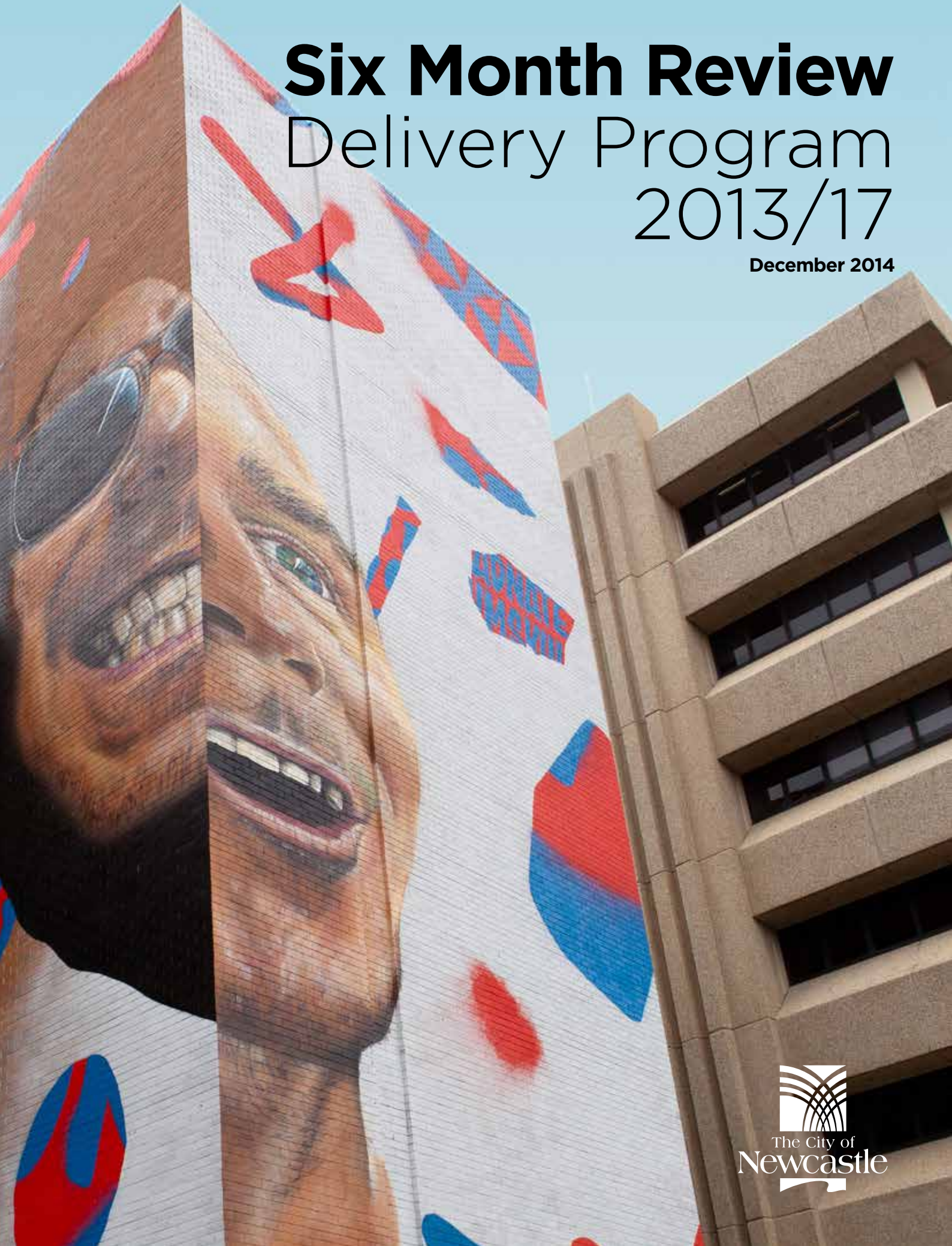


# Six Month Review Delivery Program 2013/17

December 2014



The City of Newcastle 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 Delivery Program contact: Finance Manger  
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#### **Published by**

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April 2015

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# ELECTED COUNCIL 2012-2016



**Cr Nuatali Nelmes**  
 Lord Mayor (Labor)  
 20 November 2014 - Current

## Ward 1

Bar Beach, Carrington, Cooks Hill, Islington, Maryville, Mayfield, Mayfield East, Mayfield West, Newcastle, Newcastle East, Newcastle West, Stockton, The Hill, The Junction (part), Tighes Hill, Warabrook, Wickham

## Ward 2

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

## Ward 3

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

## Ward 4

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





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**Cr David Compton** (Liberal)  
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---

THE CITY OF  
NEWCASTLE  
EMPLOYS  
MORE THAN  
900 STAFF  
AND IS  
RESPONSIBLE  
FOR  
PROVIDING  
SERVICES AND  
FACILITIES  
TO MORE  
THAN 155,000  
PEOPLE

---

# WHO WE ARE

**The City of Newcastle is comprised of two distinct parts: the elected Council and the administration.**

## Elected Council

Twelve councillors and the Lord Mayor make up the elected body of The City of Newcastle. The Newcastle local government area is divided into four wards, with each ward represented by three councillors who are elected for a four year term.

Under the *Local Government Act 1993*, councillors have a responsibility to:

- participate in the determination of the budget
- play a key role in the creation and review of Council policies, objectives and criteria relating to the regulatory functions, and
- review Council's performance and the delivery of services, management plans and revenue policies.

A councillor represents residents and ratepayers, provides leadership and guidance to the community, and facilitates communication between the community and Council. Council meets every third and fourth Tuesday of the month from February to November.

## The Administration

The administration is organised into three groups, each with a range of responsibilities.

The General Manager leads the administrative arm of The City of Newcastle and is responsible for the efficient and effective operation of the business and ensuring that the decisions of Council are implemented.

The General Manager reports to the full elected Council.

# ADMINISTRATION



**General Manager**  
Ken Gouldthorp

---

**Council and Legal Services**

Frank Giordano

---



**Director Planning and Regulatory**  
Peter Chrystal

---

**Development and Building**

Murray Blackburn-Smith

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**Strategic Planning**

Jill Gaynor

---

---

**Regulatory Services**

Andrew Baxter

---

---

**Cultural Facilities**

Liz Burcham

---

---

**Libraries**

Suzie Gately

---



**Director Corporate Services**

Glen Cousins

---

**Finance**

Andrew Glauser

---

---

**Information Technology**

Greg Brent

---

---

**Human Resources**

Graeme Holland

---

---

**Commercial Property**

Paul Nelson

---

---

**Customer Service**

Kate Baartz (Acting)

---



**Director Infrastructure**

Frank Cordingley

---

**Infrastructure Planning**

Ken Liddell

---

---

**Civil Works**

Greg Essex

---

---

**Projects and Contracts**

Greg Sainsbury

---

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**Facilities and Recreation**

Phil Moore

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**Waste Management**

Darren North

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# IP&R OVERVIEW

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



## Yearly monitoring and review

We are required under s404(5) of the Local Government Act to provide progress reports on principal activities detailed in the delivery program. Progress reports must be provided at least every six months.



# SPECIAL RATE VARIATION

## 2012 Special rate variation

In 2012, we successfully applied for a section 508(2) special rate variation (SRV) of 5% above the rate cap for one year. The variation occurred in the 2012/13 financial year increasing the base rate charge. The variation was granted for works of a capital nature for specific projects, these are outlined below. The delivery program adopted by Council also includes budget principles specific to project delivery and these are:

‘that no project commences until funding for the full cost of the project is secured or has certainty’

‘special projects be prioritised in accordance with community ranking from the Micromex Research 2011 Report and timing for delivery matched to cash flow.

## Special Projects

These priorities are set according to the support as follows:

1. **Revitalising Hunter Street**
2. **Revitalising our coast**
3. **Upgrading Blackbutt Reserve**
4. **Providing new cycleways**
5. **Improving our swimming pools**
6. **Modernising our libraries**
7. **Expanding parking meters** (Note: Council resolved not to expand the parking meter network.)
8. **Off-street parking stations** (Note: Council sold two of three parking stations.)
9. **Expanding our Art Gallery**

## First four priority projects

Currently we are focused on delivering the first four priority projects and these are:

1. **Hunter Street Revitalisation**
2. **Coastal Revitalisation**
3. **Blackbutt Reserve**
4. **Cycleways**

The variation was introduced in July 2012 and in this time \$9,219,644 has been raised. This revenue is placed in a restricted reserve to fund the projects outlined in the special rate variation application only.

During the 2013/14 financial year \$4,084,662 was spent on identified projects with the majority of funding being used for coastal revitalisation. In total \$8,172,655 has been spent on these capital projects since the introduction of the variation. In the current 2014/15 financial year we are spending in excess of \$11 million on the special rate variation funded program.

Progress comments for these projects can be seen on page 39, Measuring Our Success.

## SRV Proposed – Road to recovery

From as early as 2007 we have been talking to the Newcastle community about our finances and how we can secure the long term financial sustainability of Council. During this time we have undertaken a range of sustainability and service reviews and engagement activities to determine the community priorities and services. Council has reflected the feedback from independent and internal reviews and from the community within integrated planning and reporting (IP&R) documentation such as the 2030 Community Strategic Plan, long term financial plan (LTFP) and delivery program.

Council has identified the need for a variation across an extensive period of assessment. The financial sustainability of Council has received considerable attention from management, councillors, the Newcastle community and the media. Council has undertaken decisive action to address the financial sustainability issues identified however despite considerable focus on reducing costs and improving revenues there is still a sustainability gap.

During October 2014, we undertook an extensive program of communication and engagement activities labelled the ‘Road to Recovery’, to make the Newcastle community aware of the issues, inform them of the options proposed

to address the situation and provide multiple feedback opportunities. The engagement strategy was the culmination of a significant period of discussion with the community which has been ongoing for several years through multiple budget periods. The ‘Road to Recovery’ engagement outlined three options for the community to consider:

1. Take no action and retain rate peg increase only
2. Fund financial sustainability with a 6.5 to 6.8% increase including the rate peg (aggregate special rate variation of 37.9%)
3. Fund revitalisation with an 8% increase including the rate peg (aggregate special rate variation of 46.9%)

This ongoing engagement with the community along with a range of issues raised as a result of the wider political environment has helped establish a clear understanding of community expectations. This included a strong message for retention of current services, with some enhancement of selected services to support city revitalisation.

