a small vehicle receival centre and an on-site resource recovery and recycling operation.
<b>Waste Management Collection Services</b>	Council provides a weekly domestic and commercial waste collection service, provision of weekly 'drop-off' centres for the collection of green waste, a quarterly kerbside green waste collection service together with servicing of street, park and beach litter bins and a six monthly kerbside bulk waste pickup.
<b>Civic Theatre/ Playhouse</b>	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 Newcastle Local Government Area 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.

<b>Full Cost Recovery (F)</b>	Council recovers all direct and indirect costs of the service (including depreciation of assets employed).
<b>Partial cost Recovery (P)</b>	Council recovers less than the Full Cost. The reasons for this may include community service obligations and legislative limits.
<b>Statutory Requirements (S)</b>	Price of the service is determined by Legislation.
<b>Market Pricing (M)</b>	The price of the service is determined by examining alternative prices of surrounding service providers.
<b>Zero Cost (Z)</b>	Some services may be provided free of charge and the whole cost determined as a community service obligation.
<b>Rate of Return (R)</b>	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 the GST at the current rate of 10%. Council's 2017/18 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.

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

<b>Category one – financial hardship</b>	<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"> <li>1. Apply the criteria used by the Department of Human Services (Centrelink); and</li> <li>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.</li> </ol>
<b>Category two – charity</b>	<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 Newcastle City Council's community.</p>
<b>Category three – illness or death (library overdue charges and pool season passes/tickets only)</b>	<p>Council may reduce or waive fees in cases where the applicant provides evidence that the charge was incurred because of:</p> <ol style="list-style-type: none"> <li>1. Serious illness of a customer or the customer's immediate family member;</li> <li>2. Serious accident involving the customer or the customer's immediate family member;</li> <li>3. Death of a customer or the customer's immediate family member; and</li> </ol> <p>In determining eligibility on the basis of illness or death, Council will require the customer to present:</p> <ol style="list-style-type: none"> <li>1. Medical certificate; or</li> <li>2. Statutory declaration.</li> </ol>

## **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 determination process.

## **Proposed loans borrowing program**

Council's loan liability as at 30 June 2018 is forecast to be \$51.1m. Council advises that there has been no further loan borrowings budgeted in the 2013-2018 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 applies competitive neutrality considerations when quoting as part of such tenders. 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 worked collaboratively across all business units to produce a framework and set of criteria by which Newcastle City Council property assets can be assessed to determine if they are considered surplus to current and future requirements. Assets determined through this process to be surplus to Council's requirements 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 in order to apply the funds to a more useful purpose.

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.

Assets identified in the ARIP as potentially suitable for rationalisation and disposal are initially reported to Council's Asset Advisory Committee. Recommendations to acquire or dispose of property assets are endorsed by this committee prior to consideration by the Council at an ordinary meeting.

# RATE INFORMATION

This section of the report includes information on Council's proposed rates and charges structure and general information about rates for the 2017/18 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 2017/18 budgeted rates are based on total 2016/17 general income from ordinary and special rates being increased by a total of 8%. This increase was approved by IPART in 2015 and allows Council to increase rate income above the approved rate peg increase for a five year period from 2015/16 to 2019/20. The rate peg determined by IPART for 2017/18 is 1.5%.

An estimated gross ordinary rate income of \$134.2m will be raised in the 2017/18 financial year.

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

	Number of properties	Estimated gross rate yield 2017/18 \$,000
<b>Ordinary rates</b>		
Residential	62,909	84,418
Farmland	18	41
Business (including sub-categories)	4,743	49,736
<b>Total Properties/Gross Ordinary Rate Income</b>	<b>66,970</b>	<b>\$134,195</b>

## Rating structure

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

- The extent to which those who receive 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 23 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.

Additionally, no changes are proposed to the structure of the Farmland category from that used in 2016/17.

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 2017/18 will be \$896.30 - this is the 2016/17 minimum amount of \$829.90 extended by the total rate increase of 8%.

Council's six Special Rates are proposed to 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 2017/18 rating cycle are:

<b>Hunter Mall</b>	Defraying the cost of continuing additional horticultural and cleansing services and street furnishings.
<b>Mayfield business district</b>	Defraying the additional cost of promotion, beautification and development of the Mayfield business district.
<b>Hamilton business district</b>	Defraying the additional costs of promotion, beautification and development of the Hamilton business district.
<b>Wallsend business district</b>	Defraying the additional costs of promotion, beautification and development of the Wallsend business district.
<b>New Lambton business district</b>	Defraying the additional costs of promotion, beautification and development of the New Lambton business district.
<b>City Centre benefit</b>	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, minimum rates and base amounts, are shown below.

Rate	Minimum rate	Ad valorem amount	Base amount		Estimated gross rate yield 2017/18 \$,000
	\$	cents in \$	\$	% of Total Rates	\$

#### Ordinary Rates

Residential	Nil	0.201110	671.22	50	\$84,705,967
Farmland	\$896.30	0.329292	Nil	Nil	\$41,087
Business	\$896.30	1.668100	Nil	Nil	\$36,269,808

#### Business Sub-Categories

Major Commercial Shopping Centre - Kotara	\$896.30	2.971177	Nil	Nil	\$1,325,145
Major Commercial Shopping Centre - Jesmond	\$896.30	3.999433	Nil	Nil	\$519,926
Major Commercial Shopping Centre - Waratah	\$896.30	4.428210	Nil	Nil	\$365,770
Major Commercial Shopping Centre - Wallsend	\$896.30	4.860286	Nil	Nil	\$416,527
Major Commercial Shopping Centre - The Junction	\$896.30	3.441691	Nil	Nil	\$195,488
Major Commercial Shopping Centre - Inner City	\$896.30	1.736400	Nil	Nil	\$257,0741
Suburban Shopping Centres	\$896.30	2.814102	Nil	Nil	261,993
Suburban Shopping Centres - Inner City	\$896.30	2.108604	Nil	Nil	\$149,500
Suburban Shopping Centres - Mayfield	\$896.30	3.715752	Nil	Nil	\$161,635
Kotara Homemaker's Centre	\$896.30	1.280928	Nil	Nil	\$248,500
Kotara Homemaker's Centre - South Zone	\$896.30	1.451925			\$271,510

Rate	Minimum rate	Ad valorem	Base amount	Estimated rate yield p.a.	Estimated gross rate yield 2017/18 \$,000
	\$	cents in \$	\$	% of Total Rates	\$
Kooragang Industrial Coal Zone	\$896.30	1.605894	Nil	Nil	\$563,942
Kooragang North Industrial Coal Zone	\$896.30	2.196587	Nil	Nil	\$1,267,431
Kooragang Industrial Centre - Walsh Point	\$896.30	1.728006	Nil	Nil	\$1,126,660
Kooragang Industrial Centre	\$896.30	1.450175	Nil	Nil	\$1,460,918
Mayfield North Heavy Industrial Centre	\$896.30	0.908217	Nil	Nil	\$539,481
Mayfield North Industrial Centre	\$896.30	1.461152	Nil	Nil	\$382,067
Mayfield North Industrial Centre - Future Development	\$896.30	1.840943	Nil	Nil	\$316,642
Carrington Industrial Coal and Port Zone	\$896.30	2.847350	Nil	Nil	1,281,308
Carrington Industrial Centre	\$896.30	2.847350	Nil	Nil	\$1,281,308
Carrington Industrial Port Operations Use	\$896.30	2.282223	Nil	Nil	\$243,445
Broadmeadow Industrial	\$896.30	3.343226	Nil	Nil	\$139,078
Hexham Industrial	\$896.30	2.345770	Nil	Nil	\$809,859

#### Special Rates

Hunter Mall	Nil	0.226651	Nil	Nil	\$88,077
Mayfield Business District	Nil	0.100260	Nil	Nil	\$72,830
Hamilton Business District - Zone A	Nil	0.190496	Nil	Nil	\$84,953
Hamilton Business District - Zone B	Nil	0.095248	Nil	Nil	\$33,719
Hamilton Business District - Zone C	Nil	0.047624	Nil	Nil	\$14,309
Wallsend Business District - Zone A	Nil	0.375751	Nil	Nil	\$102,439
Wallsend Business District - Zone B	Nil	0.187876	Nil	Nil	\$13,811
Wallsend Business District - Zone C	Nil	0.281813	Nil	Nil	\$24,151
New Lambton Business District	Nil	0.114534	Nil	Nil	\$14,566
City Centre - City East	Nil	0.278329	Nil	Nil	\$181,703
City Centre - Darby St	Nil	0.062444	Nil	Nil	\$28,141
City Centre - City West (Close Zone)	Nil	0.115006	Nil	Nil	\$233,359
City Centre - City West (Distant Zone)	Nil	0.057503	Nil	Nil	\$18,363
City Centre - Tower	Nil	0.278329	Nil	Nil	\$172,968
City Centre - Mall	Nil	0.278329	Nil	Nil	\$120,963
City Centre - Civic (Close Zone)	Nil	0.155644	Nil	Nil	\$87,677
City Centre - Civic (Distant Zone)	Nil	0.077822	Nil	Nil	\$6,336

#### Total Rate

**\$135,790,185**

Please note the above ad valorem and base amounts may vary as a result of the processing of Supplementary Valuations and rate exemption applications.

## General revaluation of properties

Due to the introduction of the Fire and Emergency Services Property Levy (FESL) from 1 July 2017, all NSW local government areas (LGA) were the subject of a revaluation during the 2016/17 rating year. These new valuations, known as base date 1 July 2016 land values, will apply for both rating and FESL purposes from 1 July 2017. 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 33% to 1%. The average movements for each rate category/subcategory are as per the table below:

Category / Sub-Category	Average Land Value Movement
Residential	13%
Business	14%
Farmland	15%
Major Commercial	7%
Major Industrial	1%

### Estimated Rates Payable using new land values

The following tables illustrate the proposed 2017/18 rates payable for Residential and Business ratepayers 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	2017/18 Rates Payable	Land Value Range	Number of Properties	% of Properties
\$50,000	\$772.59	<\$50,000	2,466	3.9%
\$100,000	\$873.00	\$50,000 - \$100,000	4,351	6.9%
\$150,000	\$973.41	\$100,000 - \$150,000	2,710	4.3%
\$200,000	\$1,073.83	\$150,000 - \$200,000	4,124	6.6%
\$250,000	\$1,174.24	\$200,000 - \$250,000	8,329	13.2%
\$334,096*	\$1,343.13	\$250,000 - \$300,000	11,406	18.1%
\$300,000	\$1,274.65	\$300,000 - \$350,000	7,852	12.5%
\$350,000	\$1,375.07	\$350,000 - \$400,000	6,740	10.7%
\$400,000	\$1,475.48	\$400,000 - \$500,000	6,226	9.9%
\$500,000	\$1,676.31	\$500,000 - \$600,000	3,112	4.9%
\$600,000	\$1,877.14	\$600,000 - \$700,000	1,696	2.7%
\$700,000	\$2,077.97	\$700,000 - \$800,000	1,483	2.4%
\$800,000	\$2,278.79	\$800,000 - \$900,000	633	1.0%
\$900,000	\$2,479.62	\$900,000 - \$1,000,000	433	0.7%
\$1,000,000	\$2,680.45	\$1,000,000 - \$1,500,000	1,083	1.7%
\$1,500,000	\$3,684.59	>\$1,500,000	265	0.4%
<b>Total</b>			<b>62,909</b>	<b>100%</b>