Community feedback reflects a sense of optimism and a general desire for Newcastle to move forward and reach its full potential. Analysis has also been undertaken of rates and socio-economic considerations across ratepayer segments to help build a picture of affordability across Newcastle community.

At the November 2014 Ordinary Council meeting, Council supported preparing an application to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation of 8% (5% above the rate peg).

IPART will consider all the information provided as part of the application and make a determination in May 2015.

# NEWCASTLE

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NEWCASTLE IS AUSTRALIA'S SEVENTH LARGEST CITY. OVER THE PAST DECADE THE POPULATION OF THE NEWCASTLE LOCAL GOVERNMENT AREA HAS SURGED WITH SIGNIFICANT GROWTH IN ITS WESTERN CORRIDOR.

---

The city offers a remarkable and diverse natural environment—from coastal headlands and beaches to wetlands, mangrove forests, steep ridges and rainforest gullies. This diversity presents significant challenges for Council in terms of maintaining this environment and the broad range of workforce skills required to do so.





# OUR PEOPLE

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WE HAVE COPEd WITH EARTHQUAKES, FLOODS AND THE CLOSURE OF MAJOR INDUSTRIES AND WE CONTINUE TO GROW AND CHANGE.

---



Novocastrians are a proud community who have been have been shaped by their heritage.

For thousands of years, the area we now know as Newcastle was nurtured and protected by local traditional custodians, including the Worimi and Awabakal peoples, who lived around the mouth of the Hunter River. They called this place Muloobinba and the river, the Coqun.

From the traditional custodians to European settlement, our culture is shaped collectively by our history as a penal settlement and the birthplace of the Australian coal industry. Ships, convicts and coal—these early and difficult beginnings have made us what we are today: a loyal, welcoming and diverse community.



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THE CITY OF  
NEWCASTLE  
MANAGES  
14 KMS OF  
SPECTACULAR  
COASTLINE,  
OVER 100,000  
STREET  
TREES AND  
MORE THAN  
400 PARKS,  
RESERVES AND  
WETLANDS

---

# WHAT WE DO

We are responsible for providing a wide range of community facilities and services. They include:

- town planning
- construction and maintenance of local roads, streets and bridges
- preservation of historic places
- food and public health services
- waste management and recycling
- supervision of building and development control
- strategy and enforcement for parking
- maintenance of parks, sporting fields, pools and beach facilities
- provision and servicing of libraries, community centres, theatres and art galleries
- pet registration and control
- tourism and economic development
- child care and youth services and
- enforcement of a range of legislation.

We currently manage a diverse asset portfolio of hundreds of assets valued in excess of \$1.6 billion. They include:

- Newcastle and Merewether Ocean Baths
- Newcastle City Hall
- Civic Theatre Newcastle
- Newcastle Art Gallery
- Newcastle Museum
- Fort Scratchley

We are responsible for the construction and maintenance of around 3,500 kilometres of roads, footpaths, drainage, and kerbs and guttering. Many natural assets are our responsibility too, including 14 kilometres of spectacular coastline, over 100,000 street trees and more than 400 parks, reserves and wetlands.

We work with local communities and business owners to improve the places we live, by supporting our business improvement associations, place making initiatives, murals in public places and other beautification projects. We are changing the look of the city centre through the façade improvement scheme, which encourages local building owners to undertake maintenance to improve the look of the whole area.

We also provide support to Newcastle Youth Council (NYC). NYC is a resourceful, dynamic group of people aged 15 - 25 years that represent Newcastle's young people. NYC allows for young people to participate within a strategic advisory role to Council, they organise activities for young people and provide advice to organisations wishing to develop programs and activities for young people.



# OUR VISION

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IN 2030 NEWCASTLE WILL BE A SMART, LIVEABLE AND SUSTAINABLE CITY. WE WILL CELEBRATE OUR UNIQUE CITY AND PROTECT OUR NATURAL ASSETS.

---







CAZADOR

# COMMUNITY VISION

In order to ensure Council is working towards delivering a better Newcastle in line with the vision of the community, a community strategic plan was developed as a guide to inform policies and actions throughout our city for 20 years. This plan is known as **Newcastle 2030**.

*In 2030 Newcastle will be a Smart, Liveable and Sustainable city.*

*We will celebrate our unique city and protect our natural assets.*

*We will build resilience in the face of future challenges and encourage innovation and creativity.*

*As an inclusive community, we will embrace new residents and foster a culture of care.*

*We will be a leading lifestyle city with vibrant public places, connected transport networks and a distinctive built environment.*

*And as we make our way toward 2030, we will achieve all this within a framework of open and collaborative leadership.*

From this vision the community identified seven strategic directions and 23 objectives to help deliver a better Newcastle. These are:

**A connected city**

**A protected and enhanced environment**

**Vibrant and activated public places**

**A caring and inclusive community**

**A liveable and distinctive built environment**

**A smart and innovative city**

**Open and collaborative leadership**

Implementing and delivering these strategic directions requires a partnership between government (federal, state and local) and our community. The Newcastle 2030 Community Strategic Plan identifies these key responsibilities and partnerships.

In 2012/2013 a review was undertaken of the Newcastle 2030 Community Strategic Plan to ensure it continued to represent the vision of the community and included the release of the State of the City Report in August 2012.

The review provided an update of the challenges and opportunities facing Newcastle, and involved a broad range of community engagement activities where feedback was sought on our shared objectives and ideas for the future. More than 1,100 community members participated in this review program.

The following table represents Council's role in the delivery of the Newcastle 2030 Community Strategic Plan:

COUNCIL IS  
WORKING  
TOWARDS  
DELIVERING  
A BETTER  
NEWCASTLE IN  
LINE WITH THE  
VISION OF THE  
COMMUNITY

Responsibility	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
Advocate	•	•		•	•		•
Collaborator	•	•	•	•	•	•	•





# CONNECTED CITY

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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.

---

## 1. The Shortland Esplanade infrastructure project

Involves road and parking improvements from Nobbys to Newcastle Beach and revitalisation of community facilities in the Newcastle Beach and Ocean Baths precinct commenced.

Overall works will see the construction of Bathers Way shared pathway between Nobbys Beach and Newcastle Beach as well as improvements to road and drainage infrastructure, parking, and embankment stabilisation north of Newcastle Beach. Other improvements, such as viewing platforms, picnic areas and landscaping, are also included.

Shortland Esplanade has been converted to one way (southbound) to accommodate the new pathway as well as a dedicated on-road cycle path.

Council is contributing \$4.4million to the project and received a grant of \$5.6million to complete stages one, two and three through the NSW Government's Restart NSW Resources for Regions program, which is managed by Infrastructure NSW.

All three stages of the Shortland Esplanade infrastructure project are scheduled to be completed by the end of 2015, weather permitting. Stage one of the Dixon Park to Bar Beach section of the Bathers Way was also completed and work started on stage two.

## 2. Traffic calming devices

Council crews completed construction of traffic calming devices in King, Wolfe and Newcomen Streets, Newcastle. Improving pedestrian safety was also the focus of road works at the intersection of Northcott Drive and Wade Street, Adamstown Heights near the Fernleigh Track.

Upgrades included a pedestrian crossing, ramps, wheelchair and bus stop access. A new 775 metre shared pathway was built at Wilkinson Avenue, Birmingham Gardens. This connects to the Wallsend cycleway.

## Performance

The 2014/15 Operational Plan includes 17 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
Develop and implement the transport stops and shelters program	Infrastructure Planning	✓
Develop and implement the roundabout program	Infrastructure Planning	✓
Develop and implement the Roads to Recovery Program	Infrastructure Planning	✓
Implement car park maintenance and renewal	Regulatory Services	🔄
Investigate inner city bike lanes	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 Newcastle cycling action plan through the cycleways program	Infrastructure Planning	✓
Implement the footpath rehabilitation program	Infrastructure Planning	✓
Implement the city wide bus shelter replacement program	Infrastructure Planning	✓
Implementation of the Hunter Street revitalisation project	Strategic Planning	✓
Participate and provide input through the project working group to the Newcastle light rail project	Strategic Planning	✓
Manage off street multi level car park to meet the parking demands and a commercially competitive environment	Regulatory Services	✓
Enforce the parking provisions of the NSW road rules to achieve traffic and pedestrian safety and turnover of parking spaces	Regulatory Services	✓
Implement the recommendations of the adopted revised parking strategy	Regulatory Services	🔄
Undertake the approved program of local traffic studies, including development of plan, community consultation, reporting to Newcastle City Traffic Committee (NCTC) and Council.	Infrastructure Planning	✓
Liase with Roads and Maritime Services on new developments with the state road network	Infrastructure Planning	✓
Improve rideability of road network	Infrastructure Planning	✓

★ Completed   ✓ On track   🔄 Not on track   ✖ Deferred or deleted

# PROTECTED AND ENHANCED ENVIRONMENT

IN 2030 OUR UNIQUE ENVIRONMENT WILL BE UNDERSTOOD, MAINTAINED AND PROTECTED.

## 1. Ironbark Creek project

The Ironbark Creek project was recognised for excellence in stormwater infrastructure at the **2014 Stormwater New South Wales Awards for Excellence**. The award recognised Council and its service provider, Soil Conservation Service Hunter, for urban waterway rehabilitation works within the Ironbark Creek catchment. The program reflects decades of experience in applying re-naturalisation techniques to rehabilitate urban creeks and at-risk built drainage infrastructure across the Newcastle.

The works involved several rehabilitation projects in tributary reaches of Ironbark Creek catchment including lower and upper Blue Wren Creek, Ironbark Creek Smith Road, Cambridge Drive, George McGregor Reserve, Aries Way Reserve and Ironbark Creek Elermore Vale Reserve. The program ensures the ongoing stability of the Ironbark Creek catchment whilst creating more attractive and ecologically healthy waterways.

Results include improved stormwater conveyance, better control of sediment movement, increased in-stream habitat diversity and reduction in erosion risks to infrastructure and the environment.

The procedures and outcomes of this program have been recognised by industry leaders as providing a template for other practitioners and councils in infrastructure delivery. Creek bed and bank stabilisation work were undertaken by Soil Conservation Service under contract to Council. Following construction Council's Bushland Services team revegetated creek banks.

Steps were taken to improve water quality and to slow large volumes of water flowing from surrounding hard surfaces such as buildings, roads and footpaths following heavy rain. By reducing bank erosion on site and bed erosion upstream, the works will protect surrounding public and private property. In addition, the project decreased sediment flowing down the Ironbark Creek catchment, enhanced habitat for native flora and fauna, and created a more aesthetically pleasing public space.

## 2. New fees and charges structure at Summerhill Waste Management Centre

A new fees and charges structure was introduced at Summerhill Waste Management Centre aimed at encouraging customers to separate recyclable and reusable materials by offering a lower price per tonne for sorted material than mixed waste loads. Costs can be minimised by separating concrete, wood, green waste and household recyclables before taking them to Summerhill. Unit pricing was also introduced for mattresses, fridges, tyres, lead acid batteries and gas bottles, which are difficult and costly to process. Scrap metal (excluding fridges) and household quantities of e-waste are free of charge.



## Performance

The 2014/15 Operational Plan includes 14 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
In consultation with the SES and RMS complete a background study to identify priority locations for the installation of passive and active road signage, considerate of the existing signage network and potential ongoing maintenance and installation demands. Signs installed will depend on the background study, the status and extent of the existing flood signage network that may need replacing or amending and cost	Infrastructure Planning	✓
Morgan and Selwyn Street, Merewether floodway study to evaluate management options, feasibility, effectiveness and cost of voluntary acquiring whole or part thereof of affected properties, and/or structural works, to reduce the flooding risk.	Infrastructure Planning	🔄
Resource recovery facility expansion and enhancement	Waste Management	✓
Drainage rehabilitation - replacement of deteriorated stormwater infrastructure	Infrastructure Planning	🔄
Community education at environment rehabilitation worksites to build stronger working relationships between residents and Council through increased community awareness of the role and value of environmental assets through understanding and participating in Council's asset management on ground activities.	Waste Management	✓
Proactively monitor and regulate activities to minimise environmental impact, including implementing Council's Business Pollution Prevention Program (BPPP) and Erosion & Sediment Control Program	Regulatory Services	✓
Manage contaminated land information and seek appropriate remediation through the development application process.	Regulatory Services	✓
Proactively monitor and regulate on site sewage management systems to minimise the risk of water pollution and public health impacts.	Regulatory Services	✓
Work with the community to achieve measurable environment improvement in waste reduction through the development, delivery, evaluation and refinement of waste programs, learning modules and internal educations.	Waste Management	✓
Implement the tree inspection program in line with the city wide maintenance policy	Civil works	✓
Develop a waste education strategy with a focus on promoting waste avoidance and behavioural change, to encourage increased participation in residential waste reduction, resource recovery and recycling initiatives, as well as working to reduce household contamination rates.	Waste Management	✓
Promote and manage community based groups in provisions of environmental projects to help restore natural areas in accordance with relevant plans of management	Facilities and Recreation	✓
Plan and implement community planting days	Facilities and Recreation	✓
Identify and deliver projects to achieve energy and water savings under the ECCS 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	✓

★ Completed   ✓ On track   🔄 Not on track   ✖ Deferred or deleted



# VIBRANT AND ACTIVATED PUBLIC PLACES

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IN 2030 WE WILL BE A CITY OF GREAT PUBLIC PLACES AND NEIGHBOURHOODS PROMOTING PEOPLE'S HAPPINESS AND WELL-BEING.

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## 1. Newcastle China Festival

The inaugural Newcastle China Festival was held in September 2014 to showcase the growing relationship that Newcastle has with China. The three-day program of activity concentrated on business events, an education exchange and a major community cultural festival in Beaumont Street, Hamilton.

The Newcastle China Festival also celebrates the 10th anniversary of the founding of Confucius Institutes worldwide. The Newcastle China Festival will offer Novocastrians an opportunity to engage with Chinese business and cultural specialists and to mingle with up to 100 Chinese ambassadors from the University. It is intended that it will become an annual celebration and will be promoted as a signature event for Newcastle tourism, business exchange and education. The event will be an opportunity to develop stronger partnerships within the business community, especially in Hamilton. It will also attract Chinese visitors at a time of year which coincides with their national holidays.

## 2. World Festival and Event City

Newcastle was named as a World Festival and Event City for the second time by the International Festivals and Events Association (IFEA) at the 59th annual convention and expo in Kansas City, USA on September 2014. Newcastle continues to prove it is a great destination for major events and was one of only six cities in the world to receive the IFEA award in 2014, alongside Dubai, UAE; Dublin Ohio USA; Philadelphia Pennsylvania USA; Sa Paulo Brazil and Sydney NSW Australia.

The judges noted Newcastle's real progress transforming from steel city to cosmopolitan coastal centre and judges tagged it as a can-do city with an enthusiastic community. Newcastle is a unique destination and it is a very attractive option for event organisers, there is great access whether it is by land, air or sea; a community that loves to attend major events and options for additional activity that as a whole provide a lucrative package for this market.

Newcastle's destination management strategy recognises the value that events bring to the city with over 750,000 visitors a year coming to attend an event or festival. Newcastle won this Award previously in 2012 and, after staging a number of world class events in the past two years and securing four games in the upcoming AFC Asian Cup 2015, was asked by Destination NSW to submit another entry for 2014.

Judging of the IFEA World Festival and Event City is done by an international panel of respected event professionals. The winning submission outlines the vision and commitment that the city has to delivering world class events and is a valuable record of how this is done.



## Performance

The 2014/15 Operational Plan includes 26 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
City Hall clock tower façade restoration	Projects and Contracts	✓
Design, develop and present public and education programs for the Newcastle Art Gallery annually for general and specialised audiences represented in the Newcastle LGA that link to both the exhibition program and collection and are not only educational but enjoyable and relevant	Cultural Facilities	✓
Maintain and support the high quality development and ongoing management of the Gallery's permanent collection including its access by audience from general to academic through publications, resources, exhibitions, research and programs	Cultural Facilities	✓
Revitalise and restore our public art and monuments	Projects and Contracts	✓
Prepare, adopt and adopt the Community Facilities Strategy	Facilities and Recreation	✓
Deliver a community safety program	Strategic Planning	✓
Support local community initiatives through place making grants	Strategic Planning	✓
Provide safe public places by delivering the business lighting project	Strategic Planning	✓
Implement recommendations outlined within the parkland and recreational strategy	Facilities and Recreation	✓
Implement programs for the building and maintenance of shade structures, seating and playgrounds and associated parks infrastructure	Facilities and Recreation	✓
Promote appropriate environmental and recreational community use of Blackbutt Reserve facilities	Facilities and Recreation	✓
Reviewing the future role of local parks less than 0.2 hectares in size.	Facilities and Recreation	✓
Investigate opportunities to improve the financial sustainability of swimming Pools	Facilities and Recreation	★
Develop parkland and recreation facility service levels to align with facility roles and provide operational efficiencies.	Facilities and Recreation	✓
Planning of a district sport and recreation complex to serve the long term needs of the growing western corridor	Facilities and Recreation	✓
Strengthening partnerships and opportunities for Newcastle sporting associations to participate in the planning, decision making and prioritisation of sport and recreation projects.	Facilities and Recreation	✓
Review and update the crime prevention plan	Strategic Planning	✓
Review and update the alcohol safe management strategy	Strategic Planning	✓
Implement the recommendation from the coastal plan of management	Strategic Planning	✓
Facilitate night time economy initiatives	Strategic Planning	✓
Partner and facilitate the Newcastle Writers Festival	Libraries	✓
Facilitate and support broad participation in community arts based programs	Libraries	✓
Implement exhibition program including a range of community partnerships.	Libraries	✓
Implement programs for libraries; children's book week, author programs, seniors week, Harmony Day, story-time and the Wacky Wombat program	Libraries	✓
Work with the community to remember WWI centenary. Includes a book project working with schools and the community	Libraries	✓
Facilitate a place making approach to all projects	Strategic Planning	✓

★ Completed    ✓ On track    ↻ Not on track    ✗ Deferred or deleted



# CARING AND INCLUSIVE COMMUNITY

---

IN 2030 WE WILL BE THRIVING COMMUNITY WHERE DIVERSITY IS EMBRACED, EVERYONE IS VALUED AND HAS THE OPPORTUNITY TO CONTRIBUTE AND BELONG.

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## 1. Darby Street Community Garden

The Darby Street Community Garden a beautiful space at the corner of Bull and Darby Streets. Local residents and business people have been involved in the project, preparing a space where vegetables, fruit and herbs can be grown. Initial seed funding of \$2,000 for the project was provided by Make Your Place community grant program. Other organisations provided substantial funding, materials and manpower to make the project happen including the Darby Street Traders Advisory Group, Newcastle NOW, JobFind, the YWCA Cooks Hill, the Darby Street Community Gardens group and Council staff.

Through place making grants, Council is helping to activate and bring vibrancy to underutilised public spaces across Newcastle by creating spaces that will draw people to them and bring people together to make our community stronger and an even better place in which to live, work and play.

Other Make Your Place projects included the activation of Wallsend Rotunda, Newcastle Printmakers Workshop exhibition at City Library, Beresfield Station murals designed by students from Beresfield and Woodberry Public Schools and Throsby Villages Edible Garden event to help celebrate and develop growing skills and involve children in gardening

## 2. The CityServe project

The CityServe project completed a range of about 70 projects in three local government areas—the Newcastle, Lake Macquarie and Shellharbour. In Newcastle alone, 993 CityServe volunteers completed 45 projects contributing 5958 volunteer hours. The focus was upgrading facilities on parklands, with volunteer teams cleaning, repairing and sprucing up shade shelters, pavilions, grandstands, ticket boxes, toilet blocks and storage sheds at parks, reserves and ovals, as well as community centres. Projects are took in each ward of the city.

As a partner with CityServe, Council contributed trades people to prepare each of the sites so that the volunteers could go in and do the finishing works. Teams completed major upgrades at Passmore Oval in Wickham, including the grandstand, ticket box, male and female toilets and kiosk. Other projects completed were Adamstown Senior Citizens Hall, Adamstown Park No 3 Pavilion, Adamstown Park Outer Ground amenities, Gregson Park toilets in Hamilton, and Mayamblah Park Pavilion in Merewether.

CityServe is a fantastic example of people caring about their communities and being willing to roll up their sleeves and pitch in for positive change.