\* \$334,096 is the average Residential Land Value

• **Business Properties**

New Land Value	2017/18 Rates Payable	Land Value Range	Number of Properties	% of Properties
\$50,000	\$896.30	<\$50,000	608	13.3%
\$100,000	\$1,671.38	\$50,000 - \$100,000	454	9.9%
\$200,000	\$3,342.76	\$100,000 - \$200,000	624	13.6%
\$300,000	\$5,014.14	\$200,000 - \$300,000	684	14.9%
\$400,000	\$6,685.52	\$300,000 - \$400,000	551	12.0%
\$471,247**	\$7,876.33	\$400,000 - \$500,000	418	9.1%
\$500,000	\$8,356.90	\$500,000 - \$600,000	257	5.6%
\$600,000	\$10,028.28	\$600,000 - \$700,000	195	4.3%
\$700,000	\$11,699.66	\$700,000 - \$800,000	152	3.3%
\$800,000	\$13,371.04	\$800,000 - \$900,000	90	2.0%
\$900,000	\$15,042.42	\$900,000 - \$1,000,000	78	1.7%
\$1,000,000	\$16,713.80	\$1,000,000 - \$1,500,000	220	4.8%
\$1,500,000	\$25,070.70	\$1,500,000 - \$2,000,000	98	2.1%
\$2,000,000	\$33,427.60	>\$2,000,000	148	3.2%
<b>Total</b>			<b>4,577</b>	<b>100%</b>

\*\* \$471,247 is the Average City-wide Business Land Value

The amounts stated in the above tables do not include amounts payable for Stormwater and Waste Management Service Charges, the Hunter and Central Rivers Catchment Management rate or the Fire and Emergency Services Levy.

## 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 five years of the current Delivery Program are:

2013/14	2014/15	2015/16	2016/17	2017/18
\$330.18	\$330.18	\$340.09	\$340.09	\$340.09

The 2017/18 estimated yield from the charge is \$21,209,373.

### Business Waste Management Service Charge (BWMS)

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

2013/14	2014/15	2015/16	2016/17	2017/18
\$218.47	\$218.47	\$231.58	\$231.58	\$231.58

### Stormwater Management Service Charge

The proposed Stormwater Management Service Charge (SMSC) for 2017/18 will continue to fund an enhanced stormwater related works and services program. Income from the SMSC for the five years of the current Delivery Program will be:

2017/18	2018/19	2019/20	2020/21
\$1,970,000	\$1,975,000	\$1,975,000	<b>\$1,985,000</b>

The proposed 2017/18 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 2016/17. 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 2017/18 SMSC for non-strata properties will be \$25 per 350m<sup>2</sup> of site area capped at \$1,000. Business strata units will be structured in the same manner but each lot's contribution will be based on the individual lot's unit entitlement. Income from the charge can be spent on capital projects and recurrent expenditure including:

- planning, construction and maintenance of drainage systems including pipes, channels, retarding basins and waterways receiving urban stormwater, stormwater treatment measures, including gross pollution traps and constructed wetland and 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 rate assistance options are proposed to be available, for the 2017/18 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 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

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

The tables on pages 38 to 73 provide a summary of the activities and actions each Council Business Unit will undertake in 2017/18. In addition, each Business Unit has provided:

- A business unit profile
- Key objectives
- A breakdown of the budget by services.

The above referenced information identifies the actions that are proposed to be completed during the 2017/18 financial year. These actions align with the adopted strategic actions detailed in Newcastle City Council's Delivery Program 2013-2018 and references back to Council's balanced scorecard. The actions form the basis of each Business Unit's work plans and progress will be reported to the community via the half yearly and annual performance review and annual report.

## Balanced Scorecard

Council has formulated 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 the IP&R documents. Council reports on progress against objectives reflected in the CSP, corporate goals and budget principles. Council's Delivery Program and Operational Plan are guided by these important business objectives. More specifically:

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

The corporate goals and budget principles provide more specific objectives to be met to ensure Council remains operationally, environmentally and financially sustainable, while meeting the service expectations of the community

The balanced scorecard captures these goals and objectives within one framework with the objectives classified into four key themes. These themes are common across many different organisations. A brief description of each is provided below:

**Community Needs** is the most important 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. Information about community needs helps inform the development of the CSP.

**Sustainability** 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 delivers the Operational Plan or show greater efficiency in our use of resources.

**Internal Process** focuses on all the activities and key process required in order for Council to excel at providing the value and service level expected by its ratepayers.

**People, Learning and Innovation** focuses on the areas where council wants to emphasis improvements in its capabilities. This helps Council continue to improve the services provided to the community and identify and implement efficiencies in the way the services are delivered.

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 Council strengthen the linkages between Council's strategic objectives and the plans and priorities of the individual Business Units and Council's projects.

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# OUR FRAMEWORK OF GOALS AND OBJECTIVES

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### **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 Council's to complete an assessment of their operations and their financial position to determine if they met the Government's 'Fit for the Future' criteria.

Newcastle City Council's proposal submitted to the State Government included all of the initiatives that Council had already embarked upon as part of its self-identified Road to Recovery Strategy. It also includes 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.

Council has supplemented the existing initiatives outlined in the Long Term Financial Plan (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 submission identified 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 for the Future initiatives are listed below.

*\*BSR: Balanced scorecard reference*

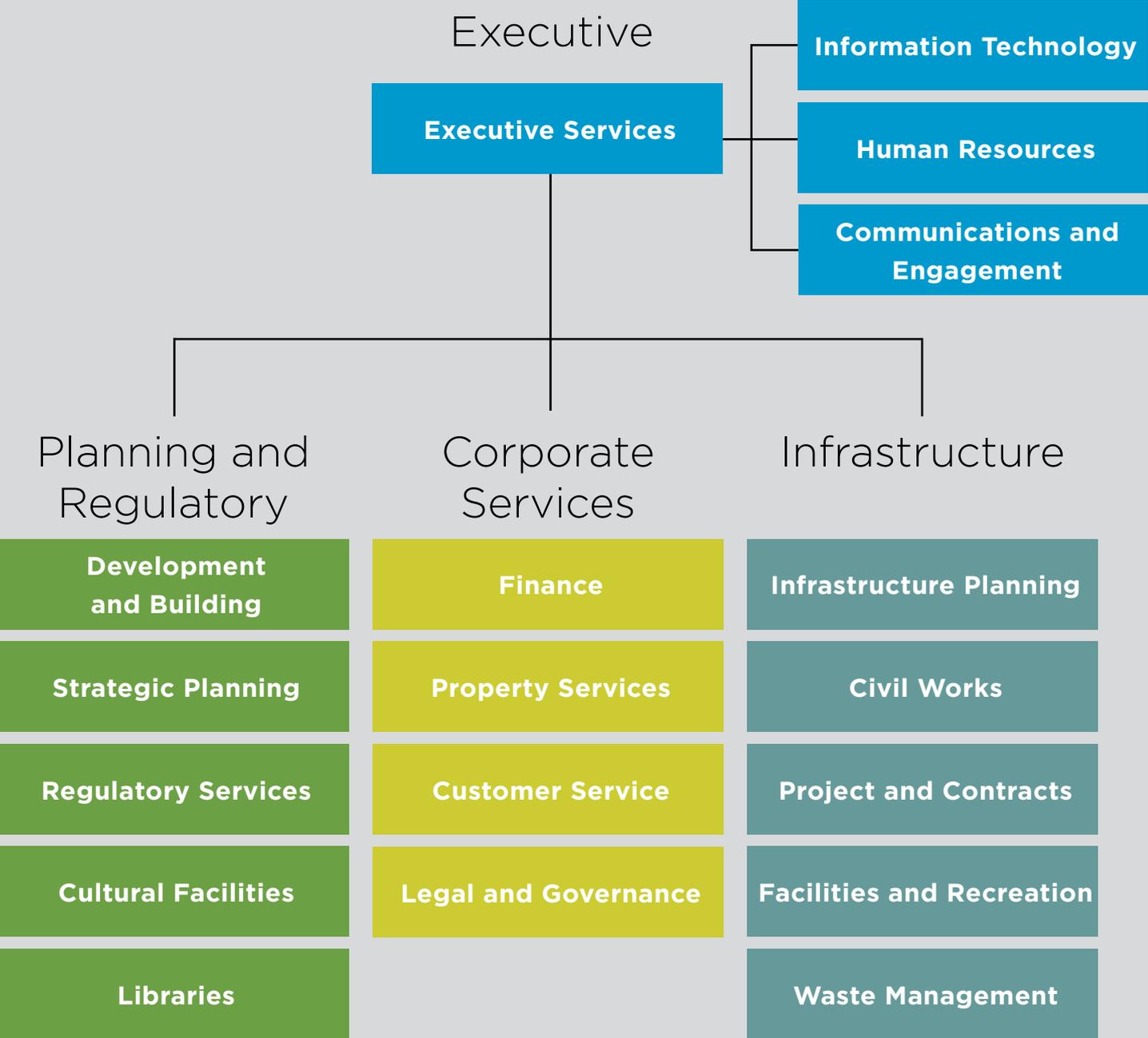
BSR*	Fit to the Future initiatives
<b>All</b>	
S1	Building productivity improvement into the budget (0.2% of rates). Reducing ongoing operational expenses.
I2	New Enterprise Resource Planning system improves asset management and project productivity. Cumulative savings built into the LTFP to 2022 are \$5.8m.
I2	Integrated processes and one source of truth (reduce re-entry of customer data etc) provided by the ERP system.
I3	Optimise project performance through multi-year planning (scheduling, resource planning, contracts management).
I2	Productivity gains from Enterprise Content Management upgrade (through ease of use and integration).
I1	Strengthen KPI measures across Business Units.
<b>Civil Works</b>	
I3	Increase level of maintenance to required levels as per Asset Management Strategy.
I2	Review of motor vehicle fleet.
<b>Property Services</b>	
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).
<b>Cultural Facilities</b>	
S1	Improved revenue opportunities through coordinated sales and admin function across civic areas (Art Gallery, Museum, Theatre).
<b>Development and Building</b>	
I2	Re-engineer development application (DA) process (online monitoring and submission, charging model etc).
<b>Finance</b>	
I2	Apply greater rigour and accountability in regard 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 (eg Budget management, asset renewal).
I2	Build Vendor Management Office capabilities to cover strategic vendors (vendor reviews / governance) and identify strategic sourcing opportunities (scale, rationalisation etc).
S1	Diversifying our investment portfolio
P2	Enhance capacity to attract sponsorship.