## Performance

The 2014/15 Operational Plan includes 19 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
Implementation of the Merewether Baths restoration	Projects and Contracts	★
Implementation of Henderson Park Community Hall renewal	Facilities and Recreation	✓
Prepare and deliver Youth Week and Seniors Week	Strategic Planning	✓
Prepare and deliver an Aboriginal Youth Arts projects consistent with the grant	Strategic Planning	✓
Implement actions from the cultural development program	Strategic Planning	✓
Facilitate Guraki and Youth Advisory Committees	Strategic Planning	✓
Deliver on the community development projects, which address needs of target groups, specific issues and place based initiatives	Strategic Planning	✓
Complete a review of child care centres and early childhood centres and the complete the priority actions	Strategic Planning	✓
Promote awareness of the requirements of the Companion Animals Act with respect to the ownership of companion animals	Regulatory Services	✓
Deliver an audit on health services	Regulatory Services	✗
Participate in Hunter Region Health Education Committee (HRHEC)	Regulatory Services	✓
Actively encourage use of open space through junior ranger programs at Blackbutt Reserve, community planting days and volunteer groups.	Facilities and Recreation	✓
Collect and preserve materials relating to the history of Newcastle	Libraries	✓
Acquire new works by artists for exhibitions and the Newcastle Art Gallery collection	Cultural Facilities	✓
Promote positive ageing activities for seniors and inclusive activities for people with a disability	Strategic Planning	✓
Position and promote City Hall as an accessible and multi-use venue with diverse hiring potential for local, regional and national clients	Cultural Facilities	✓
Developing and managing a diverse program of exhibitions annually that showcase local national and international artists practice	Cultural Facilities	✓
Provide a library service with appropriate materials to assist residents with life long learning needs	Libraries	✓
Provide a library service refugee program with Northern Settlement Services	Libraries	🔄

★ Completed   ✓ On track   🔄 Not on track   ✗ Deferred or deleted



# 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

## 1. Merewether Baths overhaul

The project to overhaul Merewether Baths was completed in late November and was finished ahead of schedule and on budget. There were challenging conditions throughout build, the site is exposed the elements and there was the added challenge of waves crashing over walls and high tides inundating the site.

Works included in the project were a new pump which has doubled the capacity of the previous pump which will mean improved water quality in between cleaning days, improved accessibility for all users and the new bleachers in the Children's pool. The project had an excellent local contingent working with council including local contractors, suppliers and designers.

## 2. Top prizes at the 2014 Hunter Urban Design Awards

Fletcher Community Centre won the **GHD Small Scale Commercial Development Award**. Now open for use by the local community, the centre *"demonstrates sustainable building practices with community, environmental and social benefits."*

The Merewether Beach public domain improvements won the award for **CityGreen Landscape and Public Art**. The jury noted that *"returning priority to the pedestrian and providing a place to enjoy Australia's national surfing reserves are two intended design objectives that are immediately clear when arriving at the site."*

## 3. Upgrades to athletics fields

*"Council is implementing a consistent and focused plan to improve and upgrade the city's sporting infrastructure within the limits of budget availability,"* said Phil Moore, Council Manager of Facilities and Recreation. *"These facilities are used by many sports clubs across the LGA and provide recreation and exercise for children and adults alike. They are an integral part of our community."*

**National Park athletics field** - The facility meets the requirements for Cooks Hill United to enter the NewFM first division competition in 2015 and also provide fully accessible facilities suitable for all permanent and temporary users of the facility. *"This includes NSWIS disabled athletes who regularly train at the facility, most notably three-time Paralympic gold medallist and one of the Hunter's most recognised sportsmen, Kurt Fearnley, who has called the track home for the last 10 years."* said Lee Bateman of Cooks Hill United football club.

**Waratah Park** - upgrading the amenities building on the outer grounds to provide a new canteen and storeroom and new flood lighting.

**Islington Park** - upgrading the amenities building to improve overall functionality and accessibility.

**National Park #4 Sportsground** - Demolition of the existing amenities building and construction of a single storey building to accommodate new canteen, store, public toilets and ramp access.

## Performance

The 2014/15 Operational Plan includes 14 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
Prepare and implement various buildings fire assessment	Facilities and Recreation	✓
Assess hazardous materials in various building across Newcastle	Infrastructure Planning	✓
Provide supervision, coordination and technical instruction to private developers in the construction of new residential subdivisions and commercial precincts in accordance with approved development criteria	Infrastructure Planning	✓
Deliver Hunter Street Mall short term Improvements	Civil Works	★
Monitor and amend Local Environment Plan 2012 (LEP) and Development Control Plan 2012 (DCP) as required	Strategic Planning	✓
Implement the strategies from the heritage places strategic plan	Strategic Planning	✓
Prepare project plan and review boundaries and controls applying to heritage conservation areas.	Strategic Planning	✓
Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 Carbon and Water Management Action Plan	Projects and Contracts	✓
Implement place making policy	Strategic Planning	✓
Review controls in both the LEP and DCP, including stakeholders consultation and establishment of an industry liaison group for single dwellings Development Controls Plan	Strategic Planning	★
Transition LEP and DCP into the new planning legislation	Strategic Planning	✓
Review contributions applicable for mines subsidence grouting work	Strategic Planning	✓
Prepare and implement a community safety strategy	Strategic Planning	✓
Acquire new works by artists for exhibitions and the Newcastle Art Gallery collection	Cultural Facilities	✓

★ Completed   ✓ On track   ↻ Not on track   ✗ Deferred or deleted



# SMART AND INNOVATIVE CITY

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IN 2030 WE WILL BE A LEADER IN SMART INNOVATIONS WITH A HEALTHILY, DIVERSE AND RESILIENT ECONOMY.

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## 1. Delegation USA

The Deputy Lord Mayor Brad Luke and General Manager Ken Gouldthorp were part of a delegation to the USA with Newcastle Now to participate in the CISCO Internet of Things World Forum and to learn more about current technology, trends and methods in Smart City development. The delegation was particularly interested in innovative solutions to community safety such as passive surveillance of public places, smart lighting and parking space monitoring via mobile technology.

## 2. Energy Hunter program

The Energy Hunter program was awarded the top prize in the Climate Change Leadership category at the 2014 Green Globe Awards in October 2014. The program is a joint initiative of the Hunter Business Chamber, Hunter TAFE and the City of Newcastle with the award recognising outstanding initiatives and/or leadership in the field of climate change mitigation and adaptation in NSW. Energy Hunter is a free service available to all small and medium-sized enterprises (SMEs) across the Hunter region which provides practical information on energy efficiency.

To date, around 350 businesses have participated in the program, which works one-on-one with each business to deliver installation of real-time electricity monitoring, a customised energy assessment, bill analysis, and provides monthly workshops and a range of information resources. The program has been highly successful in assisting small and medium-sized businesses in improving their energy efficiency and profitability. During the 2012/2013 year businesses participating in the program reduced power usage by more than 1.5 million kilowatt hours, this is a saving of approximately \$400,000 for local businesses.

## 3. Night OWLS (Original Welcoming Lighting Solutions)

Night OWLS was a competition for young people aged 15 to 29, to design creative lighting solutions for Newcastle city centre. This pilot project was an initiative of Council and Newcastle Youth Council (NYC) and it occurred in response to previous research conducted by NYC, 'Newcastle at Night': Young People and Night Time Economy). This discussion paper highlighted that young people felt unsafe in Newcastle's city centre at night. The Newcastle 2030 Community Strategic Plan (revised 2013), recognises the importance of 'safe and activated places that are used by people day and night'.

Night OWLS provided skill development and mentoring opportunities linking emerging artists and young committee members with professional support from Council Project Officers. NYC members were involved in the planning, implementation and review of this project. There were 26 entries in three categories: Realistic Category - Heart-light Seed by Reuben Maybury (Selected for installation), Dream Category - Box Grid by David Blackburn and Brady Ainsworth and People's Choice Award - Hexcell by Brendon Todd, Jeremy Landers and Kudzanayi Ganga.

## Performance

The 2014/15 Operational Plan includes 10 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
Identify opportunities to partner with other groups to deliver activation and development projects. For example Hit the Bricks	Strategic Planning	✓
Transition LEP and DCP into the new Planning legislation	Strategic Planning	✓
Develop a visitor economy master plan for the CBD	Strategic Planning	✓
Promote the location for the development of a convention and exhibition centre	Strategic Planning	✓
Develop and promote iconic lookouts and walking trails to create linkages between precincts with “experience” nodes within walking distance.	Strategic Planning	🔄
Build industry capacity to engage in the distribution system, in particular to become export ready for international and cruise visitors.	Strategic Planning	✓
Invest in market ready programs to educate business for new markets, interstate and Asia/China	Strategic Planning	✓
All Together Perfect project (Newcastle, Port Stephens, Hunter Valley), conference bidding, destination promotion, conference and wxhibition centre project.	Strategic Planning	✓
Deliver regular events - Anzac Day 2015 Centenary; Carols by Candlelight, Christmas in the City; Australia Day National Maritime Festival; New Years Eve - review of events, delivery, outsourcing, budgets, growth opportunities.	Strategic Planning	✓
AFC Asian Cup 2015: Deliver contractual obligations and develop citywide approach to event delivery for Newcastle. Support marketing and volunteer program, deliver Fanzone and identify legacy opportunities.	Strategic Planning	✓

★ Completed    ✓ On track    🔄 Not on track    ✖ Deferred or deleted



# OPEN AND COLLABORATIVE LEADERSHIP

## A STRONG DEMOCRACY WITH AN ACTIVELY ENGAGED COMMUNITY AND EFFECTIVE PARTNERSHIPS

### 1. Newcastle Voice, community engagement

Newcastle Voice, Council's engagement community, had 2526 (2266 online and 260 offline) members at the end of December 2014. This figure is approximately 1.65% of the Newcastle local government area population (148,535 ABS 2011) and above the baseline of 1.25% for statistical significance.

### 2. Road to Recovery – special rate variation

The Community Engagement Strategy was implemented in October 2014, and included an information campaign as well as a range of engagement activities in line with International Association for Public Participation best practice. Through these engagement activities, Council received feedback from 1,752 members of the community regarding the Road to Recovery. This represents 1.48% of Newcastle's adult population.

- Community drop-in sessions were held at all nine branch libraries between 9 October and 25 October 2014. These were attended by 67 community members in total.
- Micromex Research was contracted to conduct an independent random telephone survey of 400 residents in the Newcastle Local Government Area to measure satisfaction and importance of Council services, awareness about the SRV project and the level of support for the three different options.
- Council's Engagement Team conducted a survey where a total of 899 community members responded including 688 Newcastle Voice members and 211 members of the broader community.
- Information brochures were delivered to households in the LGA and 274 feedback forms were returned.

More information is on page 40.

### 3. Cycleways survey and Social Pinpoint mapping tool

The team attended Ride to Work day and Bikefest to encourage the community to provide feedback resulting in 879 participants, both Newcastle Voice and non-members. Social Pinpoint had 657 visits to the site and received 201 comments.

### 4. Newcastle Ocean Baths visitation and usage survey

550 responses (506 NV and 44 broader community) were received. While the broad community survey respondents used the Baths more frequently than Newcastle Voice respondents, overall there was a large degree of similarity in responses on key questions between the two groups.



## Performance

The 2014/15 Operational Plan includes 14 actions to support the community objectives outlined in the Newcastle 2030 Community Strategic Plan. Here is a progress report on the actions

Actions /Project	Responsibility	December 2014
The enterprise resource planning project will implement a solution for core enterprise business areas of customers, property, assets, finance, human resources, governance and document management	Information Technology	✓
Consolidate internet and intranet onto one common platform	Information Technology	✓
Plan and conduct a network penetration of Council's ICT infrastructure and develop and implement an integrated ICT security framework consistent with industry standard practices	Information Technology	✓
Transition LEP and DCP into the new planning legislation	Strategic Planning	✓
Monitor implementation of the Community Strategic Plan 2030	Strategic Planning	✓
Ensure the management of budget allocations and funding alternatives are compliant with policy and relevant legislation to ensure the long term financial sustainability of the organisation	Finance	✓
Implement the initiatives from the Workforce Management Plan including, the Aboriginal Employment Strategy and the Equal Employment Opportunity Management Plan	Human Resources	✓
Establish a leadership development framework that incorporates cultural change (people and safety) and performance management to deliver a consistent leadership approach across the organisation	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	Commercial Property	✓
Undertake a media engagement strategy to maximise positive exposure opportunities and effectively manage any potential issues	Customer Service	✓
Develop and implement a recruitment and retention strategy for Newcastle Voice	Customer Service	✓
Coordinate engagement with identified industry groups such as Newcastle Tourism Industry Group, University of Newcastle (UoN), APC, UDIA, HBC, RDA Hunter, Hunter Net, Newcastle Port.	Strategic Planning	✓
Promote the Williamstown Aerospace Centre (WAC) in conjunction with PSC, NAL, and other stakeholders in defense industry	Strategic Planning	✓

 Completed
  On track
  Not on track
  Deferred or deleted

# MEASURING OUR SUCCESS

The below table identifies the key performance areas which allow Council and the community to monitor the success of the delivery program and operational plan. We will report six monthly against our corporate objectives using the following key performance indicators.

Objective	KPI	Measure
1. Deliver on the key civic projects determined as the priorities for the community	Key civic projects (including 2012 SRV projects and major civic works) are delivered in accordance with the budget and timeframes identified in the 2013/2017 Delivery Program	Six monthly and annual performance on outcomes of project implementation

## Revitalising Hunter Street

The Façade Improvement grant scheme has now improved 46 facades for the city centre leveraging over \$550,000 in works for only \$96,000 Council investment.

We have been working with the NSW Government on further planning for city renewal including preparation for the light rail, rail corridor vehicle and pedestrian crossings and public domain improvements plans. A new Local Environment Plan and Development Control Plan were also completed with the NSW Government.

The Hunter Street Mall improvement project was completed in August 2014 to reduce clutter in the Mall including the removal of the concrete balls and tree trimming. The City Centre (Streetscape) Technical Manual was approved for use in September 2014 providing a standard suite of materials for our city streetscape.

The team completed several community partnership projects during the last six months including the Christmas in the City projects, Hit the Bricks 2014 and Night Owls Youth art competition.



## Upgrading Blackbutt Reserve

Construction of the new amenities building and wildlife arena at Blackbutt Reserve commenced in June 2014. In July, while carrying out excavation works for the amenities building, the contractor discovered an abandoned mine shaft. The shaft was found to be 4.2 metres in diameter, brick lined down to the level of solid rock and 62 metres deep, with the lowest 16 metres filled with water.

The NSW Government's Mine Subsidence Board, Mines Safety and Derelict Mines were consulted regarding the discovery and options for rectification were considered and projected to estimate the likely cost and duration of the remediation process. A report detailing the possible solutions was provided to the General Manager for approval and the process to resolve the issue commenced.

The contractor's scope of work increased to include the filling of the mine shaft and they engaged a suitably qualified and experienced sub-contractor to complete the works. The shaft has now been completely filled in accordance with the Mine Safety NSW guideline and work has recommenced on the amenities building.



While work on the amenities building was delayed due to the discovery of the mine shaft, the contractor carried on with the wildlife arena. The main elements of the building were constructed including excavation, reinforced coloured concrete, reinforced core filled concrete block walls, structural steel, roofing, sandstone cladding, all services and all associated ground works.

The project is not yet complete due to the delay caused by the discovery of the mine shaft, but works are scheduled to continue in 2015 and practical completion date for the contract is planned for April 2015.

## Revitalising our coast

We are making great progress on the completion of the Bathers Way and coastal revitalisation project, will \$4.4million already expended in the first half the 2014/15 financial year. The Merewether precinct is now complete and we are moving further north to Dixon Park and Shortland Esplanade at Nobbys Beach. Works in progress or recently completed include

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### Merewether public domain

Completed including the restoration and reconstruction of Merewether Ocean Baths.

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### Dixon Park stage 1

Practical completion reached in December for John Parade to Kilgour Avenue.

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### Dixon Park stage 2

Planning is complete and works from Kilgour Avenue to Cooks Hill Surf Club will get underway in February 2015

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### Nobbys to Newcastle

Construction commenced during August 2014 at Zaara Street to complement changes to one-way southbound traffic. Nobbys top car park was completed with the roundabout and car park open in December for visitors in time for the busy summer season.

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### King Edward Park

Design work continues with expectations for work starting in the second half of 2014/15.

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### Newcastle South

design on from Zaara Street to the Bogey Hole continues and construction work is likely in 2015/16. We are awaiting news on a funding bid to the State Government (Resources for Regions) for the majority of works.

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## Providing new cycleways

A number of cycleways and shared paths have been designed and constructed in the first half of 2014/15 including:

### Glebe Road, Adamstown

from Court Street to Teralba Road. The project, which provides a 300 metre off road shared pathway connecting to the Mackie Avenue, New Lambton cycleway, was completed on time and under budget.

### Hobart Road, New Lambton

From Tyrone Road to Durham Road. A 220 metre off road shared pathway at linking the east-west cycleway route was completed on schedule and on budget.

### University Drive and Wilkinson Avenue, Jesmond

An 880 metre off road shared pathway has been constructed to safely connects Jesmond to the University. The project is due for completion in February 2015. Construction delayed due to soil contamination issues.

### Park Avenue, Kotara and Glebe Road, The Junction

Shared pathway from Dibbs Street to Northcotte Drive and Glebe Road, The Junction through Rowlands Park were completed.

### Detailed design

Near completion for 2014/15 cycleways for Street James Road to Alder Park, New Lambton and Brickworks Park, Wallsend



## Newcastle City Hall refurbishment

Newcastle City Hall is one of our city's most important buildings and the conservation of the sandstone façade is an important part of its preservation. Conservation work to the magnificent clock tower is currently underway.

Council awarded the tender for this project to Stone Mason and Artist Pty Ltd and the work commenced in May 2014. Work is progressing well with the removal of old and damaged stone underway and the laying of new sandstone blocks at the top of the tower. Repairs to both the clock and clock faces are underway as well as repairs to the roof structure and copper roof elements.

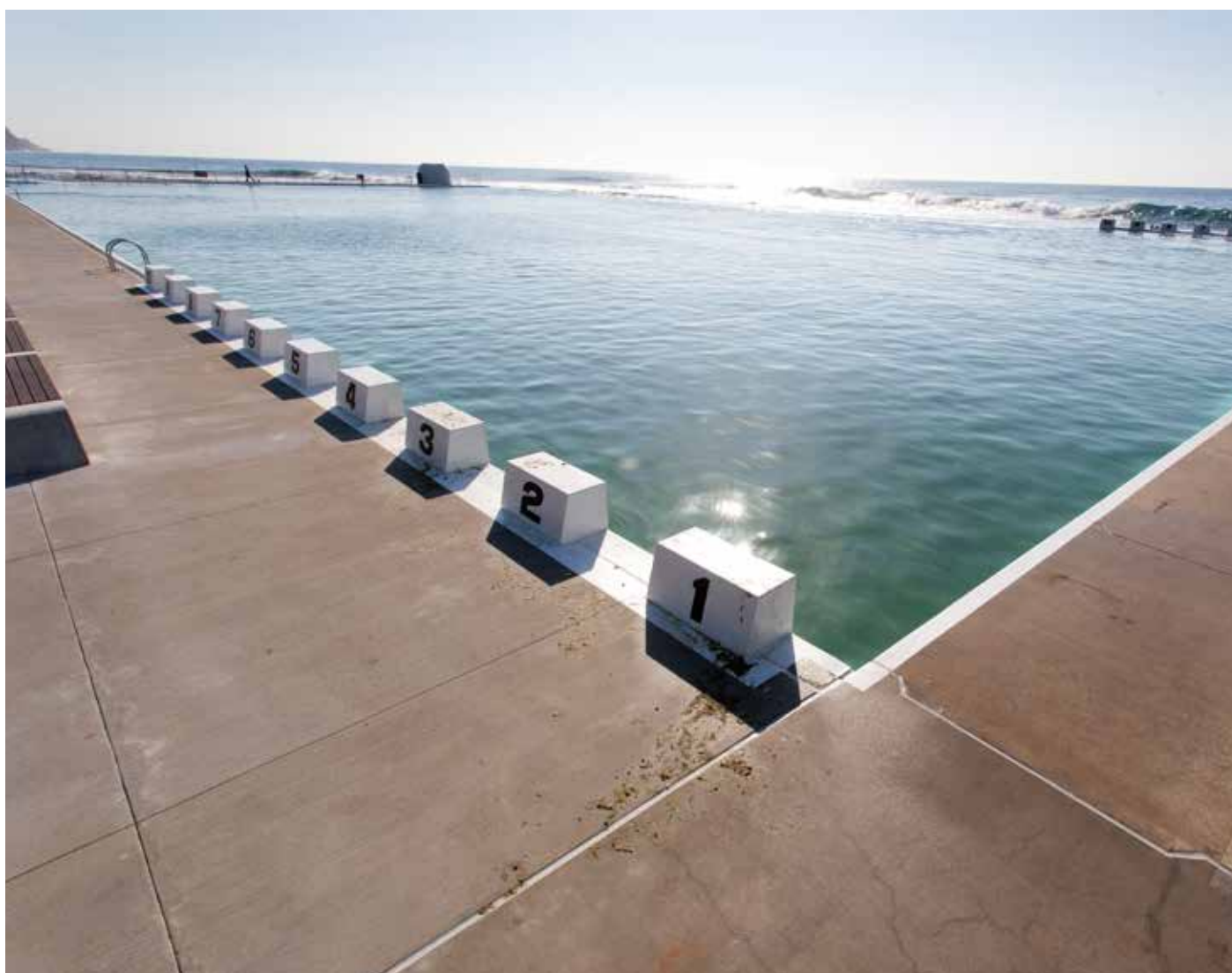
While the tower is fitted with a scaffold, we are taking the opportunity to replace additional sandstone to the southern face of the tower as well as removing steel pins that tie the stone to the structure. The additional work will extend the duration of the current stage until October 2015. Planning for the next stage of conservation works is well progressed and is most likely to address the entry ramps, stairs, porte cochere and balcony areas.