BSR*	Fit to the Future initiatives
P2	More strategic targeting of grant funds - linkage to strategy, business cases based on Council's corporate objectives.
S1	Partial sale of airport shareholding.
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 to provide additional capacity to complete projects .
I2	Rationalisation of approval delegations.
<b>Human Resources</b>	
P3	Complete Enterprise Agreement negotiations.
P3	Establish a framework to support and mentor high potential staff.
P3	Targeting training for management and supervisory skills.
P3	Improve reward and recognition mechanisms.
P3	Improved leadership development training.
P1	Targeted staff training and development to build skills and capabilities.
I2	Updated workers comp claims management system allowing improved focus on reducing claims.
<b>Infrastructure Planning</b>	
I3	Enhance contracting procedures for outsourced capital works.
I3	Continued focus on the top four priority projects.
I3	Implement differential service levels to optimise spend (maintenance and capital works programs).
I3	Improve data collection processes (timeliness, effectiveness and efficiency) via selective use of methods, technology and statistical models.
I3	Improve planning via the establishment of more complete and 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 and remediation to address backlog by 2022/23.
S4	Increase asset renewal and remediation to meet required renewal per Asset Management Strategy.
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.
<b>Information Technology</b>	
I2	Enhance ratepayer self-service capabilities.
<b>Projects and Contracts</b>	
I3	Enhance governance of outsourced project works.
<b>Regulatory Services</b>	
C1	Upgrade to the car park ticketing system.
<b>Waste Management</b>	
S1	Expand capabilities/capacity of Summerhill Waste Management Centre (SWMC) to generate higher net revenue.
S1	SWMC - Organics processing for Council's without organics processing capacity (eg Maitland, Singleton etc).

# 2017/18 Annual Budget

	Executive Management	Planning and Regulatory	Corporate Services	Infrastructure	Airport	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating Revenue</b>								
Rates and charges		1,209	134,103	20,054		155,366	144,941	7%
User charges and fees	465	15,440	3,902	37,555	13,935	71,297	67,809	5%
Interest			8,723		250	8,973	8,340	8%
Other operating revenues	27	5,059	2,931	621		8,638	8,673	0%
Grants and contributions - Operating	180	677	11,383	3,696		15,936	16,731	-5%
<b>Total Operating Revenue</b>	<b>672</b>	<b>22,385</b>	<b>161,042</b>	<b>61,926</b>	<b>14,185</b>	<b>260,210</b>	<b>246,494</b>	<b>6%</b>
<b>Operating Expenses</b>								
Employee costs	13,756	24,363	10,404	49,005	2,274	99,802	95,220	5%
Borrowing costs			3,507		257	3,764	3,901	-4%
Materials and contracts	4,523	11,357	4,413	37,476		57,769	53,266	8%
Depreciation and amortisation	1,050	5,184	401	33,003	1,797	41,435	40,776	0%
Other operating expenses	1,087	3,907	6,983	30,042	6,315	48,334	46,067	5%
Net Loss from disposal of assets				4,301		4,301	1,846	133%
Internal Charges	(17,870)	15,113	(14,713)	17,470				0%
<b>Total Operating Expenses</b>	<b>2546</b>	<b>59,924</b>	<b>10,995</b>	<b>171,297</b>	<b>10,643</b>	<b>255,405</b>	<b>241,076</b>	<b>6%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(1,874)</b>	<b>(37,539)</b>	<b>150,047</b>	<b>(109,371)</b>	<b>3,542</b>	<b>4,805</b>	<b>5,418</b>	<b>-11%</b>

# BUSINESS UNIT PROFILES



# Executive

Key Objective	What we will do
<b>C6. Provide quality and cost-efficient services to the community</b>	Develop updated Community Strategic Plan (CSP) (to 2030) and new Delivery Program (2018-2022) which optimizes community service outcomes and needs in line with community rates expectations and is financially sustainable
<b>C7. Promote community Engagement</b>	<p>Improved satisfaction amongst community on being informed and opportunity to engage on Council activities</p> <p>Broaden representation in engagement activities of hard to reach groups &amp; Increased participation in engagement activities that have historically low participation rates</p> <p>Engage on all projects that have a high level of impact on the community</p> <p>Increase focus of engagement on value based questionnaires to assist in assigning Council resources to areas of greatest demand / need.</p>
<b>I2. Provide better and more efficient services to customers through the implementation of improved services</b>	<p>Implement improved E services capability</p> <p>Mobility of service</p>
<b>P3. Deliver an effective workforce management strategy</b>	Develop and maintain a Workforce Management Plan

Measuring our success	Responsibility
CSP fully supports service level feedback from community CSP objectives are reflected in an updated LTFP	Strategic Planning, Infrastructure Planning, Finance, Communication & Engagement
Improved satisfaction in the community survey questions 'informing residents about council activities' and 'consultation in decision making'	Communication and Engagement
Grow activity through social media whilst maintaining traditional channels - Increase in no. of followers on social media	
Increase Community awareness of Council special projects	
Increase usage of value base / ranking tools	
Implement E services capability Mobile device compatible eservices	Information Technology
Workforce Management Plan that has been development in conjunction with the Strategic Asset Plan and LTFP)	Human Resources

# Executive

	CEO	Communications	Human Resources	Information Technology	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating Revenue</b>							
Rates and charges							0%
User charges and fees				465	465	475	-2%
Interest							0%
Other operating revenues			27		27		0%
Grants and contributions - Operating			180		180	180	0%
<b>Total Operating Revenue</b>		<b>0</b>	<b>207</b>	<b>465</b>	<b>672</b>	<b>655</b>	<b>3%</b>
<b>Operating Expenses</b>							
Employee costs	967	1,616	8,312	2,861	13,756	13,009	6%
Borrowing costs							0%
Materials and contracts	271	507	779	2,966	4,523	3,707	22%
Depreciation and amortisation	1		83	966	1,050	933	0%
Other operating expenses	139	3	14	931	1,087	1,075	1%
Net Loss from disposal of assets							0%
Internal Charges	(1,378)	(2,126)	(8,893)	(5,473)	(17,870)	(17,709)	1%
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>295</b>	<b>2,251</b>	<b>2,546</b>	<b>1,015</b>	<b>151%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>0</b>	<b>(88)</b>	<b>(1,786)</b>	<b>(1,874)</b>	<b>(360)</b>	<b>421%</b>

# Executive Services

## Business unit profile

- Provide the elected Council and Executive Management Team (EMT) 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.

## Key objectives

- Provide the processes and systems to empower the elected Council to be collaborative, transparent and accountable
- 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
- Implement elements of the Internal Audit Quality Assurance and Improvement Program
- Align internal audit plan to organisational risks.

# Communications and Engagement

## Business unit profile

Communications and Engagement Unit works to inform the community of Council activities, programs and achievements and to provide information and opportunities which encourage community participation and feedback.

### This is achieved by:

- providing a range of opportunities for the community to engage with Council including: surveys, focus groups, workshops, information sessions and stalls at targeted community events
- delivering engagement projects and managing all aspects of Newcastle Voice, Council's community reference panel
- informing the community of Council decisions and activities using a diverse range of traditional and digital channels including media, social media, advertising, signage and publications
- providing high level, strategic communications advice and solutions
- providing crisis communications advice and solutions in major emergencies/disasters/events
- managing Council's social media channels
- 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 easy to understand of projects being undertaken in the Newcastle
- providing specialist support to Council's cultural facilities group including 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 facilities
- supporting the organisation with a cost effective and high quality graphic design service

## Key objectives

### Deliver meaningful community engagement to inform decision making

- Ensure engagement is accessible and representative, capturing a full range of values and perspectives
- Increase participation in community engagement activities through a range of techniques
- Undertake activities that overcome barriers to public participation
- Provide feedback to participants on the results of their contribution

### Increase awareness and understanding of Council activities, programs and vision for the city

- Produce high quality and cost effective publications, signage, advertising and promotional materials
- Provide timely and accurate information with content that is easy to read, is provided through a range of channels and has broad reach
- Promote Newcastle City Council and manage Council's brand
- Develop and maintain Council's visual identity as caretaker of the style guide

	Administration	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>				
Rates and charges				0%
User charges and fees				0%
Interest				0%
Other operating revenues				0%
Grants and contributions - Operating				0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Operating Expenses</b>				
Employee costs	1,616	1,616	1,153	40%
Borrowing costs				0%
Materials and contracts	507	507	403	26%
Depreciation and amortisation				0%
Other operating expenses	3	3	1	200%
Net Loss from disposal of assets				0%
Internal Charges	(2,126)	(2,126)	(1,557)	37%
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

# 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 in relation to all human resourcing and industrial relations matters.

## 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
- Update the Workforce Management Plan.

	Administration	Operations	Learning	Work, Health, Safety	Org. Development	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>								
Rates and charges								0%
User charges and fees							12	-100%
Interest								0%
Other operating revenues				27		27		0%
Grants and contributions - Operating					180	180	180	0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>180</b>	<b>207</b>	<b>192</b>	<b>8%</b>
<b>Operating Expenses</b>								
Employee costs	194	1,229	2,629	3,259	826	8,137	8,119	0%
Borrowing costs								0%
Materials and contracts	8	283	27	234	106	658	636	3%
Depreciation and amortisation		7	4	72		83	33	152%
Other operating expenses		2	8	4		14	13	8%
Net Loss from disposal of assets								0%
Internal Charges	(202)	(1,522)	(2,668)	(3,569)	(932)	(8,893)	(9,368)	-5%
<b>Total Operating Expenses</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>(567)</b>	<b>-100%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>27</b>	<b>180</b>	<b>208</b>	<b>759</b>	<b>-73%</b>

# Information Technology

## Business unit profile

Information Technology business unit supports Council's IT environment through the provision of support services for IT Infrastructure, corporate applications, Geographic Information System Services, VOIP (Voice over Internet Protocol), mobile phones, IT Projects and Contracts and IT Support Desk.

Information Technology provides technology solutions and assistance to allow the organisation to conduct its business in a streamlined and automated way by:

- Ensuring technology solutions meet the business needs by being fit for purpose, secure and reliable
- Working with other business units to identify, plan and implement costed programs of work in view of meeting customer's needs
- Providing a reliable network and associated infrastructure to support business continuity
- Providing upkeep and maintenance of the corporate ERP and other disparate IT Systems.

## Key objectives

### Customer service excellence

- Establish relationships with individual business areas to ensure mutual understanding of the current and future business needs.

### Improve the services we deliver

- Stay up to date with technology trends and ensure Council's approach to technology addresses best practice, business needs, constraints and adopted strategic direction.

### Deliver Corporate IT projects

- Delivery of the IT Program with a focus on extending mobility across Council's workforce and developing a comprehensive plan to transition to the cloud for corporate systems and data storage.
- The introduction of eServices for OneCouncil to allow staff and customers to submit requests, applications and payments for services through the Newcastle Council website.

### Deliver GIS business requirements

- Deliver innovative solutions in support of business priorities with a focus on 3D, field mobility, web enablement, open data and community engagement.

	Administration	Desktop Support	Enterprise Architecture	Geospatial	IT Projects	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>								
Rates and charges								0%
User charges and fees				465		465	463	0%
Interest								0%
Other operating revenues								0%
Grants and contributions - Operating								0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>465</b>	<b>0</b>	<b>465</b>	<b>463</b>	<b>0%</b>
<b>Operating Expenses</b>								
Employee costs	194	1,440	148	610	469	2,861	2,789	3%
Borrowing costs								0%
Materials and contracts	116	1,600	1	244	1,005	2,966	2,392	24%
Depreciation and amortisation		754			212	966	897	8%
Other operating expenses	3	926		2		931	934	0%
Net Loss from disposal of assets								0%
Internal Charges	(213)	(4,721)	(148)	(855)	464	(5,473)	(5,451)	0%
<b>Total Operating Expenses</b>	<b>100</b>	<b>(1)</b>	<b>1</b>	<b>1</b>	<b>2,150</b>	<b>2,251</b>	<b>1,561</b>	<b>44%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(100)</b>	<b>1</b>	<b>(1)</b>	<b>464</b>	<b>(2,150)</b>	<b>(1,786)</b>	<b>(1,098)</b>	<b>63%</b>

# Planning and Regulatory

Key Objective	What we will do	Measuring our success	Responsibility	
<b>C2. Create vibrant and activated public places</b> <ul style="list-style-type: none"> <li>public places that provide for diverse activity and strengthen our social connections</li> </ul>	Provide diversified programs to attract new audience including  <i>Libraries</i> <ul style="list-style-type: none"> <li>Implement various programs and outreach services for libraries for learners of all ages, interests and readers. Activities include programs for Children and youth, author talks, book chats, craft and technology sessions.</li> <li>New York public library streaming events</li> <li>Newcastle University Partnership - Global Newcastle</li> <li>Relaunch and rebrand Newcastle libraries, including the refurbishment of Newcastle library</li> <li>Establish the parameters for digital service delivery via online access points</li> </ul> <i>Cultural Facilities</i> <ul style="list-style-type: none"> <li>Increase display of Newcastle Art Gallery Collection works of art by 15%</li> <li>Develop customer driven collections with a review of Collection Development Policy, to reflect a best practice industry approach.</li> </ul> <i>Events</i> <ul style="list-style-type: none"> <li>Expose local stories through cultural programming and build Newcastle's cultural identity</li> <li>Deliver one collaborative cross institution project per year</li> <li>Deliver range of events for our community including New Year's Eve, Australia Day and Anzac Day</li> </ul>	  <i>Libraries</i> <ul style="list-style-type: none"> <li>Increase Library membership ratio of LGA population by 5%</li> <li>Achieve a 10% increase in ebook loans and eresource usage</li> <li>10% of the collection is targeted to customer driven collections.</li> <li>Attendance at library events, programs, exhibitions and learning activities increase by 3%</li> <li>Maintain a customer satisfaction rating of 4.1</li> </ul>  <i>Cultural Facilities</i> <ul style="list-style-type: none"> <li>Improve the value of all programming and activities</li> </ul>  <i>Events</i> <ul style="list-style-type: none"> <li>Attendance Increase total annual event participation by 10%, increase average participation in our top events</li> </ul>	Libraries          Cultural Facilities          Libraries/Cultural Facilities/Strategic Planning	
	Dual naming project to recognise Aboriginal names for eight sites	Interpretive signage and on line resources complete	Strategic Planning / Libraries / Infrastructure Planning	
	In consultation, develop a strategic discussion paper to inform a future focussed Strategic Plan for Libraries and an infrastructure plan	Strategic Plan and Infrastructure Plan		
	Align and integrate 2017 programs, partnerships and events calendar to the Community Strategic Plan 2030 and the Cultural and Social strategies.	Integrated Program	Libraries/Cultural Facilities/Strategic Planning	
	<ul style="list-style-type: none"> <li>Safe and activated places that are used by people day and night</li> </ul>	Park safe, stay safe initiative	Visible signage	Regulatory Services
		<b>C3. Caring and inclusive community</b> <ul style="list-style-type: none"> <li>Deliver on the community development projects including Youth week and Seniors week</li> <li>Deliver the Community Assistance and Make Your Place grant programs annually</li> </ul>	Youth Week grant program delivered annually. Seniors Week guide coordinated Number of Community projects funded annually through grant programs	Strategic Planning
Provide access to technology and internet through Library PCs complemented by wifi network. This technology will be supported by regular training sessions at various sites.	Number of sessions providing internet access	Libraries		
<ul style="list-style-type: none"> <li>Increase programming of works by Aboriginal and Torres Strait Island Peoples</li> <li>Actively invest in programming and communications targeted to young people</li> </ul>	3 shows to be presented per year Grow young people audience (16-30) by 10%	Cultural Facilities		
Position and promote City Hall as an accessible and multi-use venue with diverse hiring potential for local, regional and national clients	Customer satisfaction feedback	Cultural Facilities		
Hold and participate in companion animal education and awareness programs including events, education sessions and micro chipping days	To hold one event approximately every 3 months at various locations within the LGA	Regulatory Services		
<b>C4. Liveable and distinctive build environment</b> <ul style="list-style-type: none"> <li>A build environment that maintains and enhances our sense of identity</li> </ul>	Maintain Council's urban planning framework incorporating the Local Planning Strategy (2015), the Local Environmental Plan 2012 (LEP) Development Control Plan (DCP) and Section 94 plans Deliver the Local Planning Strategy short term actions(2015) (LPS) Amend the LEP and DCP consistent with the LPS and the Hunter Regional Strategy	Wickham Master Plan adopted and implementation plan in place Short term actions in the LPS including review of the land use table and affordable living plan completed Planning proposals and DCP updates completed consistent with strategic framework and with appropriate community input	Strategic Planning	
	Implement Public Art Management Framework and adopt new Public Art Policy	Adopted Policy	Cultural Facilities	
<b>C5. Smart and Innovative City</b> <ul style="list-style-type: none"> <li>A thriving city that attracts people to live, work, invest and visit</li> </ul>	Deliver 'Smart City' strategy and the Hunter II Project	Strategy adopted and implementation plan in place Deliver the Hunter Innovation Project with key partners University of Newcastle, Newcastle NOW, Hunter DiGIT and NSW State Government	Strategic Planning	
	Promote Newcastle as a visitor and event destination to drive economic growth and investment - Continue to deliver the Newcastle Destination Management Plan	No. people and expenditure through Event Sponsorship (figures provided through the Events Sponsorship Program, and the Newcastle Convention Bureau)	Strategic Planning	
	Implement Council Support of Sustainable Arts and Cultural Organisations in Newcastle Policy	Contract two programming partnerships	Cultural Facilities	
	Deliver sponsorship and grant programs annually <ul style="list-style-type: none"> <li>Economic Development</li> <li>Events</li> </ul>	<ul style="list-style-type: none"> <li>Funds allocated and acquittal reports received</li> <li>Number of projects</li> <li>And participants</li> </ul>	Strategic Planning	

Key Objective	What we will do	Measuring our success	Responsibility
		<ul style="list-style-type: none"> <li>\$ return on investment</li> </ul>	
	Extend STEAM program and activities to the Library programming and implement collaborative high tech spaces on first floor of War Memorial Cultural Centre including a makerspace	No. people and expenditure through Event Sponsorship (figures provided through the Events Sponsorship Program, and the Newcastle Convention Bureau)	Cultural Facilities
	Continue to promote the Library in your pocket, the library app offers members the opportunity to access E-resources such as Ebooks, E-audio, Mag	increase the % membership per population by 5%; increase the number /% members who have used eresources and the App; increase the number of loans/ sessions by 10% of loan statistics	Cultural Facilities & Libraries
<b>C7.Promote community engagement</b>  <ul style="list-style-type: none"> <li>Deliver on key projects determined as the priorities for the community</li> </ul>	Inclusive engagement <ul style="list-style-type: none"> <li>Extensive community engagement strategy for the development of the Community Strategic Plan</li> <li>Engage with the community through the Youth Council and Guraki Committee</li> </ul>	<ul style="list-style-type: none"> <li>CSP adopted by Council June 2018</li> <li>CSP that fully supports service level feedback from the community</li> </ul>	Strategic Planning
	Continue commitment to Hunter Street and city centre revitalization	<ul style="list-style-type: none"> <li>Out puts from project</li> <li>\$ value of development applications</li> <li>City centre visitation</li> </ul>	Strategic Planning
	Establish Newcastle Art Gallery Reference Group	Appoint of reference group in line with approved Charter following expression of interest process, and meeting monthly	Cultural Facilities
	Continuing to deliver program of Cultural Conversations with local Aboriginal and Torres Strait Islander	Four Cultural Conversations per year	Cultural Facilities
	Complete public domain plans	Plans completed	Strategic Planning
S2. Provide a protected and enhanced environment	Protect the natural environment and public health by <ul style="list-style-type: none"> <li>Manage contaminated land information</li> <li>Proactively monitoring and regulating onsite sewage management system to minimise the risk of water pollution and public health impacts</li> </ul>	<ul style="list-style-type: none"> <li>Well maintained land information data</li> <li>Annual sewage inspection program conducted.</li> </ul>	
<b>I2. Provide better and more efficient services to customers through the implementation of improved systems and process</b>	Establish effective wifi services across all Cultural Facilities	Services installed and operational no later than June 2018	Cultural Facilities
	Improve online Services by December 2017	Improve customer satisfaction to highly satisfied	Libraries
	Investigation of an online tracking system for Development Applications (DA's)	Approach & Implementation Plan	Development and Building
<b>P1. Ensure a strong organization that has the skills and talent to support the delivery of services that meet community needs</b>	Continue to be among the top 20 performing Council's in Development Application	<ul style="list-style-type: none"> <li>Maximum active DA's maintained below 350.</li> <li>75% of all applications are to have a medium net assessment time of less than 40 days.</li> <li>50% of all applications are to have a gross assessment time of less than 40 days.</li> <li>75% of all applications to JRPP have a net assessment time of less than 90 days.</li> <li>No DA's older than 360 days.</li> <li>Maintain officer DA workload of less than 30 DA's/Officer.</li> <li>Pre-assessment and site visits of DA's completed within 21 days of receipt .</li> </ul>	Development and Building

# Planning and Regulatory

	Director	Development and Building	Strategic Planning	Regulatory Services	Cultural Facilities	Libraries	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>									
Rates and charges			1,209				1,209	1,203	0%
User charges and fees		3,068	1,179	7,987	2,994	212	15,440	14,459	7%
Interest									0%
Other operating revenues			126	3,215	1,262	456	5,059	5,083	0%
Grants and contributions - Operating			68		203	406	677	603	12%
<b>Total Operating Revenue</b>	<b>0</b>	<b>3,068</b>	<b>2,582</b>	<b>11,202</b>	<b>4,459</b>	<b>1,074</b>	<b>22,385</b>	<b>21,348</b>	<b>5%</b>
<b>Operating Expenses</b>									
Employee costs	388	4,644	4,507	4,133	5,480	5,211	24,363	22,974	6%
Borrowing costs									0%
Materials and contracts	29	506	4,345	1,728	3,321	1,428	11,357	9,650	18%
Depreciation and amortisation			329	463	2,731	1,661	5,184	4,992	0%
Other operating expenses	4	21	1,822	957	772	331	3,907	3,629	8%
Net Loss from disposal of assets									0%
Internal Charges	(420)	3,678	2,133	2,616	3,879	3,227	15,113	13,564	11%
<b>Total Operating Expenses</b>	<b>1</b>	<b>8,849</b>	<b>13,136</b>	<b>9,897</b>	<b>16,183</b>	<b>11,858</b>	<b>59,924</b>	<b>54,809</b>	<b>9%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>(5,781)</b>	<b>(10,554)</b>	<b>1,305</b>	<b>(11,724)</b>	<b>(10,784)</b>	<b>(37,539)</b>	<b>(33,461)</b>	<b>12%</b>

# 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 Business 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, organisational aspirations and relevant legislation.