## Merewether Baths redevelopment

Merewether Baths is a unique part of Newcastle's coastline and the completion of the redevelopment project will ensure the Baths will remain an active public recreational and social space for many years to come. Merewether Baths closed in February 2014 for an overhaul and the project was completed in November 2014.

The work included upgrading the pumping pipework system, demolition and reconstruction of the surrounding promenades, bleacher seating along the western side of the children's pool and the western promenade levels adjusted to provide a smooth transition around the baths and new ramps into the pools this will provide equitable access to the baths.



Objective	KPI	Measure
2. Engage with the Newcastle community on projects that have a high level of impact on the community	Consultation undertaken for all projects which have a high level of impact on the community	Evidence that consultation has taken place is reported in the annual report

In August 2014, Council endorsed a Community Engagement Strategy seeking feedback from the community on three different rating options for five years commencing in 2015/16. The rating options were:

#### Option one

Take no action (rates in line with rate peg increases only). IPART recommends 3% per annum be used for comparative analysis. However the actual increase will vary each year and for 2014/15 was 2.3%.

#### Option two

Fund financial sustainability - annual increases of between 6.5% and 6.8% (including the rate cap) per year for five years, a total cumulative increase of 37.5%.

#### Option three

Fund revitalisation - annual increases of 8% (including the rate cap) per year for five years, a total cumulative increase of 46.9%.

The Community Engagement Strategy was implemented in October 2014, and included an information campaign as well as a range of engagement activities in line with International Association for Public Participation best practice.

Key activities to inform the community included an extensive print advertising campaign, an information brochure hand delivered to all households (72,000 copies), a dedicated section in the quarterly Council News mail out to 54,000 ratepayers and well as information on Council's website.

Media releases, opinion pieces, online advertising, social media and e-newsletters were also used to maximise community awareness.

Community drop-in sessions were held at all nine branch libraries between 9 October and 25 October 2014. These sessions were held both during the day and in the evening and each ran for either 2.5 or 3 hours. These were attended by 67 community members in total.

Micromex Research was contracted to conduct an independent random telephone survey of 400 residents in the Newcastle Local Government Area to measure satisfaction and importance of Council services, awareness about the SRV project and the level of support for the three different options.

A sample size of N=400 surveys were completed, which has a sampling error +/- 4.9% to 95% confidence. This means that if the survey was repeated that 19 times in 20 we would expect the same result, within +/- 4.9%. A sample size of n=400 is sufficient to obtain a robust community measure.

This was conducted between Monday 13 October and Saturday 19 October 2014.

#### A snapshot of the results shows:

- 67% of those surveyed are satisfied with the quality of facilities provided by Council.
- 65% are satisfied with the level of service provided by Council.
- 93% indicated it was important for Council to provide better services and facilities.
- 44% were aware that Council is investigating ways to ensure its ongoing financial sustainability.
- 54% of respondents indicated they were supportive or very supportive of option two.
- 33% of respondents were supportive or very supportive of option one
- 32% of respondents were supportive or very supportive of option three.
- 72% of respondents ranked their first preference as option two or option three when asked to rank the three options in order.

In addition to the independent telephone survey, Council's Engagement Team also conducted a survey which was open to both Newcastle Voice members and the broader community. In total 899 community members took part in the survey including 688 Newcastle Voice members and 211 members of the broader community.

This was conducted between Monday 13 October and Sunday 26 October 2014. A snapshot of the results shows:

- 42% of those surveyed are satisfied with the quality of facilities provided by Council.
- 42% are satisfied with the level of service provided by Council.
- 82% indicated it was important for Council to provide better services and facilities.
- 85% were aware that Council is investigating ways to ensure its ongoing financial sustainability.
- 46% of respondents indicated they were supportive or very supportive of option two.
- 36% of respondents indicated they supportive or very supportive of option three.
- 25% of respondents indicated they were supportive or very supportive of option one.
- 71% of all respondents ranked their first preference as option two or option three when asked to rank the three options in order.

In addition, 274 feedback forms (tear-offs from information brochures which were delivered) were received of which 65% support a SRV (option two 28% or option three 37%).

A further 59 online feedback forms were received of which 66% support a SRV (option two 24% and option three 42%).

Through these engagement activities, Council received feedback from 1,752 members of the community regarding the Road to Recovery. This represents 1.48% of Newcastle's adult population.

The results of the community engagement activities were reported to council in November 2014 and they resolved to proceed with a special rate variation application to IPART.

This was our most detailed engagement activity for the July to December period however, a range of other engagement activities were also completed including

#### **Survey development/deployment**

- Newcastle Ocean Baths
- Beresfield Day Care
- Cycleways Strategy
- Community Survey
- Hamilton South 'Garden Suburb' Heritage Conservation Area survey development
- Internet
- Staff travel
- Newcastle by Night

#### **Face to face engagement**

- Design Newcastle facilitation(NSW Government Light Rail).
- Wallsend Winter Carnivale (recruitment and awareness)
- Beresfield pool family fun day
- Bikefest and Ride2Work day
- Mang-guwan
- High Tide youth event

Objective	KPI	Measure
3. Maintain a net funding budget surplus to ensure financial sustainability	Improve financial sustainability of Council	Net budget operating surplus ratio 2.7%

At the end of December 2014 the consolidated year to date actual **operating position** is a surplus of **\$9.2 million** which represents a positive variance of \$3.2 million against budget. This variance is due to a mix of income and expenditure variances which are detailed in the financial impact section of the financial quarterly review. The full year revised budget for 2014/15 is an operating deficit of \$7 million.

The December year to date position includes a number of items which are considered to be non-recurrent or are restricted from supporting operating activities. When these items are removed Council's **sustainable operating position** at the end of December is a surplus of **\$1 million**. These items include:

**Non-recurrent - \$2.8 million:** The recoupment of the Glenelg collateralised debt obligation (CDO) (\$1 million) and above budget interest income (\$1.8 million)

**Restricted Income - \$5.5 million:** Consolidation of Council's 50% share of the airport operating result (\$1.2 million), the 2012 special rate variation (\$2.4 million), the storm water management service charge (\$1 million), and the local roads component of the financial assistance grant (\$0.9 million).

In summary, when non-recurrent income sources are taken into consideration, the sustainable financial performance for December year to date is reporting a balanced operating position. The subsequent quarterly budget reviews will re-forecast the position expected at 30 June 2015.

Objective	KPI	Measure
4. Maintain a strong cash and liquidity position to ensure financial sustainability	Implement the budget principles endorsed by Council 18 April 2014	Achievement of budget principles

Council currently has a strong cash and liquidity position; this is demonstrated with the following ratios:

#### **Unrestricted current ratio 3.22:1 (Benchmark is greater than 1.5:1)**

This ratio is an indicator of Council's liquidity and has remained relatively stable in recent years, and reflects the impact of the requirement of accounting standards to classify investments as current or non-current, depending on the maturity date.

The unrestricted current ratio has been calculated for the purposes of assessing the capability of Council to meet its short term obligations (current liabilities) using current assets. The ratio indicates an improvement on last year due to an increase in cash levels from positive cash flows from operating activities including capital grants and contributions and the 2012 capital restricted special rate variation.

#### **Rates and annual charges outstanding ratio 4.61% (Benchmark is <5%)**

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The rates and annual charges outstanding ratio of 4.61% has fallen from 5.05% in 2012/13. This represents a decrease of 0.44%. This is an improvement on the result due to a more proactive approach with Council's mercantile agent.

#### **Cash expense cover ratio 8.7 (Benchmark is greater than three months)**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.



Objective	KPI	Measure
5. Provide better and more efficient services to customers through the implementation of improved systems and processes by 2017	Improve responsiveness and quality of customer experiences	Improve customer satisfaction scores in the Customer Service Survey by 2% 2014 , 5% 2015, 7% 2016, 10% 2017

The customer experience survey will commence in the 2015/16 financial year. The survey will be deployed in August 2015 just prior to the opening of the customer contact centre. This will provide base line data on current customer experience. This data will be used to help determine priorities in the customer contact centre and level of training / information required about particular issues.

The survey will be repeated in August 2016, 2017, 2018, 2019 and 2020 so we are able to

- determine whether the implementation of the customer contact centre has been successful in improving customer experience and
- identify areas where more training/information is required.

Objective	KPI	Measure
6. Renew and maintain assets within a sustainable range	Annual renewal ratio	Minimum of 10% variance in the maintenance renewal budget.

The special schedule 7 of the 2013/14 financial statements has the infrastructure backlog sitting at \$90.4 million (\$97.7 million 2012/13). The schedule addresses the condition of public works and the estimated cost to bring assets up to a satisfactory standard.

The \$7.2 million net reduction in the backlog is due to the \$29.2 reduction in backlog resulting from asset sales (building and structures) exceeding the \$22 million increase in the backlog relating to other asset classes (roads, stormwater drainage and other infrastructure assets). The primary reduction in the backlog of \$26.7 million in buildings has been achieved through asset sales of \$21.7 million and via increased borrowing of \$4.7 million.