	Administration	Building	Development	Business Support	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>							
Rates and charges							0%
User charges and fees	40	1,435	1,592	1	3,068	2,848	8%
Interest							0%
Other operating revenues							0%
Grants and contributions - Operating							0%
<b>Total Operating Revenue</b>	<b>40</b>	<b>1,435</b>	<b>1,592</b>	<b>1</b>	<b>3,068</b>	<b>2,848</b>	<b>8%</b>
<b>Operating Expenses</b>							
Employee costs	562	1,343	2,072	667	4,644	4,458	4%
Borrowing costs							0%
Materials and contracts	110	86	301	9	506	404	25%
Depreciation and amortisation						1	0%
Other operating expenses	2	8	11		21	10	110%
Net Loss from disposal of assets							0%
Internal Charges	91	2,174	2,089	(676)	3,678	3,956	-7%
<b>Total Operating Expenses</b>	<b>765</b>	<b>3,611</b>	<b>4,473</b>	<b>0</b>	<b>8,849</b>	<b>8,829</b>	<b>0%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(725)</b>	<b>(2,176)</b>	<b>(2,881)</b>	<b>1</b>	<b>(5,781)</b>	<b>(5,981)</b>	<b>-3%</b>

# Cultural Facilities

## Business unit profile

- Newcastle Museum is an accessible and engaging cultural institution in a stunning heritage building located 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 Region.
- 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.
- 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 presents the Civic Subscription Season, a diverse program of shows hand-picked to inspire, challenge and entertain local audiences.
- 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.
- 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 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 will deliver a diverse, exciting and community enriching performing arts program.
- We will continue to actively market and commercially hire our venue offerings to drive revenue.
- We will maintain a high level of customer service and professional standards in all aspects of our functions and events business to ensure client satisfaction and repeat business.

	Administration	Art Gallery	Major Venues	Museum	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>							
Rates and charges							0%
User charges and fees	669	255	1,723	347	2,994	2,656	13%
Interest							0%
Other operating revenues	196	35	974	57	1,262	1,245	1%
Grants and contributions - Operating		145	50	8	203	151	34%
<b>Total Operating Revenue</b>	<b>865</b>	<b>435</b>	<b>2,747</b>	<b>412</b>	<b>4,459</b>	<b>4,052</b>	<b>10%</b>
<b>Operating Expenses</b>							
Employee costs	1,574	1,118	1,703	1,085	5,480	5,304	3%
Borrowing costs							0%
Materials and contracts	1,308	553	963	497	3,321	2,560	30%
Depreciation and amortisation	1,107	366	816	442	2,731	2,714	1%
Other operating expenses	133	218	301	120	772	924	-16%
Net Loss from disposal of assets							0%
Internal Charges	(848)	1,417	1,741	1,569	3,879	3,819	2%
<b>Total Operating Expenses</b>	<b>3,274</b>	<b>3,672</b>	<b>5,524</b>	<b>3,713</b>	<b>16,183</b>	<b>15,321</b>	<b>6%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(2,409)</b>	<b>(3,237)</b>	<b>(2,777)</b>	<b>(3,301)</b>	<b>(11,724)</b>	<b>(11,269)</b>	<b>4%</b>

# Libraries

## Business unit profile

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

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.

In partnership with Civic Digest, the library provides access to the Library's full digital collections along with other digital content and access to cutting edge technology.

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 offer targeted and inclusive programs and events to lead the community in lifelong learning activities.

## Key objectives

Newcastle Region Library will finalise key actions from the Library Review and Strategic Plan 2012-2016 and relevant Council strategies. In the revised Strategic Plan, Newcastle Region Library outlines a vision for "Creating an informed, engaged and connected community."

The Strategic Plan supports key objectives of the CSP through:

- The provision of a comprehensive, contemporary library service to the community
- The maintenance and development of facilities to provide welcoming, activated spaces which are accessible, comfortable and appealing for all sections of the community
- The development and promotion of our cultural heritage through a well resourced Local History section
- Targeted and inclusive programs to support physical, mental and spiritual wellbeing.
- Innovative learning activities for children, youth, adults and seniors to actively support Smart City initiatives
- Supporting the principles of strong partnerships to improve community participation and outcomes in lifelong learning, civic and social engagement.

	Administration	Collection Management	City Libraries	New Lambton Libraries	Wallsend Libraries	Community Support	Digital Services	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating Revenue</b>										
Rates and charges										0%
User charges and fees	7		53	32	68	48	4	212	212	0%
Interest										0%
Other operating revenues	451					5		456	460	-1%
Grants and contributions - Operating	402					4		406	390	4%
<b>Total Operating Revenue</b>	<b>860</b>	<b>0</b>	<b>53</b>	<b>32</b>	<b>68</b>	<b>57</b>	<b>4</b>	<b>1,074</b>	<b>1,062</b>	<b>1%</b>
<b>Operating Expenses</b>										
Employee costs	882	363	826	17	856	1,487	780	5,211	5,036	3%
Borrowing costs										0%
Materials and contracts	593	232	27	18	84	196	278	1,428	1,494	-4%
Depreciation and amortisation	102		1,193	53	309		4	1,661	1,501	11%
Other operating expenses	26	54	88	24	84	53	2	331	310	7%
Net Loss from disposal of assets										0%
Internal Charges	(1,602)	332	1,181	431	1,015	1,257	613	3,227	2,789	16%
<b>Total Operating Expenses</b>	<b>1</b>	<b>981</b>	<b>3,315</b>	<b>543</b>	<b>2,348</b>	<b>2,993</b>	<b>1,677</b>	<b>11,858</b>	<b>11,130</b>	<b>7%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>859</b>	<b>(981)</b>	<b>(3,262)</b>	<b>(511)</b>	<b>(2,280)</b>	<b>(2,936)</b>	<b>(1,673)</b>	<b>(10,784)</b>	<b>(10,068)</b>	<b>7%</b>

# Regulatory Services

## Business unit profile

Use the most appropriate enforcement or compliance tools to address the most significant problems to achieve the best outcomes as 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 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>							
Rates and charges							0%
User charges and fees		576	7,146	265	7,987	7,563	6%
Interest							0%
Other operating revenues		27		3,188	3,215	3,182	1%
Grants and contributions - Operating							0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>603</b>	<b>7,146</b>	<b>3,453</b>	<b>11,202</b>	<b>10,745</b>	<b>4%</b>
<b>Operating Expenses</b>							
Employee costs	317	1,215	670	1,931	4,133	3,941	5%
Borrowing costs							0%
Materials and contracts	56	75	840	757	1,728	1,712	1%
Depreciation and amortisation	1		446	16	463	447	4%
Other operating expenses	11	8	161	777	957	914	5%
Net Loss from disposal of assets							0%
Internal Charges	(386)	538	1,025	1,439	2,616	2,404	9%
<b>Total Operating Expenses</b>	<b>(1)</b>	<b>1,836</b>	<b>3,142</b>	<b>4,920</b>	<b>9,897</b>	<b>9,418</b>	<b>5%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>(1,233)</b>	<b>4,004</b>	<b>(1,467)</b>	<b>1,305</b>	<b>1,327</b>	<b>-2%</b>

# 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 CSP, 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
- Deliver responsive and best practice community services, strategies and events within legislative and Council requirements
- Oversee the management of Beresfield Child Care Centre within legislative requirements
- Partner with local community and businesses to deliver leisure, visitor, events and economic development opportunities.

	Administration	Business Improvement	Child Care	Community	Economic	Urban Planning	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>									
Rates and charges		1,209					1,209	1,203	0%
User charges and fees			995		31	153	1,179	1,180	0%
Interest									0%
Other operating revenues			72	4	50		126	196	-36%
Grants and contributions - Operating			15	53			68	62	10%
<b>Total Operating Revenue</b>	<b>0</b>	<b>1,209</b>	<b>1,082</b>	<b>57</b>	<b>81</b>	<b>153</b>	<b>2,582</b>	<b>2,641</b>	<b>-2%</b>
<b>Operating Expenses</b>									
Employee costs	374		1,085	712	1,420	916	4,507	3,862	17%
Borrowing costs									0%
Materials and contracts	348		124	376	3,183	314	4,345	3,452	26%
Depreciation and amortisation	25		192	110	2		329	329	0%
Other operating expenses		1,209	22	135	456		1,822	1,467	24%
Net Loss from disposal of assets									0%
Internal Charges	(747)		798	558	1,023	501	2,133	1,000	113%
<b>Total Operating Expenses</b>	<b>0</b>	<b>1,209</b>	<b>2,221</b>	<b>1,891</b>	<b>6,084</b>	<b>1,731</b>	<b>13,136</b>	<b>10,110</b>	<b>30%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,139)</b>	<b>(1,834)</b>	<b>(6,003)</b>	<b>(1,578)</b>	<b>(10,554)</b>	<b>(7,469)</b>	<b>41%</b>

# Corporate Services

Key Objective	What we will do
<b>C6. Provide quality and cost-efficient services to the community</b>	Develop updated Community Strategic Plan (CSP) (to 2030) and new Delivery Program (2018-2022) which optimizes community service outcomes and needs in line with community rates expectations and is financially sustainable
<b>S1. Maintain a net operating surplus to ensure Financial Sustainability</b> <ul style="list-style-type: none"> <li>• Achieve at least a 2.7% net funding surplus</li> <li>• Grow non-rate based funding</li> <li>• Make decisions that are financially sustainable.</li> </ul>	Develop a Operational Plan 17/18 which supports Newcastle City Council's commitments  Operating surplus of \$5.1 million for Financial year (FY) 17/18  Grant Management - Improved alignment of grant applications to Councils strategic goals and improve success rate targeted grant applications
<b>S3. Maintain a strong cash and liquidity position to ensure financial sustainability</b>	Improve investment performance of Councils Reserve funds within agreed risk parameters and policy constraints
<b>S4. Renew and maintain assets within a sustainable range</b> <ul style="list-style-type: none"> <li>• Reduce Council's infrastructure backlog to 2% of asset value by 2021</li> </ul>	Optimise sequencing of asset renewal and maintenance to reduce cost of delivery and increase capacity to complete the capital works program - Improve data for decision support capabilities  Effective Portfolio Management - Ensure capital works program is aligned to strategic priorities and delivers to both service level and financial sustainability objectives
<b>I2. Provide better and more efficient services to customers through the implementation of improved services</b>	Improve quality and efficiency of front line services to the community

Measuring our success	Responsibility
CSP fully supports service level feedback from community CSP objectives are reflected in an updated LTFP	Strategic Planning, Infrastructure Planning, Finance, Communication & Engagement
LTFP demonstrates Council is sustainable and financial fit for the future	Finance
FY 17/18 financial performance is consistent with the LTFP projects	Finance
All grant applications are budgeted, receive approval in line with DLA's and are aligned to Councils strategic objectives (100% compliance)	Finance
Implement Revised Investment Policy which provides more flexible investment options Investment return in excess of +.05% than UBS Australia bank bill index	Finance
Improve data collection with the implementation of the PPM Implement a Multiyear planning process Leverage ERP to improve process	Infrastructure Planning, Projects & Contracts, Civil Works & Finance
All projects align to strategic objectives Asset Renewal & Maintenance program meets sustainable targets for FY18 Special Projects delivery remains ahead of special rates received.	Infrastructure Planning, Projects & Contracts, Civil Works & Finance
Feedback surveys, No. of calls/ contacts per EFT	Customer Service

# Corporate Services

	Director	Finance	Property Services	Customer Service	Legal and Governance	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>								
Rates and charges		134,043	60			134,103	123,845	8%
User charges and fees		502	3,000	388	12	3,902	3,584	9%
Interest		8,723				8,723	8,000	9%
Other operating revenues		370	2,489		72	2,931	2,997	-2%
Grants and contributions - Operating		11,383				11,383	12,237	-7%
<b>Total Operating Revenue</b>		<b>155,021</b>	<b>5,549</b>	<b>388</b>	<b>84</b>	<b>161,042</b>	<b>150,663</b>	<b>7%</b>
<b>Operating Expenses</b>								
Employee costs	479	3,063	989	3,752	2,121	10,404	9,769	7%
Borrowing costs		3,448	59			3,507	3,644	-4%
Materials and contracts	71	791	1,893	841	817	4,413	4,373	1%
Depreciation and amortisation		1	328	19	53	401	395	2%
Other operating expenses		3,762	472	2	2,747	6,983	7,080	-1%
Net Loss from disposal of assets								0%
Internal Charges	(551)	(5,648)	1,418	(4,194)	(5,738)	(14,713)	(20,638)	-29%
<b>Total Operating Expenses</b>	<b>(1)</b>	<b>5,417</b>	<b>5,159</b>	<b>420</b>	<b>0</b>	<b>10,995</b>	<b>4,623</b>	<b>138%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>149,604</b>	<b>390</b>	<b>(32)</b>	<b>84</b>	<b>150,047</b>	<b>146,040</b>	<b>3%</b>

# Finance

## Business unit profile

The primary roles of the Finance function are:

- assisting Council to apply funds in a manner which provides the greatest value to the community
- ensuring that Council complies with all financial and reporting obligations, accurately reflects Council's financial position and prudently manages Council's finances in both the short and long term for the benefit of ratepayers and in accordance with the annual budgets developed under the IPandR 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 Business Unit reports progress against the Operational Plan, identifies and assesses changes to the Operational Plan, assists in the collection of Council revenues (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 within Council. Based on this, the Business Unit will focus on the following objectives:

Ensure all stakeholders (community, councillors, management and staff) are aware of Council's financial position and how Council funds services and maintains a path towards long term financial sustainability. This includes:

- promoting and facilitating a strong value (service versus cost) mindset across Council with a focus on supporting community needs in the most effective and efficient manner (optimal use of ratepayer funds)
- promoting the development of and compliance with a delivery program and associated operational plan which will ensure Council achieves long term financial sustainability while supporting community service priorities and expectations (governance).

	Administration	Corporate Finance	Rates and Debt	Business Finance	Corporate Unallocable	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>								
Rates and charges					134,043	134,043	123,845	8%
User charges and fees			292		210	502	491	2%
Interest					8,723	8,723	8,000	9%
Other operating revenues					370	370	444	-17%
Grants and contributions - Operating					11,383	11,383	12,237	-7%
<b>Total Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>292</b>	<b>0</b>	<b>154,729</b>	<b>155,021</b>	<b>145,017</b>	<b>7%</b>
<b>Operating Expenses</b>								
Employee costs	294	1,355	764	2,240	(1,590)	3,063	3,937	-22%
Borrowing costs					3,448	3,448	3,576	-4%
Materials and contracts	5	44	49	75	618	791	860	-8%
Depreciation and amortisation				1		1	2	-50%
Other operating expenses	1	4	1	8	3,748	3,762	3,742	1%
Net Loss from disposal of assets								0%
Internal Charges	(300)	(1,403)	753	(686)	(4,012)	(5,648)	(12,828)	-56%
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>1,567</b>	<b>1,638</b>	<b>2,212</b>	<b>5,417</b>	<b>(711)</b>	<b>-862%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,275)</b>	<b>(1,638)</b>	<b>152,517</b>	<b>149,604</b>	<b>145,728</b>	<b>3%</b>

# Property Services

## Business unit profile

Commercial Property Services provides property services to the Council with the aim to maximise value and returns from our property portfolio and internal occupation. This is achieved by:

- Providing advice on all sales, acquisitions and valuations
- Executing sales of surplus property assets
- Managing the commercial portfolio to improve returns
- Assist with community leasing and management
- Giving guidance on corporate real estate matters
- Supporting the organisation by providing a rent roll service.

## Key objectives

### **Continuing disposal of surplus assets to fund maintenance backlog**

- establishing a pipeline of possible surplus assets via the Asset Review Implementation Process (ARIP)
- work with other Council land managers to review assets via the Internal Review of Council Land process
- bring surplus assets to Asset Advisory Committee meetings and to elected Council
- execute sales strategies with funds to be allocated as per Council Resolutions.

### **Maximising returns on the Commercial portfolio**

- Analyse return on investment on leased assets
- Review leases and establish strategies to improve returns
- Where possible put in place new net leases at market rates
- Ensure optimal returns on rent reviews and options.

### **Review Corporate Real Estate Requirements**

- Review the needs and requirements of Council over the medium to long term
- Assess the suitability of the current portfolio for such needs
- Work with consultants to find solutions to improve outcomes
- Assist with implementation of the plans in conjunction with Infrastructure Planning.

	Administration	Leasing	Enterprises and Roads	Strategic Projects	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>							
Rates and charges			60		60		0%
User charges and fees			3,000		3,000	2,700	11%
Interest							0%
Other operating revenues		2,448	41		2,489	2,482	0%
Grants and contributions - Operating							0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>2,448</b>	<b>3,101</b>	<b>0</b>	<b>5,549</b>	<b>5,182</b>	<b>7%</b>
<b>Operating Expenses</b>							
Employee costs	279	198	232	280	989	933	6%
Borrowing costs			59		59	68	-13%
Materials and contracts	62	332	1,439	60	1,893	1,978	-4%
Depreciation and amortisation	2	118	208		328	378	-13%
Other operating expenses	8	320	143	1	472	470	0%
Net Loss from disposal of assets							0%
Internal Charges	(351)	899	501	369	1,418	1,036	37%
<b>Total Operating Expenses</b>	<b>0</b>	<b>1,867</b>	<b>2,582</b>	<b>710</b>	<b>5,159</b>	<b>4,863</b>	<b>6%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>581</b>	<b>519</b>	<b>(710)</b>	<b>390</b>	<b>319</b>	<b>22%</b>

# 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 email
- working with business units to identify, plan and implement ways for a broad range of customers' needs and enquiries to be resolved in a timely manner
- recording and archiving council interactions, documents and artefacts
- Supporting the organisation by providing high quality efficient print services.

## Key objectives

### Customer service excellence

- Continually improve the customer service focus of the organisation through process improvement
- Refine coaching and training efforts to build a strong and capable customer service team
- Continue to improve performance against key customer metrics
- Continue to promote an organisation-wide customer centric culture that is committed to minimising customer effort.

### Ensure awareness and compliance with records management

- 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 is financially sustainable and serving both Council and the community.

	Administration	Digital Print	Records	Customer Service	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>							
Rates and charges							0%
User charges and fees		387		1	388	381	2%
Interest							0%
Other operating revenues							0%
Grants and contributions - Operating							0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>387</b>	<b>0</b>	<b>1</b>	<b>388</b>	<b>381</b>	<b>2%</b>
<b>Operating Expenses</b>							
Employee costs	204	245	644	2,659	3,752	3,189	18%
Borrowing costs							0%
Materials and contracts	1	334	409	97	841	838	0%
Depreciation and amortisation		6	13		19		0%
Other operating expenses		1		1	2	2	0%
Net Loss from disposal of assets							0%
Internal Charges	(206)	(165)	(1,066)	(2,757)	(4,194)	(3,648)	15%
<b>Total Operating Expenses</b>	<b>(1)</b>	<b>421</b>	<b>0</b>	<b>0</b>	<b>420</b>	<b>381</b>	<b>10%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>(34)</b>	<b>0</b>	<b>1</b>	<b>(32)</b>	<b>0</b>	<b>0%</b>

# Legal and Governance

## Business unit profile

- Enable considered and informed decision-making through the provision of professional legal compliance, insurance, risk management, business improvement, governance and Council / executive support services
- Develop and promote policies, plans and frameworks to ensure the organisation can provide open and collaborative leadership, improved service delivery and 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
- Provide open and transparent access to information and public forums such as Public Voice and Briefing Committees
- Manage risk management and 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
- Manage insurance claims made against Council and on behalf of Council.

	Administration	Risk and Insurance	Council and Legal	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>						
Rates and charges						0%
User charges and fees			12	12	12	0%
Interest						0%
Other operating revenues		71	1	72	71	1%
Grants and contributions - Operating						0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>71</b>	<b>13</b>	<b>84</b>	<b>83</b>	<b>1%</b>
<b>Operating Expenses</b>						
Employee costs	235	199	1,687	2,121	1,710	24%
Borrowing costs						0%
Materials and contracts	5	28	784	817	697	17%
Depreciation and amortisation			53	53	15	253%
Other operating expenses		2,181	566	2,747	2,866	-4%
Net Loss from disposal of assets						0%
Internal Charges	(240)	(2,408)	(3,090)	(5,738)	(5,198)	10%
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>-100%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>0</b>	<b>71</b>	<b>13</b>	<b>84</b>	<b>(7)</b>	<b>-1300%</b>