Other asset classes all reflect a worsening asset position. Specifically these are:

- roads has increased by almost \$10 million from \$7.2 million to \$17.1 million
- drainage works has increased from \$15.4 million to \$17.3 million
- creeks and trees will require capital works of \$7.9 million and \$2.3 million respectively to bring to a satisfactory condition. This asset class has been included to provide a more complete view of the asset maintenance and renewal backlog.

In summary, reductions have been largely achieved by selling assets in poor condition in the building asset class whilst the asset maintenance and renewal backlog has grown in all other classes of assets. This is not financially sustainable and Council will need to increase maintenance and capital works to address the backlog. To do this sufficient funds need to be generated internally to fund the required maintenance and capital works.

Objective	KPI	Measure
7. Identify opportunities for asset rationalisation to fund the infrastructure backlog	Infrastructure backlog: infrastructure backlog (\$m) less internally available infrastructure funding (\$m) = unfunded infrastructure backlog (\$m)	Target backlog is 2% of value of infrastructure (\$)

The 10 year target for asset sales (2012/13 to 2021/22) has been revised down from \$52 million to \$47 million. This is due to combined impact of properties being removed from the sale list and the reappraisal of the potential sale proceeds for the remaining properties. These funds will be restricted for the purpose of infrastructure renewal.

Land and buildings	Status of sale	14/15 Dec Actual Settlement Amount
124 Cardiff Road, Elermore Vale	Settled	\$209,000
<b>TOTAL</b>		<b>\$1,576,273</b>

Road Closures	Status of sale	14/15 Dec Actual Settlement Amount
Road adjoining 5 Tyrrell Street Wallsend	Settled	\$154,223
<b>TOTAL</b>		<b>\$154,223</b>

Objective	KPI	Measure
8. Ensure a strong organisation that has the skills and talent to support the delivery of services that meet community needs	Critical skills known and succession plans in place to ensure continuity of service delivery to community	Succession plans in place for all critical positions by 2015

The leadership capability framework is being developed and will be rolled out progressively over the next two years. This process will include the development of a comprehensive succession plan for critical roles within the organisation.

# FINANCIAL PERFORMANCE

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

## Net change in Council's Reserves

For the quarter ending 31 December 2014

Item	A Reclassified 2014/15 Budget \$'000	B 2013/2014 Carry Forward Program \$'000	C Adopted September 2014 \$'000	D Adopted December 2014 \$'000	E Projected year end result 2014/15 \$'000	F Actual YTD \$'000
<b>Total Operating Revenue</b>	221,243	197	1,820	2,226	225,486	115,814
Total Operating Expenses	226,712	2,040	1,516	1,506	231,775	106,595
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(5,469)</b>	<b>(1,843)</b>	<b>303</b>	<b>720</b>	<b>(6,289)</b>	<b>9,219</b>
Total Capital Raising Revenue	9,423	270	8,177	4,792	22,662	3,796
Adjustments for Non Cash Items	48,476	0	0	(4,792)	43,684	24,236
<b>Funding available for capital expenditure</b>	<b>52,430</b>	<b>(1,573)</b>	<b>8,480</b>	<b>720</b>	<b>60,057</b>	<b>37,251</b>
Total Capital Spend	54,989	15,807	9,716	(9,857)	70,655	22,749
Net Loans Borrowings/ (Repayments)	(2,697)	0	0	0	(2,697)	1,250
Net Use of Funds	(5,256)	(17,380)	(1,236)	10,577	(13,295)	15,752
Net Transfers (from)/to Restricted Assets	(21,319)	(17,380)	(4,645)	9,144	(34,200)	(10,015)
Net Transfers (from)/to Unrestricted Cash	16,063	0	3,409	1,433	20,905	25,767
<b>Net change in Council's Reserves</b>	<b>(5,256)</b>	<b>(17,380)</b>	<b>(1,236)</b>	<b>10,577</b>	<b>(13,295)</b>	<b>15,752</b>

## Total Operating Revenue Less Operating Expenditure

For the quarter ending 31 December 2014

Item	A Reclassified 2014/15 Budget \$'000	B 2013/2014 Carry Forward Program \$'000	C Adopted September 2014 \$'000	D Adopted December 2014 \$'000	E Projected year end result 2014/15 \$'000	F Actual YTD \$'000
<b>Operating Revenue</b>						
Rates & charges	128,191	0	0	98	128,289	64,699
User charges & fees	60,093	0	565	(208)	60,450	30,698
Interest	7,077	0	1,075	700	8,852	4,967
Other operating revenues	9,463	0	184	744	10,391	7,305
Grants & contributions - Operating	16,419	197	(4)	892	17,504	8,145
<b>Total Operating Revenue</b>	<b>221,243</b>	<b>197</b>	<b>1,820</b>	<b>2,226</b>	<b>225,486</b>	<b>115,814</b>
<b>Operating Expenses</b>						
Employee costs	90,813	0	90	(23)	90,880	41,435
Borrowing costs	4,257	0	0	0	4,257	2,007
Materials & contracts	40,256	2,040	2,328	1,009	45,633	18,706
Depreciation & amortisation	48,476	0	0	0	48,476	24,236
Other operating expenses	42,910	0	(901)	520	42,529	20,211
<b>Total Operating Expenses</b>	<b>226,712</b>	<b>2,040</b>	<b>1,516</b>	<b>1,506</b>	<b>231,775</b>	<b>106,595</b>
<b>Total Operating Revenue Less Operating Expenditure</b>	<b>(5,469)</b>	<b>(1,843)</b>	<b>303</b>	<b>720</b>	<b>(6,289)</b>	<b>9,219</b>

## Net change in Council's Reserves

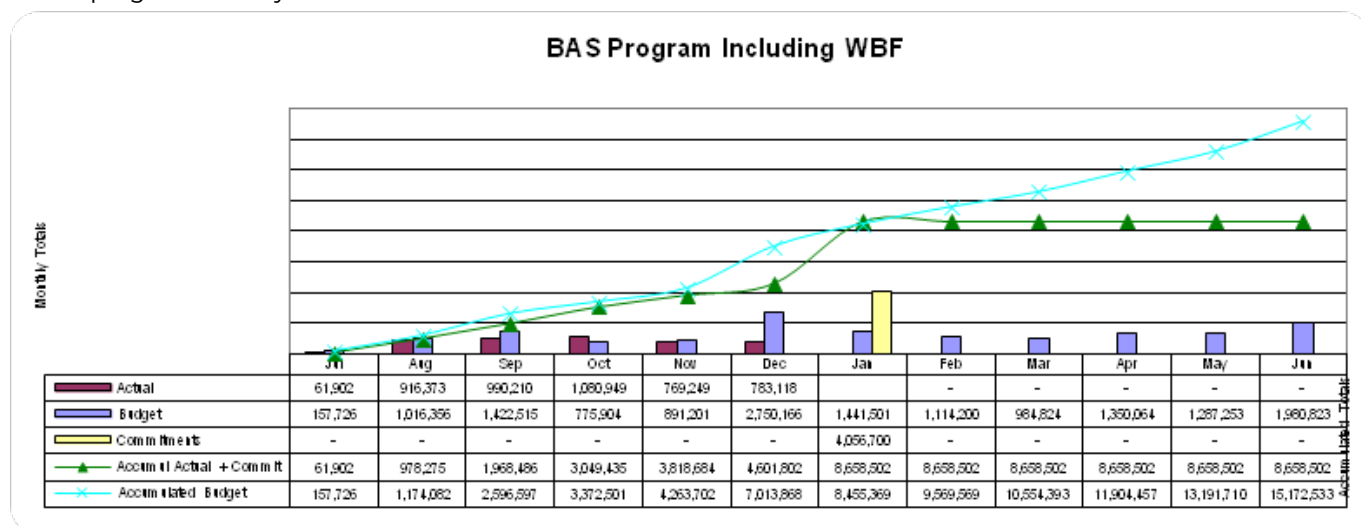
For the quarter ending 31 December 2014

Item	A Reclassified 2014/15 Budget \$'000	B 2013/2014 Carry Forward Program \$'000	C Adopted September 2014 \$'000	D Adopted December 2014 \$'000	E Projected year end result 2014/15 \$'000	F Actual YTD \$'000
<b>Capital Revenues</b>						
Grants & contributions - Capital	2,252	270	8,177	4,792	15,491	1,811
Proceeds from the sale of Assets	7,171	0	0	0	7,171	1,985
<b>Total Capital Raising revenue</b>	<b>9,423</b>	<b>270</b>	<b>8,177</b>	<b>4,792</b>	<b>22,662</b>	<b>3,796</b>
<b>Nett Surplus/(deficit) after capital revenue</b>	<b>3,954</b>	<b>(1,573)</b>	<b>8,480</b>	<b>5,512</b>	<b>16,373</b>	<b>13,015</b>
Adjustments for Non Cash Items						
Add back Depreciation	48,476	0	0	0	48,476	24,236
Less land & infrastructure donations	0	0	0	(4,792)	(4,792)	0
<b>Funding available for capital expenditure</b>	<b>52,430</b>	<b>(1,573)</b>	<b>8,480</b>	<b>720</b>	<b>60,057</b>	<b>37,251</b>
Capital Expenses						
Asset renewals	24,505	3,344	1,406	(1,772)	27,483	10,297
New / upgrade	19,239	8,751	3,436	(1,554)	29,872	9,310
Special Projects	11,245	3,712	4,874	(6,531)	13,300	3,142
<b>Total capital spend</b>	<b>54,989</b>	<b>15,807</b>	<b>9,716</b>	<b>(9,857)</b>	<b>70,655</b>	<b>22,749</b>
Net Loans Borrowings/ (Repayments)	(2,697)	0	0	0	(2,697)	1,250
<b>Net Use of Funds</b>	<b>(5,256)</b>	<b>(17,380)</b>	<b>(1,236)</b>	<b>10,577</b>	<b>(13,295)</b>	<b>15,752</b>
Net Transfers (from)/to Restricted Assets	(21,319)	(17,380)	(4,645)	9,144	(34,200)	(10,015)
Net Transfers (from)/to Unrestricted Cash	16,063	0	3,409	1,433	20,905	25,767
<b>Net change in Council's Reserves</b>	<b>(5,256)</b>	<b>(17,380)</b>	<b>(1,236)</b>	<b>10,577</b>	<b>(13,295)</b>	<b>15,752</b>

# MAJOR ASSET PRESERVATION PROGRAM

MAPPs overall was behind budget due to the increased demands for renewal works investigations associated with the delivery of the capital programs, as well as City Serve and Asian Cup projects. This has led to a reduction in resources available to progress MAPP program project delivery.