# Infrastructure

Key Objective	What we will do
<b>C1. Build a connected city</b>	Improve safety of roads through the implementation of pedestrian access and mobility planned projects and the Local area traffic management plan
	Improve bus stops, shelters and seating
	Provide cycleway education program
	Cycleway projects (increase integration and safety)
<b>C2. Create vibrant and activated public places</b>	Expand Sporting Facilities * Planning for a district sports and recreation complex to serve the long term needs of the growing western corridor  * Develop criteria to guide capital projects in particular sports field improvement projects
	Bathers way - upgrades
	Blackbutt Reserves - Richley Reserve Recreation Area Playground
	Plans for improvements to local and neighbourhood centres
	Foreshore Park Plan of Management Implementation
<b>C3. Provide a caring and inclusive community</b>	Construction of a playground and skate park at South Stockton Playground renewal and replacement at: <ul style="list-style-type: none"> <li>- Bull &amp; Touke st Reserve, Mayfield West</li> <li>- Grahame Park, Carrington</li> <li>- Smith Park, Hamilton North</li> <li>- Wallsend Park, Wallsend</li> </ul>
<b>C6. Provide quality and cost-effective service to the community</b>	Undertake an engagement strategy to bring services in line with community expectations
	Contain DWMS and BWMS charges in line with inflation whilst meeting recycling obligations
	Build future capacity at Summerhill Waste Management Centre
<b>C7. Promote community Engagement</b>	Work with the communication team to promote projects, initiatives and events to the community
	Consult the community of expected level of services provided
<b>S2. Provide a protected and enhanced environment</b>	Provide environment projects across the LGA on natural area reserves including street tree planting and the Urban forest program
Our unique natural environment is maintained, enhanced and connected	Deliver Water Quality Monitoring program
	Actively encourage and promote use of open space through junior ranger programs at Blackbutt, community planting days and volunteer groups
Greater efficiency in the use of resources	Expand Small Vehicle Recovery Centre
	Implement hazardous & difficult waste drop-off at: <ul style="list-style-type: none"> <li>- Summerhill</li> <li>- Libraries</li> </ul>
	Develop new education 'experience' for schools in cooperation with Hunter Waste Education Group (HWEG)
	Roll out new recycling and waste stations to all public beaches and foreshore areas
<b>S4. Renew and maintain assets within a sustainable range</b>	Develop and deliver a capital works program that targets infrastructure backlog reduction and asset renewal
Reduce Council's infrastructure backlog to 2% of asset value by 2021	Document and implement Levels of Service that are able to be sustained into the future
<b>I2. Provide better and more efficient services to customers through the implementation of improved services</b>	Develop and improve mobile systems that support field staff
<b>P4. Maintain safe work practices and systems</b>	Expand Quality, Safety & Environmental (QSE) approach in Civil Works operations
<b>P3. Deliver an effective workforce management strategy</b>	Recruit and train Apprentices, Undergraduates and Graduate Engineers on four year programs

Measuring our success	Responsibility
Maintain community satisfaction levels of 3.2 or higher for	Infrastructure Planning, Projects & Contracts, & Civil Works
- Roads	
- Footpaths	
- Streets and commercial area cleaning	
Expansion of cycleways network (Kms)	
Report to Council	Facilities & Recreation
Liaison with various groups across multiple codes of infrastructure	
% of Bathers Way complete	Projects & Contracts
Playground built and customer satisfaction	Infrastructure Planning
Finalise Project plans and prioritise works for Stockton, Beresfield, Wallsend and Llewellyn street	Infrastructure Planning
Pathway improvements and Tree plantings	Facilities and Recreation
Design and community consultation complete	Projects & Contracts Facilities & Recreation Infrastructure Planning
Community Engagement Strategy undertaken in July 2017	Infrastructure Planning
Contain increments to DWMS and BWMS to CPI (excluding waste levy)	Waste Management
Completion of Cell 9 project	Projects & Contracts
Number of communications	Facilities & Recreation, Projects & Contracts Infrastructure Planning
Survey completed	Infrastructure Planning
No. of trees planted annually, m2 of natural area management, Delivery of Urban Forest planting project	Facilities & Recreation
update data annually	Civil Works Infrastructure Planning
No. of activities held at Blackbutt, No. of volunteer hours	Facilities & Recreation
Complete building expansion	Projects & Contracts
Complete	Waste Management
Program developed	Waste Management
New stations delivered and installed	Waste Management
Reduce backlog in high priority areas by \$3 million; Complete planning for Cottage Creek bridge replacement	Infrastructure Planning/Civil Works/ Projects & Contracts
Service Asset Plans in place Asset renewal program maintains a 80:20 ratio on asset renewal to new Deliver 95% of annual renewal program	Infrastructure Planning
Introduction of improved systems for field staff	Infrastructure Planning/Civil Works
Improved outcomes	Civil Works
Staff in place	Infrastructure Planning/Civil Works

# Infrastructure

	Director	Infrastructure Planning	Civil Works	Projects and Contracts	Facilities and Recreation	Waste Management	Adopted 2017/18	Adopted 2016/17	Var (%)
<b>Operating revenue</b>									
Rates and charges			87			19,967	20,054	19,893	1%
User charges and fees		179	4,791	1	1,297	31,287	37,555	37,666	0%
Interest									0%
Other operating revenues			51		227	343	621	593	5%
Grants and contributions - Operating		2,197	1,181		18	300	3,696	3,711	0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>2,376</b>	<b>6,110</b>	<b>1</b>	<b>1,542</b>	<b>51,897</b>	<b>61,926</b>	<b>61,863</b>	<b>0%</b>
<b>Operating Expenses</b>									
Employee costs	414	8,766	16,293	1,815	14,895	6,822	49,005	46,556	5%
Borrowing costs									0%
Materials and contracts	54	10,263	3,518	962	9,568	13,111	37,476	35,466	6%
Depreciation and amortisation	6	20,656	4,471	1	5,201	2,668	33,003	32,459	2%
Other operating expenses	2	3,898	1,054	16	1,487	23,585	30,042	29,430	2%
Net Loss from disposal of assets		4,301					4,301	1,846	133%
Internal Charges	(475)	6,069	8,875	794	2,763	(556)	17,470	25,264	-31%
<b>Total Operating Expenses</b>	<b>1</b>	<b>53,953</b>	<b>34,211</b>	<b>3,588</b>	<b>33,914</b>	<b>45,630</b>	<b>171,297</b>	<b>171,021</b>	<b>0%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(1)</b>	<b>(51,577)</b>	<b>(28,101)</b>	<b>(3,587)</b>	<b>(32,372)</b>	<b>6,267</b>	<b>(109,371)</b>	<b>(109,158)</b>	<b>0%</b>

# Infrastructure Planning

## Business unit profile

- Manage the Asset Planning process;
- Plan the delivery of major capital works, including SRV, public domain, environmental, water cycle, and transport related asset projects;
- Plan the 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 service
- Provide a surveying and CAD service.

## Key objectives

### Provide a level of quality customer service that provide value for money

- Engage with the Newcastle community on infrastructure works and value of key services
- Link customer service standards to cost of service for more informed decision making
- Build strong relationships with key stakeholders to ensure commitment to the project (eg. Projects and Contracts and Civil works).

### Renew and maintain assets within a sustainable range

- Plan works for key special rates projects (Coastal Revitalisation, Bathers way, Blackbutt and cycleways)
- Plan key public domain, environmental, water cycle, and transport related asset projects
- Review Asset Policy, Asset Strategy and Asset Management Plan to ensure linkages with the IP&R process
- Reduce Council's infrastructure backlog in priority area.

### 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.

### Build our capacity to optimise asset renewal and rehabilitation process

- Improve data collection with the implementation of the PPM
- Implement a multi-year planning process
- Leverage ERP to improve processes.

	Administration	Survey	Traffic	Asset Management	Planning	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>								
Rates and charges								0%
User charges and fees			179			179	63	184%
Interest								0%
Other operating revenues								0%
Grants and contributions - Operating	454			1,743		2,197	2,154	2%
<b>Total Operating Revenue</b>	<b>454</b>	<b>0</b>	<b>179</b>	<b>1,743</b>	<b>0</b>	<b>2,376</b>	<b>2,217</b>	<b>7%</b>
<b>Operating Expenses</b>								
Employee costs	928	209	630	5,765	1,234	8,766	8,984	-2%
Borrowing costs								0%
Materials and contracts	139	58	76	9,758	232	10,263	7,682	34%
Depreciation and amortisation	5	29	1	20,621		20,656	19,632	5%
Other operating expenses	3,880	5	1	7	5	3,898	3,705	5%
Net Loss from disposal of assets				4,301		4,301	1,846	133%
Internal Charges	(4,099)	242	274	9,145	507	6,069	5,266	15%
<b>Total Operating Expenses</b>	<b>853</b>	<b>543</b>	<b>982</b>	<b>49,597</b>	<b>1,978</b>	<b>53,953</b>	<b>47,115</b>	<b>15%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(399)</b>	<b>(543)</b>	<b>(803)</b>	<b>(47,854)</b>	<b>(1,978)</b>	<b>(51,577)</b>	<b>(44,898)</b>	<b>15%</b>

# Facilities and Recreation

## Business unit profile

Facilities and Recreation provide and maintain a diverse variety of quality parkland, sportsgrounds, natural areas and community and recreation spaces that are accessible and responsive to the community's changing needs that aim to provide positive experiences for residents of and visitors to the LGA.

## Key objectives

- To provide management of passive, active open space and natural areas.
- Deliver environmental projects to improve Council's natural areas across the LGA.
- Provide a visitor experience to Blackbutt Reserve by ensuring a modern and interactive facility that promotes Blackbutt to the wider community and tourists.
- To provide construction, maintenance and preservation services that ensure Council's building and parks 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.
- Provision of clean, safe, customer focused and cost effective Community and Recreational facilities.
- To maintain the amenity of Council owned assets by prompt cleaning and graffiti services.

	Admin	Building Services	Trades	Beaches	Pool	Bush-land	Open Space	Parks	Com-munity Halls	Cem-eteries	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>													
Rates and charges													0%
User charges and fees				11	95	475	504		85	127	1,297	1,123	15%
Interest													0%
Other operating revenues	26						192		9		227	215	6%
Grants and contributions - Operating						15	3				18	33	-45%
<b>Total Operating Revenue</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>95</b>	<b>490</b>	<b>699</b>	<b>0</b>	<b>94</b>	<b>127</b>	<b>1,542</b>	<b>1,371</b>	<b>12%</b>
<b>Operating Expenses</b>													
Employee costs	200	1,537	4,167	1,598	199	1,052	996	4,994	69	83	14,895	13,885	7%
Borrowing costs													0%
Materials and contracts	49	153	4,739	174	933	959	115	2,296	74	76	9,568	10,065	-5%
Depreciation and amortisation	140	157	32	967	506	150	19	2,915	312	3	5,201	4,937	5%
Other operating expenses	2	330	65	102	111	47	33	770	25	2	1,487	1,536	-3%
Net Loss from disposal of assets													0%
Internal Charges	(341)	(2,176)	(2,125)	971	702	616	459	4,291	314	52	2,763	6,307	-56%
<b>Total Operating Expenses</b>	<b>50</b>	<b>1</b>	<b>6,878</b>	<b>3,812</b>	<b>2,451</b>	<b>2,824</b>	<b>1,622</b>	<b>15,266</b>	<b>794</b>	<b>216</b>	<b>33,914</b>	<b>36,730</b>	<b>-8%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(24)</b>	<b>(1)</b>	<b>(6,878)</b>	<b>(3,801)</b>	<b>(2,356)</b>	<b>(2,334)</b>	<b>(923)</b>	<b>(15,266)</b>	<b>(700)</b>	<b>(89)</b>	<b>(32,372)</b>	<b>(35,359)</b>	<b>-8%</b>

# Civil Works

## Business unit profile

- Provide efficient and effective maintenance and construction works for the City's civil and natural assets
- Deliver 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

- Maintain the current Safety Management Plan
- Foster a positive and professional cultural in the workforce
- Deliver a safe, environment and quality Integrated Management Plan.

### Deliver a cost effective service to Council and the community

- Plan works to deliver opportunities upfront
- Resource manage to maximise employee performance/productivity
- Internal cost versus outsourcing to provide better and more efficient services to the community
- Look at capacity and flexibility to deliver.

### Maintain assets to a sustainable level of maintenance

- Maintain strong relationships with key stakeholders (ie Infrastructure Planning, Facilities and Recreation) to ensure agreement and commitment on projects
- Establish service level agreements on each project.

	Adminis- tration	Road Mainte- nance	City- wide	Fleet and Work- shop	City Greening	Con- struction	Clas- sified Roads	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>										
Rates and charges			87					87	87	0%
User charges and fees		470			230		4,091	4,791	5,676	-16%
Interest										0%
Other operating revenues					51			51	50	2%
Grants and contributions - Operating			483	598		100		1,181	1,173	1%
<b>Total Operating Revenue</b>		<b>470</b>	<b>570</b>	<b>598</b>	<b>281</b>	<b>100</b>	<b>4,091</b>	<b>6,110</b>	<b>6,986</b>	<b>-13%</b>
<b>Operating Expenses</b>										
Employee costs	614	5,509	3,207	2,951	1,310	1,175	1,527	16,293	15,575	5%
Borrowing costs										0%
Materials and contracts	169	4,023	2,075	(8,578)	1,262	133	4,434	3,518	4,484	-22%
Depreciation and amortisation	66	5	7	4,370	19	2	2	4,471	4,613	-3%
Other operating expenses	2	33	39	952	11	15	2	1,054	1,030	2%
Net Loss from disposal of assets										0%
Internal Charges	(851)	3,303	2,245	692	905	1,451	1,130	8,875	11,222	-21%
<b>Total Operating Expenses</b>		<b>12,873</b>	<b>7,573</b>	<b>387</b>	<b>3,507</b>	<b>2,776</b>	<b>7,095</b>	<b>34,211</b>	<b>36,924</b>	<b>-7%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>		<b>(12,403)</b>	<b>(7,003)</b>	<b>211</b>	<b>(3,226)</b>	<b>(2,676)</b>	<b>(3,004)</b>	<b>(28,101)</b>	<b>(29,938)</b>	<b>-6%</b>

# Projects and Contracts

## Business unit profile

- Assist in the design, construction and delivery of projects within the Capital Works Program incorporating Smart City, energy, and resource efficient processes
- Provide multi-disciplinary Projects and Contracts Services and advice in order to deliver strategic, community, operational and capital infrastructure works, typically through contracts
- Provide specialist advice and guidance to staff in developing service specifications, managing tenders, negotiating contracts and contracts management
- Provide project management options enabling resource flexibility to assist in project planning and delivery of Council's Capital Works Program.
- Provide flexible resource options for project management and delivery through resource outsourcing, contracting and project management services
- Stewardship of Contracts Management and Project Management process frameworks.
- Manage the tendering process and subsequent finalisation of contracts
- Ensure compliance with tendering obligations under the Act, Local Government (General) Regulation 2005, the Office of Local Government Tendering Guidelines, Council's Procurement Policy and the Independent Commission Against Corruption Guidelines
- Provide a strategic approach to corporate procurement in terms of analysing procurement options, including third-party agency agreements
- Continue to develop and deliver energy and resource efficient projects including Smart City Projects as part of the Smart City Strategy and Hunter Innovation Project.

## Key objectives

- Manage the delivery of a diverse range of projects to ensure time, budget, scope, risk and quality requirements are met
- Implement project management systems and processes that align with program objectives and seek to promote flexibility and efficiency in improving project delivery

	Administra- tion	Contracts	Project Man- agement	Environmen- tal Projects	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>							
Rates and charges							0%
User charges and fees		1			1	1	0%
Interest							0%
Other operating revenues							0%
Grants and contributions - Operating							0%
<b>Total Operating Revenue</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0%</b>
<b>Operating Expenses</b>							
Employee costs	504	340	839	132	1,815	1,780	2%
Borrowing costs							0%
Materials and contracts	24	841	82	15	962	950	1%
Depreciation and amortisation				1	1	6	-83%
Other operating expenses	2	1	10	3	16	15	7%
Net Loss from disposal of assets							0%
Internal Charges	(531)	299	891	135	794	955	-17%
<b>Total Operating Expenses</b>	<b>(1)</b>	<b>1,481</b>	<b>1,822</b>	<b>286</b>	<b>3,588</b>	<b>3,706</b>	<b>-3%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>1</b>	<b>(1,480)</b>	<b>(1,822)</b>	<b>(286)</b>	<b>(3,587)</b>	<b>(3,705)</b>	<b>-3%</b>

# Waste Management

## Business unit profile

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

## Key objectives

- Maintain short to midterm surplus above LTFP targets
- Implement vehicle management software to identify and improve efficiencies in 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
- Finalise the construction of the new landfill containment cell at SWMC
- Identify key areas within Council and public areas that generate significant waste and implement changes to improve recycling, recovery and service efficiencies.

	Administration	Collection	Disposal	Recycling	Education	Public Place	Adopted 2017/18	Adopted 2016/17	Var(%)
<b>Operating revenue</b>									
Rates and charges	5,817	10,921	1,818	1,115	296		19,967	19,806	1%
User charges and fees		3,455	26,058	1,774			31,287	30,803	2%
Interest									0%
Other operating revenues	28	65		250			343	328	5%
Grants and contributions - Operating					300		300	351	-15%
<b>Total Operating Revenue</b>	<b>5,845</b>	<b>14,441</b>	<b>27,876</b>	<b>3,139</b>	<b>596</b>	<b>0</b>	<b>51,897</b>	<b>51,288</b>	<b>1%</b>
<b>Operating Expenses</b>									
Employee costs	1,209	3,113	1,107	707	461	225	6,822	6,021	13%
Borrowing costs									0%
Materials and contracts	773	6,276	2,089	3,386	483	104	13,111	12,232	7%
Depreciation and amortisation		265	2,401		2		2,668	3,263	-18%
Other operating expenses	23,488	68	19	4	5	1	23,585	23,143	2%
Net Loss from disposal of assets									0%
Internal Charges	(2,091)	5,820	(4,915)	643	(13)		(556)	1,888	-129%
<b>Total Operating Expenses</b>	<b>23,379</b>	<b>15,542</b>	<b>701</b>	<b>4,740</b>	<b>938</b>	<b>330</b>	<b>45,630</b>	<b>46,547</b>	<b>-2%</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(17,534)</b>	<b>(1,101)</b>	<b>27,175</b>	<b>(1,601)</b>	<b>(342)</b>	<b>(330)</b>	<b>6,267</b>	<b>4,741</b>	<b>32%</b>

# 2017/18 Project Appendix

Asset Renewal	2017/18 Budget (\$,000)
<b>Buildings, Structures and Places</b>	<b>18,825</b>
Blackbutt	45
Buildings - Council Support Services	1,688
Coastal Structures	3,050
Community Buildings	524
Cultural Facilities	2,860
Libraries	360
Public Toilets	1,412
Recreation Parks and Sporting Facilities	6,081
Retaining Walls	2,805
<b>Roads</b>	<b>19,607</b>
Bridges	2,225
Footpaths	1,946
Road Furniture	1,135
Road Resurfacing	3,050
Roads	11,251
<b>Transport</b>	<b>1,000</b>
Parking Infrastructure	1,000
<b>Stormwater</b>	<b>10,735</b>
Flood Planning	30
Stormwater Network	10,505
Stormwater Quality	200
<b>Environment</b>	<b>3,765</b>
Bushland , Open Spaces and Reserves	220
Coast, Estuary Watercourses and Wetlands	2,390
River/Cliff Stability	630
Street Trees	30
Waste Management	495
<b>Total Asset Renewal</b>	<b>53,932</b>

<b>Non - Infrastructure</b>	<b>2017/18 Budget (\$,000)</b>
<b>Buildings, Structures and Places</b>	<b>150</b>
Recreation Parks and Sporting Facilities	150
<b>Information Technology</b>	<b>4,385</b>
Implementation and Upgrade of Applications	2,530
Infrastructure Improvements	1,430
Strategic and Systems Analysis	425
<b>Strategic</b>	<b>1,000</b>
Smart City	650
Economic Development	350
<b>Fleet Replacement</b>	<b>3,645</b>
Fleet Replacement	3,645
<b>Minor Capital</b>	<b>1,552</b>
Art Gallery Works of Art	77
Library Resources	800
Parking Meter Replacement	100
Small purchases	575
<b>Total Non-Infrastructure</b>	<b>10,732</b>

# 2017/18 Project Appendix

2012 SRV Priority Projects	2017/18 Budget (\$,000)
<b>Hunter Street Revitalisation</b>	<b>1,486</b>
Project Management	211
East End Public Domain Plan	700
West End Public Domain Plan	50
Civic Public Domain Plan	35
Place activation initiatives	160
Revitalisation Newcastle	330
<b>Coastal Revitalisation</b>	<b>4,815</b>
Bar Beach Public Domain Plan	150
Bathers Way	3,750
Project Management	425
Playground Design	400
King Edward Park - Amenities	90
<b>Cycleways</b>	<b>2,407</b>
Mayfield Precinct	790
Innecity bike lanes	595
Development, Education and Promotion	260
Lambton Precinct	250
Shortland to Tarro design	200
National Park Precinct	160
Chatham Road	102
Foreshore Cycleway	50
<b>Blackbutt Reserve</b>	<b>1,905</b>
CARA Kiosk - Design	50
CARA Reptile House - Design	25
RRRA Administration Facilities	400
RRRA Amenities & Kiosk	320
RRRA Playground	1,000
Planning and Design	110
<b>Total 2012 SRV Priority Projects</b>	<b>10,613</b>

New / Upgrade	2017/18 Budget (\$,000)
Construction of Landfill Cell 09	5,050
Small Vehicle Recieveal Centre (SVRC)	3,250
Pedestrian Access Mobility Plan (PAMP)	2,657
SAPTRP - Street Tree Planting	1,000
Stormwater and Leachate Management	1,000
Local Area Traffic Management (LATM)	787
Boundary Rd Kotara- Council contribution for construction	350
Major Resource Recovery Facility (MRRF)	200
CP-Cycleways Investigation and Development	150
Wheelwash Upgrade (Mobile Unit)	150
Cycleways - JHH to Wallsend off-road pathway desig	100
Citywide - tree audit for all attributes - Stage 2 Area 2	90
Park and Street Tree - Life extension program	60
Stockton Beach Holiday Park	50
Citywide Tree - inspection and monitoring	30
Tuxford Park Upgrade - Voluntary Planning Agreement Works	27
Croudace Rd at Elermore Vale Public School-Kerb ex	25
Living Streets Campaign	20
Wickham Honour Board	20
<b>Total New / Upgrade</b>	<b>15,016</b>