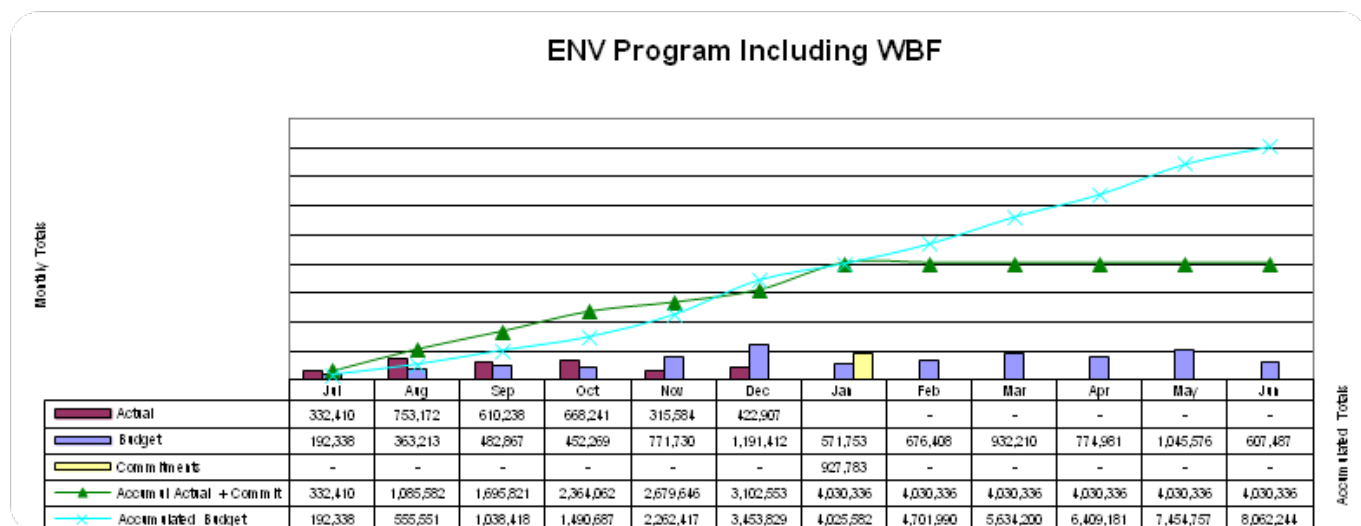
In budget planning processes the MAPP roads and environmental programs were reduced by \$2 million to fund City Hall works, with the intention to redistribute the funding back to these programs if available later in 2015 financial year. In December \$1.2 million local infrastructure renewal scheme (LIRS) funding was returned to reserves as this could not be redistributed within the MAPPs program. MAPP Buildings and Structures deferred several projects to fund required \$1.12 million roads works and \$72 k in environmental works. This transfer between MAPPs programs has brought the overall program delivery back on track.



The buildings and structures program behind target was caused by the City Hall project progressing slower than expected. The project currently has a \$2.2 million commitment.

Highlights include:

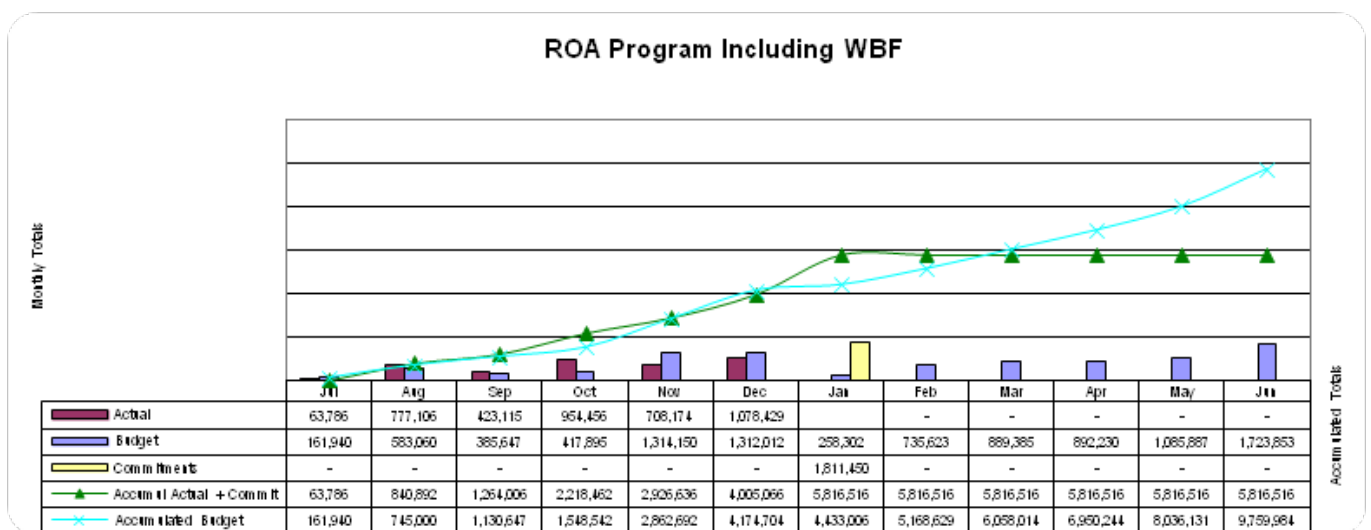
- Merewether Baths promenade and pump house renewal are complete.
- Telford Street retaining wall \$0.35 million works are complete.
- King Street car park mechanical and electrical renewal project not commenced pending the outcome of the current required structural review of the building.
- Water services have been replaced in Smith Park, No2 Sports ground, Kotara Park and Elernmore Vale Park
- Fred Ash air conditioning replacement has progressed to design phase for the roof platform.
- City Serve projects are complete including the refurbishment of the Passmore Oval grandstand.



The environment program has delivered a range of award winning and challenging projects in first two quarters as detailed below. There will be a substantial internal stormwater drainage construction program and natural asset restoration sites delivered in 3rd and 4th quarter.

Highlights include:

- Curzon Road New Lambton Drainage rehabilitation - Council successfully completed one of a most complex stormwater drainage reconstruction projects recently undertaken. The site involved private properties as well as the purchase of 45 Curzon Road New Lambton. Works were delivered under budget and ahead of schedule. Drainage easements are currently being surveyed, ahead of resale of the property.
- Revegetation works completed around the successful reconstruction of the open channel at Gunambie Reserve and Bousfield Street Wallsend using natural channel design.
- Council received the Stormwater Industry Association's Excellence in Infrastructure Award for Ironbark Creek restoration works in Elmore Vale completed in conjunction with the Soil Conservation Service Hunter.
- Willow Close Elmore Vale drainage head wall and open channel rehabilitation works completed
- Drainage works in Shortland Esplanade, Nobbys Cliffline Rehabilitation are underway.
- Completion of Raingardens and associated drainage to improve stormwater quality directly discharging to Dixon Park Beach
- Citywide Trenchless Technology Drainage Rehabilitation project contract for multiple sites has been awarded and Berner Street Merewether is already completed.
- Nest Box data gathered from Bushland and Urban Tree locations has been included in Council Natural Resource Atlas for use in project and monitoring / reporting purposes.
- Wallsend Floodplain Risk Management Plan - Implementation study has progressed to draft final report stage with a November public information session at Wallsend Library.
- 37 watercourse sites were monitored for macro-invertebrates, physical and chemical parameters. Council received unanimous positive responses from residents involved in the 14 community sites.



The roads program is progressing well, only slightly under target by 4% with planning resources impacted by involvement in Asian Cup, Transport changes and Built Infrastructure Project development.

Highlights include:

- Kerb and gutter replacement in Merewether Street, Merewether, Hawthorne Street Beresfield, Rosemount Street Kotara, Morgan Street and Denney Street Broadmeadow.
- Footpath rehabilitation works completed in Brooks Street, The Hill, Bellevue Street Newcastle West and Stevenson Place Newcastle East.
- Completion of \$0.31 million road resealing program containing 41 road blocks, as well as seven road resurfacing projects including Pitt Street and Wharf Street Stockton.
- Dixon park cycleway replacement completed.

# MAJOR PROJECTS

Council's total capital spend is \$10 million below the year to date budget of \$32.7 million. The full year program of \$80.5 million will require an increase in capital work from the current level of \$3.7 million to \$9.6 million per month. In aggregate Council's budget assumes that the capital work program of \$80 million generates \$10 million of additional operational expenditure. This ratio indicates that a YTD capital spend \$10 million below budget would have a flow on effect of \$1.5 million to materials and contracts.

Council's capital work program is currently being reviewed in-line with Council's capacity to deliver work over the remainder of the year. Project work that was initiated in 2013/14 and continued into the current year (\$15 million) in addition to new work associated with large successful grant applications (\$8 million) has increased the 2014/15 capital works budget to unachievable levels.

Projects considered for deferral due to lack of capacity will have budget reductions reported in the December quarterly budget review with another review during the March quarter. Projects deferred at December will be considered for the 2015/16 adopted budget. It is also expected that there will be a level of work initiated this year that will continue on into the 2015/16 financial year. The following major projects are of particular note:

## **Hunter St Revitalisation**

Progress on the Hunter st Revitalisation project has been dependent upon state government decisions in relation the rail corridor. \$0.9 million budgeted for this year will be reallocated to the 2015/16 financial year.

## **Coastal Revitalisation**

The program of work has been reviewed after successful obtaining grant funding through the resources for regions grant program. \$7 million of project work planned and budgeted for this financial year will be deferred until to the 2015/16 financial year as Council's focuses on completing work such as Shortland esplanade.

Council's capacity to deliver capital works is generated through internal tradesman as well as works contracted to external bodies with project management and oversight from Council. The 2014/15 capital works program was planned to be delivered in the majority by external contractors particularly in the Coastal Revitalisation Program. In summary the progress in delivery by both internal and external delivery is balanced at roughly 30%.

This will continue to be monitored by Council to ensure that the optimal balance for project delivery is managed. However there is a risk operating capacity of the Business Units may not be sufficient to deliver all of the capital works budgeted for the 2014/15 financial year. This works program is currently under review and any recommended changes which may be necessary has been included in the quarterly review.

